

**MINUTES OF THE
JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT
OF THE SENATE COMMITTEE ON FINANCE
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-sixth Session
April 5, 2011**

The Joint Subcommittee on General Government of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Moises (Mo) Denis at 8:02 a.m. on Tuesday, April 5, 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.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Moises (Mo) Denis, Chair
Senator David R. Parks
Senator Dean A. Rhoads

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblyman Marcus L. Conklin, Chair
Assemblyman Paul Aizley, Vice Chair
Assemblyman Kelvin D. Atkinson
Assemblyman Tom Grady
Assemblyman Randy Kirner
Assemblyman John Ocegüera

STAFF MEMBERS PRESENT:

Jennifer Byers, Program Analyst
Michael J. Chapman, Principal Deputy Fiscal Analyst
Rex Goodman, Principal Deputy Fiscal Analyst
Eric King, Program Analyst
Madison Piazza, Committee Secretary

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 2

OTHERS PRESENT:

Teresa Thienhaus, Director, Department of Personnel
Todd Rich, Deputy Director, Department of Business and Industry
Andrew Clinger, Director, Department of Administration
Lynn Hettrick, Executive Director, State Dairy Commission, Department of
Business and Industry

CHAIR DENIS:

We will start with the Department of Administration (DOA) overview.

JENNIFER BYERS (Program Analyst, Fiscal Analysis Division, Legislative Counsel
Bureau):

Currently, the DOA includes the divisions of Budget and Planning, Internal Audit, Insurance Loss and Prevention (also known as Risk Management), Hearings and Appeals (including Victims of Crime), Purchasing, Buildings and Grounds, Motor Pool, Administrative Services and Information Technology.

As part of the Governor's recommended reorganization efforts, the *Executive Budget* includes four new divisions under the DOA and the merging of two existing divisions within the Department. The Division of Human Resource Management, currently the Department of Personnel (DOP), would be created. The Division of Enterprise Information Technology (IT) Services, currently the Department of Information Technology (DoIT), is recommended to merge with and replace the existing IT Division. The Nevada State Library and Archives would be reassigned from the Department of Cultural Affairs and would manage Mail Services, currently under the Buildings and Grounds Division. The State Public Works Division, formerly the State Public Works Board, is recommended to merge with and replace the existing Buildings and Grounds Division. A new deputy director position is recommended in the *Executive Budget* to oversee all the divisions, except for Budget and Planning, under the DOA.

The following are the Agency's suggested benefits of the DOA reorganization. This includes the consolidation of a statewide help desk support currently provided by DoIT and DOP. It would allow for the establishment of a new enterprise business analysis function within the Division of Enterprise IT Services which would assist current and new customers by translating customer

needs into IT requirements. The consolidation of the State Public Works Board and the Buildings and Grounds Division would allow one entity to provide facility planning, management of design, construction and facility maintenance. The consolidation would allow the Administrative Services Division to enhance services provided to the other divisions within the Department, including enhanced contract management, performance measurement development, collection and reporting, centralized rate model development and monitoring for internal service funds. Aligning internal service fund agencies according to their respective functions will eliminate redundancy and inefficiency. The centralization of personnel services will provide consistency and reduce errors. The *Executive Budget* includes a pilot program recommended to start in October 2011 that includes the DOA, the Department of Taxation, the Department of Business and Industry, the Department of Education and the Department of Agriculture.

The DOA expressed some concerns regarding the combining of DOP with the DOA. The concerns noted that the DOP is responsible for independently reviewing all State agency reclassification requests. According to the DOA, there may be a perception that there would be a conflict of interest if the DOP was under the DOA. Currently, the Personnel Commission, which is an independent entity, is responsible for reviewing all appeals associated with the denial of reclassification and that should resolve that issue.

Fiscal Division Staff would note that if the 2011 Legislature chose to exclude the DOP from the DOA's consolidation plan, the DOP would still seek to create the proposed centralized personnel section for the five previously referenced departments.

If the consolidation is not approved, the Governor's recommended physical relocations for several divisions currently under the Department and for three of the new divisions recommended to be merged under the Department would still take place. Savings will be realized by relocating these divisions from rented and leased facilities to State-owned facilities.

There has been a change to State Building Fire Inspections by Public Works Division. That function would be shared by the State Fire Marshal and the State Public Works Division.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 4

The General Fund impact, if the DOA reorganization is approved, is a savings of approximately \$471,000. The total savings is approximately \$1.9 million, \$471,000 of which is from the General Fund.

Senate Bill (S.B.) 427 provides for the merger of the referenced agencies into the DOA and the dissolution of the Department of Cultural Affairs, with the exception of the Division of State Library and Archives, the State Council on Libraries and Literacy and the State Historic Records Advisory Board, which are reorganized under the DOA. This bill has been referred to the Senate Committee on Finance.

SENATE BILL 427: Provides for the merger of various state agencies into the Department of Administration. (BDR 18-1161)

There are three options for consideration. First, approve the Governor's recommended reorganization of the DOA to include four new divisions and the merging of two existing divisions within the Department, with corresponding General Fund savings of \$471,000 in the 2011-2013 biennium. Second, approve part of the Governor's recommended reorganization of the DOA. Third, disapprove the Governor's recommended reorganization of the Department. If this option is chosen, additional General Fund appropriations of up to \$471,000 would need to be restored in the appropriate accounts.

SENATOR KIECKHEFER:

Based on the testimony, I believe there is a nexus for the recommended consolidation. Departments would be able to receive better services from critical areas such as IT and human resources (HR). I support the Governor's recommendation.

ASSEMBLYMAN KIRNER:

It seems to me that there are a number of efficiencies involved with the reorganization and I support the Governor's recommendation.

CHAIR DENIS:

Although there is a savings by reorganizing the DOA, it is not a large sum considering the amount of reorganization that will take place. The efficiencies that will take place are the main reason for this change.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 5

SENATOR RHOADS:

Why is the Department of Agriculture going to be included in the pilot program?

TERESA THIENHAUS (Director, Department of Personnel):

The pilot program will centralize HR services within the Department of Personnel, which will become the Division of Human Resource Management. The pilot program consists of bringing all of the DOA agencies and four other agencies together under one centralized HR group. Those four additional agencies are the Department of Taxation, the Department of Agriculture, the Department of Education and the Department of Business and Industry (B&I). By April 2012, all of those agencies will be receiving HR services from one centralized HR division.

CHAIR DENIS:

If this bill were not approved, would the HR reorganization still take place?

MS. THIENHAUS:

Yes.

CHAIR DENIS:

We will move on to budget closings. The budget closing document ([Exhibit C](#)) has information regarding the closings. The first budget to close is budget account (B/A) 101-1374.

COMMERCE AND INDUSTRY

BUSINESS AND INDUSTRY

B&I – Employee Management Relations Board — Budget Page B&I-34
(Volume II)

Budget Account 101-1374

MS. BYERS:

There are no major closing issues in this budget account. There are two other closing items. Other Closing Item No. 1 on page 4 of [Exhibit C](#) decision units M-800 and E-800 recommend funding reserves of \$4,088 in fiscal year (FY) 2011-2012 and \$5,149 in FY 2012-2013. These reserves are for the

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 6

Employee Management Relations Board's share of the cost allocation of the Director's Office in B&I, as well as the new Human Resource Management Division's, formerly DOP, cost allocation for personnel and payroll services.

M-800 Cost Allocation — Page B&I-36
E-800 Cost Allocation — Page B&I-37

Other Closing Item No. 2 is the recommended ending reserves of \$84,867 in FY 2011-2012 and a decrease in reserves to \$24,205 in FY 2012-2013. Fiscal Staff calculates a 30-day reserve of \$43,716 in FY 2012-2013. Testimony provided by B&I staff, at their budget hearing on March 25, 2011, indicated the reserve levels were sufficient and that 90 percent of the fees assessed were collected in the first month of the fiscal year. Both items appear to be reasonable to Fiscal Staff.

Fiscal Staff recommends this account be closed as recommended by the Governor and requests authority to make any necessary adjustments to employee salaries and fringe benefits based on decisions made by the 2011 Legislature. Fiscal Staff also requests authority to make technical adjustments for final departmental or statewide allocations and assessments and costs of equipment or related schedule-driven items.

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO CLOSE BUDGET ACCOUNT 101-1374 AS RECOMMENDED BY THE GOVERNOR, INCLUDING DECISION UNITS M-800 AND E-800; AND TO AUTHORIZE STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 7

CHAIR DENIS:

We will now move to close B/A 101-3900.

B&I – Labor Commissioner — Budget Page B&I-44 (Volume II)
Budget Account 101-3900

MS. BYERS:

There are no major closing issues in this budget account. There are two other closing items. Other Closing Item No. 1, decision unit E-250, is the recommendation of General Funds of \$576 in FY 2011-2012 and \$311 in FY 2012-2013 for e-mail services through DoIT. Currently e-mail services are provided to the Office of Labor Commissioner by an outside vendor. Other Closing Item No. 2, decision unit E-800, recommends General Funds of \$3,544 in FY 2011-2012 and \$5,988 in FY 2012-2013 for the Office of Labor Commissioner's share of the new Human Resource Management Division's (formerly DOP) cost allocation for personnel and payroll services.

E-250 Economic Working Environment — Page B&I-45
E-800 Cost Allocation — Page B&I-47

Fiscal Staff recommends this account be closed as recommended by the Governor and requests authority to make any necessary adjustments to employee salaries and fringe benefits based on decisions made by the 2011 Legislature. Fiscal Staff also requests authority to make technical adjustments for final departmental or statewide allocations and assessments, and costs of equipment or related schedule-driven items.

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO CLOSE BUDGET ACCOUNT 101-3900 AS RECOMMENDED BY THE GOVERNOR, INCLUDING DECISION UNITS E-250 AND E-800, AND TO AUTHORIZE STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

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

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 8

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR DENIS:
We will move to budget account 245-4130.

B&I – Taxicab Authority — Budget Page B&I-241 (Volume II)
Budget Account 245-4130

MS. BYERS:
There are four major closing issues in this budget account. Major Closing Issue No. 1, decision unit E-606, is the elimination of five airport control officer positions for a total savings of \$84,837 in FY 2011-2012 and \$304,855 in FY 2012-2013. These five positions are recommended to be eliminated for two reasons. First, there has been a decline in revenue that has necessitated certain reductions. Second, other agencies have increased their roles at the McCarran International Airport, diminishing the need for Taxicab Authority staff. The Agency has indicated the remaining staff will be sufficient for coverage at the airport. Does the Subcommittee wish to approve the Governor's recommendation to eliminate the five airport control officer positions?

E-606 Staffing and Operating Reductions — Page B&I-244

CHAIR DENIS:
This appears to be reasonable based on the increased roles of other agencies.

ASSEMBLYMAN ATKINSON:
Please expand on the other agencies taking over some of the responsibilities of the Taxicab Authority.

MS. BYERS:
The airport control officer positions with the Nevada Taxicab Authority were originally ticket takers and traffic facilitators for the taxicabs at McCarran International Airport. Since that time, the airport has hired its own staff to perform those functions. The Las Vegas Metropolitan Police Department (Metro) also has a larger presence at the airport because of the high level of security

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 9

due to the terrorist attacks in the past. With the additional staff at the airport, the airport control officers who were provided by the Taxicab Authority are no longer needed. They currently have four airport control officers left, after the elimination of these five positions.

ASSEMBLYMAN ATKINSON:

I am unsure what Metro's role is in this and I am not comfortable with that.

CHAIR DENIS:

Will someone from the Taxicab Authority please come up and clarify this issue?

TODD RICH (Deputy Director, Department of Business and Industry):

There are nine airport control officers. With new technology and operational changes, it is not necessary to have that many officers. The Division and Department felt it would be best to eliminate five positions and reclassify four positions to the compliance investigator role. These investigators can still go to the Airport. Conversely, the airport control officers only had authority at the Airport. This gives us additional flexibility and some cost savings.

CHAIR DENIS:

With respect to reclassifying the four positions, will they still be at the airport, but have the authority to leave airport property to complete investigations?

MR. RICH:

One person will be assigned on every shift to patrol the airport. They will be backup and will be able to respond to those issues at the airport and elsewhere within Clark County. Right now, the positions are classified such that they only have police officer rights at the airport. We are requesting the elimination of that job classification and will replace it with the full-bodied police officer who can go anywhere within Clark County. The dispatcher will still have someone there every shift to patrol the Airport. When calls come up, they will respond accordingly.

ASSEMBLYMAN ATKINSON:

Who patrols the tunnel through which taxicabs travel to the McCarran Airport?

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 10

MR. RICH:

You are referring to long hauling. That issue has been brought to the Authority. We are recruiting for a new administrator. Today, April 5, 2011, we should be receiving three names from which we will make a final choice. I do not know the details, but we can certainly try to get that information.

ASSEMBLYMAN ATKINSON:
Who polices the tunnel?

MR. RICH:

I do not know the details and I do not want to give you an incorrect answer.

MS. BYERS:

The Taxicab Authority staff is responsible for looking for those taxicab drivers who may be long hauling and they are responsible for pulling them over.

ASSEMBLYMAN ATKINSON:

Are any of the positions that are being eliminated in charge of policing?

MS. BYERS:

No, those positions are not being eliminated. These are the five positions that are airport control officers.

ASSEMBLYMAN ATKINSON:

I was unsure if those at the airport had that jurisdiction. If they do not, then that is fine.

MR. RICH:

Ms. Byers is correct. They only have authority on airport grounds. The positions we want to reclassify would have the authority to police the tunnel.

ASSEMBLYMAN ATKINSON:

With the new classification, would they possibly be able to help with that issue?

MR. RICH:

Yes.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 11

ASSEMBLYMAN AIZLEY:

Are the five positions that are being eliminated currently vacant?

MR. RICH:

Nine positions will be eliminated if the budget is approved. We will then reclassify four positions to be compliance investigators.

MS. BYERS:

Currently, three of the five positions are filled. Two of those individuals will be moved into two of the reclassified positions. The third individual will retire.

ASSEMBLYMAN KIRNER:

Is the Airport Authority hiring additional people? Is that why the Taxicab Authority can reduce its staff?

MR. RICH:

As Ms. Byers mentioned, two of the individuals in the positions to be eliminated have accepted the positions to be reclassified and the third individual has chosen to retire. We will then hire two more individuals to fill the other two reclassified positions.

CHAIR DENIS:

The question is what is allowing the Taxicab Authority to reduce its staff. Is it because Metro has increased its presence at the airport?

MR. RICH:

It is two-fold. First, we have seen declining revenues in our budget. Second, there have been additional resources, such as McCarran International Airport hiring additional staff and Metro placing individuals there, enabling the Authority to reduce their staff.

CHAIR DENIS:

What duties have the McCarran Airport employees been performing?

MR. RICH:

I do not know the answer to that.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 12

MS. BYERS:

Since 2001, with the introduction of an automated vehicle identification system, McCarran International Airport has hired its own staff to direct traffic and the need for Taxicab Authority staff has diminished. In addition, private securities have been provided by the airport, which includes explosive detection, K-9 units, Metro's large presence at the airport and its airport substation to resolve any law enforcement or homeland security issues that may arise. Since 2001, there has been an increase of other agencies providing these types of services which is the reason for the Authority reducing the five positions.

CHAIR DENIS:

Do we have a motion to approve the Governor's recommendation to eliminate the five positions?

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-606, THE GOVERNOR'S RECOMMENDED ELIMINATION OF FIVE POSITIONS FROM THE TAXICAB AUTHORITY, IN BUDGET ACCOUNT 245-4130.

SENATOR RHOADS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

MS. BYERS:

Since the Subcommittee has chosen to approve the elimination of the five airport control officer positions, Fiscal Staff requests authority to make adjustments for reductions of approximately \$27,000 for holiday pay and shift differential for the five positions that were not included in the Governor's recommended budget, along with an additional reduction for overtime. The decision unit also appears to have included two line items for retirement buyout. The Agency has provided an estimate for the individual who will retire which is \$88,298. There is another line item for about \$109,653 that we want to eliminate.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 13

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO AUTHORIZE FISCAL STAFF TO MAKE ADJUSTMENTS FOR HOLIDAY PAY AND SHIFT DIFFERENTIAL FOR THE FIVE POSITIONS THAT WERE NOT INCLUDED IN THE GOVERNOR'S RECOMMENDED BUDGET, ALONG WITH AN ADDITIONAL REDUCTION FOR OVERTIME; TO PROVIDE \$88,298 FOR THE POSITION TO RETIRE AND TO ELIMINATE A LINE ITEM OF ABOUT \$109,000 IN DECISION UNIT E-606 OF BUDGET ACCOUNT 245-4130.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. BYERS:

Major Closing Issue No. 2 in [Exhibit C](#) contains decision unit E-805, the reclassification of the four remaining airport control officer positions. This recommendation will reclassify two positions to a compliance/enforcement investigator I and two will be reclassified to a compliance/enforcement investigator II. This will result in additional funding of \$55,364 in FY 2011-2012 and \$55,132 in FY 2012-2013. By reclassifying these positions, the Agency will have greater flexibility to have these four positions at the airport and offsite. Does the Subcommittee wish to approve the Governor's recommendation to upgrade the four airport control officer positions remaining in this account to compliance/enforcement investigators?

E-805 Classified Position Reclassifications — Page B&I-248

CHAIR DENIS:

I inquired whether this was a way to give them a raise, since they were still going to be located at the airport. After the explanation of what the employees will be doing and considering this will allow them to complete investigations that begin at the airport, but may lead off airport grounds, I am comfortable with the recommendation.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 14

ASSEMBLYMAN CONKLIN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION OF DECISION UNIT E-805, THE RECLASSIFICATION OF FOUR POSITIONS, IN BUDGET ACCOUNT 245-4130.

SENATOR RHOADS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

MS. BYERS:

Major Closing Issue No. 3, decision unit E-328, is the Governor's recommendation to increase the amount transferred to the Aging and Disability Services Division, Federal Programs and Administration, B/A 101-3151, for the Senior Ride Program. Specifically, an additional \$276,422 would be transferred over the 2011-2013 biennium. Funding for the proposed transfer comes from reserves.

HUMAN SERVICES

AGING AND DISABILITY SERVICES

HHS-ADSD – Federal Programs and Administration — Budget Page DHHS
ADSD-25 (Volume II)
Budget Account 101-3151

E-328 Deliver Public Services Directly and Efficiently — Page DHHS ADSD-30

This recommendation is contingent on approval of the corresponding decision unit in the Aging and Disability Services, Federal Programs and Administration account. That account will be closed at a future meeting of the joint Subcommittee on Human Services and Capital Improvement Programs. Fiscal Staff requests authority to reconcile the transfer to Aging and Disability Services after that closing. Does the Subcommittee wish to approve the transfer

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 15

of additional funding of \$276,422 for the Senior Ride Program as recommended by the Governor?

CHAIR DENIS:

Is this where someone will be monitoring the age of the applicants?

MS. BYERS:

Decision unit E-328 adds a program officer and an administrative assistant in the Aging and Disability Services Division in order to add an income eligibility component to the Senior Ride Program. Currently, there is no income eligibility requirement for purchasing the reduced taxicab fare vouchers.

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-328, AN INCREASE OF \$276,422 FOR THE SENIOR RIDE PROGRAM, IN BUDGET ACCOUNT 245-4130, AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

ASSEMBLYMAN AIZLEY:

Considering the program is shifting agencies, will people know where to go to receive their taxicab vouchers?

MS. BYERS:

It is not shifting agencies, the Aging and Disability Services Division has always provided that service. They are adding positions. There will be a process for filling out an application before the vouchers can be purchased and the applicants will review the application to make sure they meet the income eligibility criteria.

ASSEMBLYMAN AIZLEY:

Will the citizens go to the same place?

MS. BYERS:

Yes, they will pick up the vouchers from the same location.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 16

CHAIR DENIS:

Will less money be coming into the program because fewer people will qualify?

MS. BYERS:

Because they have not kept statistics, I am unsure, but it seems that will be the case. There might be outreach to other citizens.

CHAIR DENIS:

Unless the outreach brings more citizens into the program, it appears that it will cost us money, but we will be able to qualify the people who are doing that.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. BYERS:

Major Closing Issue No. 4, decision unit E-975, is the centralization of fiscal functions for B&I. An administrative services officer I position is recommended to be transferred to B&I administration account, B/A 101-4681, as part of the Department's plan to centralize fiscal, IT and licensing functions, resulting in savings of \$67,955 in FY 2011-2012 and \$91,235 in FY 2012-2013. This position is then recommended to be reclassified as a management analyst III and would perform fiscal functions in the administration account. Funding for the position would be through B&I's cost-allocation fund, which is allocated to all divisions within B&I.

B&I – Business and Industry Administration — Budget Page B&I-1 (Volume II)
Budget Account 101-4681

E-975 Trans Admin Svcs Ofcr Frm Taxicab to Administration — Page B&I-16

The closing for the administration account will be at a later date, and Staff requests authority to adjust all transfer units pertinent to the centralization depending on the Subcommittee's decision.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 17

SENATOR CONKLIN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO AUTHORIZE STAFF TO ADJUST ALL TRANSFER UNITS PERTINENT TO THE CENTRALIZATION WITH RESPECT TO DECISION UNIT E-975 IN BUDGET ACCOUNT 101-4681.

SENATOR RHOADS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. BYERS:

Other Closing Items appear to be reasonable to Fiscal Staff, except for Other Item Nos. 1 and 3. Other Closing Item No. 1 is decision unit E-711, replacement equipment. We have received a more recent quote for the 12 radios that are recommended to be replaced. Fiscal Staff recommends a technical adjustment from reserves to fund an increase of \$3,996 for police radios, based upon the recent price quote.

E-711 Equipment Replacement — Page B&I-246

CHAIR DENIS:

Will these radios be compatible with the digital radios that DoIT will be using?

MS. BYERS:

I was unable to get that information. I can follow up on that to make sure they conform with the digital radios.

CHAIR DENIS:

Please follow up on that. If they are going to purchase analog radios, but are switching to digital, we should probably update now, rather than later.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 18

ASSEMBLYMAN GRADY MOVED TO RECOMMEND TO THE FULL COMMITTEES APPROVAL OF DECISION UNIT E-711, WITH RESERVES TO FUND AN INCREASE OF \$3,996 FOR RADIOS BASED ON A RECENT PRICE QUOTE; AND TO AUTHORIZE STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

Ms. BYERS:

Other Item No. 3 is decision unit E-713 which is a replacement of 20 ballistic vests for certified peace officers. Based on the number of vests replaced in prior years, only 19 vests need to be replaced this year. Fiscal Staff recommends a reduction of \$590 in this decision unit to remove one vest.

E-713 Equipment Replacement — Page B&I-247

CHAIR DENIS:

They are not asking five individuals to go without vests, they already have six vests.

ASSEMBLYMAN CONKLIN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE A REDUCTION OF \$590 IN DECISION UNIT E-713 OF BUDGET ACCOUNT 245-4130 AS RECOMMENDED BY THE GOVERNOR.

SENATOR RHOADS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 19

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. BYERS:

Under technical adjustments, Fiscal Staff requests authority to make any necessary adjustments to employee salaries and fringe benefits based on decisions made by the 2011 Legislature. Staff also requests authority to make technical adjustments for final department or statewide allocations and assessments and costs of equipment or related schedule-driven items.

ASSEMBLYMAN CONKLIN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO AUTHORIZE STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS IN BUDGET ACCOUNT 245-4130.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR DENIS:

We will move to B/A 226-3922, Nevada Transportation Authority (NTA).

B&I – Transportation Authority — Budget Page B&I-251 (Volume II)
Budget Account 226-3922

MS. BYERS:

There are three major closing issues within this budget. Major Closing Issue No. 1, decision unit E-600, is the elimination of two positions, a supervisory compliance/enforcement investigator and a program officer I. This would result in Highway Fund savings of \$154,197 in FY 2011-2012 and \$156,346 in FY 2012-2013. The program officer I position has been vacant since December 5, 2009 and the Agency has indicated that those functions have been absorbed within the Agency and they are able to manage their programs

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 20

without this position. The supervisory compliance/enforcement investigator position is currently filled, which could result in one layoff.

E-600 Budget Reductions — Page B&I-253

The NTA staff indicated that the elimination of this position would have an impact on the Agency. Currently, NTA has two supervisory compliance/enforcement investigators. If the position were eliminated, the second individual would have to pick up the functions of the other position. Those functions would include supervisory functions, compliance and audit investigations statewide. It appears to Fiscal Staff that this budget reduction was recommended by the Governor to address the State's fiscal situation, rather than to achieve operational efficiencies.

There are two options for consideration. The first option is to approve the Governor's recommendation to eliminate the supervisory compliance/enforcement investigator and the program officer I positions in both years of the 2011-2013 biennium, resulting in Highway Fund savings of \$154,197 in FY 2011-2012 and \$156,346 in FY 2012-2013. The second option is to consider restoring the filled supervisory compliance/enforcement investigator position, which would result in additional Highway Fund costs of \$107,705 in FY 2011-2012 and \$108,947 in FY 2012-2013.

Fiscal Staff notes that operating and telephone expenses were only removed for one position instead of two. Information Technology operating expenses and the Department of Transportation's cost allocation were not removed from this account. Fiscal Staff requests authority to make Highway Fund reductions estimated at \$1,267 for FY 2011-2012 and \$1,133 for FY 2012-2013, should the Subcommittee choose to eliminate both positions.

CHAIR DENIS:

We have a couple of options. One option is to eliminate the two positions and there will be Highway Fund savings. Is there General Fund savings?

Ms. BYERS:

No, there is not.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 21

CHAIR DENIS:

According to testimony this was not done for efficiencies, but for budgetary reasons and would impact NTA. It is important to note that this will not impact the General Fund.

MS. BYERS:

The Highway Fund is at approximately \$89 million for road construction projects. They prefer to have it at about \$100 million. The amount of Highway Funds available is less than we usually have.

CHAIR DENIS:

If this were not approved, it would be taking money out of the Highway Fund.

ASSEMBLYMAN CONKLIN:

Why are we eliminating this position if there is no efficiency? Does the Highway Fund have a budget issue as well?

ANDREW CLINGER (Director, Department of Administration):

I am not familiar with this issue. While there is not as large a problem in the Highway Fund in regards to a shortfall, there are struggles there. We balance that out against the number of highway projects that can be completed in a given biennium. This one position would not have a negative impact on the Highway Fund.

ASSEMBLYMAN CONKLIN:

Since you know revenue will be lower, is there a move to cut back on positions or programs that are funded by the Highway Fund to preserve a balance that can be spent on construction projects?

MR. CLINGER:

We restricted Highway Fund agencies because the revenue is projected to be flat. It has not been as negative as the General Fund, but it has declined in the past few years. We asked Highway Fund agencies to hold their expenditures flat through FY 2011-2012 and FY 2012-2013. If you look at the amount of the Highway Fund dollars that support the positions, it is a small amount relative to what is spent on highway construction.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 22

ASSEMBLYMAN CONKLIN:

What is the revenue source for the Highway Fund?

MR. CLINGER:

It is gas tax primarily. There are other special funds that contribute as well as fees, such as vehicle registration.

ASSEMBLYMAN CONKLIN:

Is the percentage of gas tax that contributes to the Highway Fund approximately 80 percent?

MR. CLINGER:

Yes, it is close to 80 percent.

ASSEMBLYMAN CONKLIN:

Will that Fund trend with the gas tax?

MR. CLINGER:

Yes.

SENATOR PARKS:

Was there a consideration to combine the Taxicab Authority and the Transportation Authority, resulting in the reduction from two commissions and administrators to one?

MR. CLINGER:

We did look at that possible consolidation, as well as different options with those agencies. We came to the conclusion that there was not enough savings to merge them.

CHAIR DENIS:

There is a bill to eliminate both of those agencies.

ASSEMBLYMAN CONKLIN:

I realize the need to cut the Highway Fund. I wanted to make sure it was not a cut for the sake of a cut and that there was a reason for this elimination.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 23

ASSEMBLYMAN CONKLIN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-600 IN B/A 226-3922 AS RECOMMEND BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE HIGHWAY FUND REDUCTIONS ESTIMATED AT \$1,267 IN FY 2011-2012 AND \$1,133 IN FY 2012-2013.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

MS. BYERS:

Major Closing Item No. 2, decision unit E-974, is the centralization of fiscal functions for B&I. The position of transportation manager in this account, also known as the deputy commissioner of NTA, is recommended to be transferred to B&I as part of the Department's plan to centralize fiscal, IT and licensing functions. This transfer would result in Highway Fund savings of \$84,882 in FY 2011-2012 and \$113,690 in FY 2012-2013. This position is then recommended to be reclassified to an administrative services officer III and would perform fiscal functions in the administration account. Funding for the position would be through the B&I administration cost allocation, which is allocated to all divisions within B&I. Senate Bill 497 of the 74th Session created the transportation manager/deputy commissioner position, which was primarily established as a program position.

E-974 Trans Dep Commiss From Trans Authority to Administ — Page B&I-256

At the joint subcommittee hearing on March 25, 2011, staff from NTA testified that the nonfiscal duties currently assigned to the position would be reassigned to other positions within NTA. The NTA staff also indicated that only 25 percent of the transportation management duties are related to fiscal functions and the other 75 percent is programmatic-type duties.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 24

Senate Bill 433, currently in the Senate Committee on Finance, would eliminate the current statutory requirement for the authority to appoint a deputy commissioner. Does the Subcommittee wish to transfer the filled transportation manager/deputy commissioner position to the B&I administration account, for a Highway Fund savings of \$84,882 in FY 2011-2012 and \$113,690 in FY 2012-2013?

SENATE BILL 433: Eliminates the position of Deputy Commissioner of the Nevada Transportation Authority. (BDR 58-1214)

If approved, the decision to reclassify the position is contingent on the Subcommittee's decision on B&I's centralization proposal. The closing for the B&I administration account will be at a later date. Fiscal Staff requests authority to adjust all transfer units pertinent to the reorganization after that budget closing and to adjust this account as necessary if S.B. 433 is not approved.

CHAIR DENIS:

We have two items. First, do we want to transfer the transportation manager/deputy commissioner position to the B&I account?

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE GOVERNOR'S RECOMMENDATION OF DECISION UNIT E-974 IN BUDGET ACCOUNT 226-3922.

SENATOR PARKS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

CHAIR DENIS:

The second decision is, if S.B. 433 is not approved, do we wish to give Fiscal Staff the authority to make technical adjustments?

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 25

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS IF S.B. 433 IS NOT APPROVED.

SENATOR PARKS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

Ms. BYERS:

Please refer to Major Closing Issue No. 3, on page 16 of [Exhibit C](#). Decision unit E-806 contains the recommended unclassified salary increase for the chief transportation inspector position funded with Highway Funds, for a net increase of \$22,295 in FY 2011-2012 and \$22,411 in FY 2012-2013. The chief transportation inspector supervises compliance/enforcement investigators that are classified at a grade 39 and grade 41. There are few positions that are making more money than the chief transportation inspector. This recommends increasing this position equivalent to a grade 43, step 10, which is approximately 10 percent higher than the highest classified grade-level position that the position supervises. As the Subcommittee is aware, decisions about unclassified pay are not made during the budget hearing process, but are determined later by the Unclassified Pay Committee. This information will be provided to that Committee. Staff requests authority to make adjustments to this account based upon the action of the Unclassified Pay Committee.

E-806 Unclassified Position Salary Increases — Page B&I-255

ASSEMBLYMAN CONKLIN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS ACCORDING TO THE UNCLASSIFIED PAY COMMITTEE'S DECISION ON DECISION UNIT E-806 IN B/A 226-3922.

SENATOR KIECKHEFER SECONDED THE MOTION.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 26

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

ASSEMBLYMAN CONKLIN:

I would like to make a motion for the remaining items in B/A 226-3922.

ASSEMBLYMAN CONKLIN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS TO EMPLOYEE SALARIES AND FRINGE BENEFITS BASED ON DECISIONS MADE BY THE 2011 LEGISLATURE IN BUDGET ACCOUNT 226-3922.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLYMAN CONKLIN:

I would like to amend my previous motion.

ASSEMBLYMAN CONKLIN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO AUTHORIZE STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS IN BUDGET ACCOUNT 226-3922 AND TO CLOSE THE REMAINING DECISION UNITS, E-710, M-800 AND E-800, IN THIS ACCOUNT.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 27

M-800 Cost Allocation — Page B&I-253
E-800 Cost Allocation — Page B&I-255

MS. BYERS:

Budget account 226-3923 is the transportation authority administrative fines account. There are no major closing issues in this account. Staff recommends this account be closed as recommend by the Governor and requests authority to make technical adjustments for final departmental or statewide allocations and assessments and costs of equipment or related schedule-driven items.

B&I – Transportation Authority Admin Fines — Budget Page B&I-258 (Volume II)
Budget Account 226-3923

ASSEMBLYMAN CONKLIN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE BUDGET ACCOUNT 226-3923 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS TO THE ACCOUNT AND ITS DECISION UNITS BASED ON THE DECISIONS MADE BY THE 2011 LEGISLATURE.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

MS. BYERS:

I would like to make the Subcommittee aware of S.B. 312, which eliminates the NTA and moves various functions to Clark County and the Department of Public Safety. It also eliminates the Taxicab Authority and transfers those duties to Clark County.

SENATE BILL 312: Makes various changes relating to transportation.
(BDR 58-1070)

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 28

CHAIR DENIS:

We will move on to B/A 233-4470, the Dairy Commission.

B&I – Dairy Commission — Budget Page B&I-27 (Volume II)
Budget Account 233-4470

ERIC KING (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

This account has not been heard by the Subcommittee. There are no major issues for the account, but there are two Other Closing Items. Other Closing Item No. 1 is the Governor's recommendation for an ending reserve balance in FY 2012-2013 of \$672,406 or approximately 190 days. We note that that is a 54.9 percent increase over FY 2010-2010. The primary reason for this is the increase in yogurt assessments, which is projected to be 15 percent greater in FY 2011-2012 than in FY 2010-2011. By FY 2012-2013, it is projected to be 19 percent greater than FY 2010-2011. Fiscal Staff notes that *Nevada Revised Statutes* 584.649 authorizes the Dairy Commission to reduce any assessment whenever their costs for administering the program can be defrayed from lower rates. As a result, knowing the levels of reserves recommended in this account, the Subcommittee may wish to recommend issuing a letter of intent directing the Dairy Commission to monitor its reserve levels and consider adjusting the yogurt assessments pursuant to statute. Does the Subcommittee wish to approve the recommendation to instruct the Agency to monitor its reserves and adjust yogurt assessments pursuant to statute?

CHAIR DENIS:

Will we need to recommend a letter of intent?

MR. KING:

You would recommend a letter of intent for the Dairy Commission monitoring their yogurt assessments and reducing them if they can defray their program costs.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 29

ASSEMBLYMAN CONKLIN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO SEND A LETTER OF INTENT TO THE DAIRY COMMISSION INSTRUCTING THEM TO MONITOR THEIR RESERVES AND ADJUST YOGURT ASSESSMENTS IN BUDGET ACCOUNT 233-4470 PURSUANT TO STATUTE.

SENATOR RHOADS SECONDED THE MOTION.

LYNN HETTRICK (Executive Director, State Dairy Commission, Department of Business and Industry):

We do not have a problem with the letter of intent to adjust the assessments. We would like to not have it directed to yogurt. Yogurt is going up because of increased sales; it is one of the few things in the dairy industry that is increasing. Yogurt is also manufactured almost entirely outside of the State of Nevada. We have already decided to monitor our assessments and are looking at a reduction to accomplish exactly what Mr. King has suggested. We would rather reduce the assessments for milk products that are processed in the State to help our in-state producers, rather than do it on yogurt which is done outside the State of Nevada.

We happily accept the letter directing us to review our adjustments to assessments, but we would rather it was not directed at yogurt.

MR. KING:

The statute allows the Dairy Commission to adjust certain assessments and other assessments outside of yogurt are included in that. The statute requires there to be a reasonable reserve in that account. If we could accomplish a reasonable reserve by making adjustments to other assessments that are provided in that statute, that would be acceptable.

ASSEMBLYMAN CONKLIN MOVED TO AMEND THE MOTION AND RECOMMEND TO THE FULL COMMITTEES TO SEND A LETTER OF INTENT TO THE DAIRY COMMISSION INSTRUCTING THEM TO MONITOR THEIR RESERVES AND ADJUST ASSESSMENTS IN BUDGET ACCOUNT 233-4470 PURSUANT TO STATUTE.

SENATOR RHOADS SECONDED THE MOTION.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 30

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. KING:

Fiscal Staff requests authority to make technical adjustments for internal cost allocations, statewide cost allocations and assessments as well as the Governor's recommendations regarding salaries, benefits, longevity and merit reductions.

ASSEMBLYMAN CONKLIN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS REGARDING SALARIES, BENEFITS, LONGEVITY AND MERIT REDUCTIONS IN BUDGET ACCOUNT 233-4470; AND TO AUTHORIZE STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. KING:

I will move on to the Athletic Commission, B/A 101-3952. There are no major closing issues for this account, but there are three informational items. Other Closing Item No. 1 is the recommended reserve level. Staff notes that the Governor recommends \$113,136 in each year of the biennium for the Amateur Boxing Program. That compares to \$128,530 that was approved for the 2009-2011 biennium. The Commission testified that they would continue to award those funds to grantees to pay tournament registration fees, travel and ambulance costs as they have in the past. The recommendation appears

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 31

reasonable. Fiscal Staff recommends approval as recommended by the Governor.

B&I – Athletic Commission — Budget Page B&I-39 (Volume II)
Budget Account 101-3952

SENATOR RHOADS:

Assembly Bill (A.B.) 178 would increase the regular fee from \$1 to \$2 for each ticket sold. Is that a bill the Governor would veto?

ASSEMBLY BILL 178: Establishes an account for retired boxers and other contestants who engaged in unarmed combat for remuneration.
(BDR 41-55)

MR. CLINGER:

The Governor has been consistent on his message regarding fee or tax increases. If A.B. 178 were approved, he would veto it.

MR. KING:

Other Closing Item No. 2 is decision unit E-800 which is cost allocations. Fiscal Staff requests authority to make technical adjustments both internal and statewide. Staff seeks authority to make technical adjustments that may be necessary due to changes in statewide assessments and changes to the Governor's recommendations regarding salaries, benefits, longevity and merit reductions.

E-800 Cost Allocation — Page B&I-41

ASSEMBLYMAN CONKLIN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE \$113,136 FOR EACH YEAR OF THE 2011-2013 BIENNIUM AND DECISION UNIT E-800 AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY TO BUDGET ACCOUNT 101-3952.

SENATOR KIECKHEFER SECONDED THE MOTION.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 32

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. KING:

We will move to B/A 101-1017, the Deferred Compensation Committee (DCC) account. Although there are no major closing items for this account, there are three other closing items for the Subcommittee's information. Other Closing Item No. 1 on page 18 of [Exhibit C](#) is the replacement of provider contracts at the end of FY 2012-2013. The Agency indicated that they anticipate adequate levels of interest and proposals that would be submitted for that renegotiation. During the last renegotiation process, five to seven vendors had proposals, so there should be adequate interest.

SPECIAL PURPOSE AGENCIES

DEFERRED COMPENSATION

Deferred Compensation Committee — Budget Page DEFERRED COMP-1
(Volume III)
Budget Account 101-1017

Other Closing Item No. 2 is the excess provider contract revenues returned to plan participants. Participants who have a minimum \$10 balance receive the reimbursement of monies collected from the plan providers in excess of the operations costs for the DCC, including a 30-day reserve. Staff is noting that over the last three years, \$577,408 has been returned to plan participants.

Other Closing Item No. 3 relates to return on investments for plan participants. There is a table on page 19 of [Exhibit C](#) that compares the Standard and Poor's 500 Index to plan participants' rates of returns.

Decision unit E-800 requests authority for technical adjustments for internal cost allocations as well as technical adjustments for statewide assessments and

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 33

the Governor's recommendation for salaries, benefits, longevity and merit reductions.

E-800 Cost Allocation — Page DEFERRED COMP-3

Staff notes that I have made a correction for fund sources of \$420,000 from interagency receipts to other funds to properly classify those revenues for the committee.

SENATOR PARKS:

The funds in this account do not come from the General Fund. Training, registration, out-of-state travel and the newsletter printing and postage costs were cut. That could prove to be a bit of a problem in light of the administration of this program. Are we cutting these funds to satisfy a percentage requirement?

MR. KING:

The cut in the printing was not done to satisfy a percentage, although it was a cost-saving measure. The DCC has indicated that they are increasing their outreach through electronic means versus hard printing costs. I am drawing a blank in regards to the travel other than to say that was a budget reduction measure, but it does not appear to have a major impact on the operation of the committee.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE BUDGET ACCOUNT 101-1017 AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 34

CHAIR DENIS:

Seeing no further business, we are adjourned at 9:18 a.m.

RESPECTFULLY SUBMITTED:

Madison Piazza,
Committee Secretary

APPROVED BY:

Senator Moises (Mo) Denis, Chair

DATE: _____

Assemblyman Marcus L. Conklin, Chair

DATE: _____

Joint Subcommittee on General Government
Senate Committee on Finance
Assembly Committee on Ways and Means
April 5, 2011
Page 35

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C		Joint Subcommittee on General Government Closing List #1