

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

**Seventy-sixth Session  
April 26, 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 8:21 a.m. on Tuesday, April 26, 2011, in Room 4100 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4406, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**SENATE COMMITTEE MEMBERS PRESENT:**

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

**ASSEMBLY COMMITTEE MEMBERS PRESENT:**

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

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Assemblyman John Ocegüera

**STAFF MEMBERS PRESENT:**

Michael J. Chapman, Principal Deputy Fiscal Analyst  
Rick Combs, Assembly Fiscal Analyst  
Catherine Crocket, Program Analyst  
Joi Davis, Senior Program Analyst  
Rex Goodman, Principal Deputy Fiscal Analyst  
Mark Krmpotic, Senate Fiscal Analyst  
Teri Sulli, Program Analyst  
Wayne Thorley, Program Analyst  
Jackie Cheney, Committee Secretary

**OTHERS PRESENT:**

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education

CHAIR HORSFORD:

We will begin with budget closings for the Nevada State Department of Education (NSDE).

JOI DAVIS (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Please refer to the Senate Finance and Assembly Ways and Means Meeting Jointly, Closing List #1, April 25, 2011 ([Exhibit C](#)). We will begin with budget account (B/A) 101-2697 located on page 46.

**EDUCATION**

**K-12 EDUCATION**

NDE – Proficiency Testing — Budget Page K-12 EDUCATION-46 (Volume I)  
Budget Account 101-2697

This budget is funded entirely with General Fund appropriations. The testing assessments included in this account are listed on page 46 of [Exhibit C](#).

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The major closing issues are the elimination of the Norm-Referenced Tests (NRT) and decreased funding for the System of Accountability Information in Nevada (SAIN). A detailed explanation can be found on page 47 of [Exhibit C](#).

Regarding the first closing item, does the Committee approve the Governor's recommendation to eliminate approximately \$1.85 million in General Fund appropriations over the biennium for administration of NRT?

SENATOR CEGAVSKE:

Over a month ago, NSDE was asked to provide verification on the standards for passing and verification of the pass rate for the Criterion-Referenced Tests (CRT) administered in Nevada. To date, this information has not been received. I am again requesting this information. I will make a motion, but expect this information to be forthcoming.

SENATOR CEGAVSKE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE APPROXIMATELY \$1.85 MILLION IN GENERAL FUND APPROPRIATIONS OVER THE BIENNIUM FOR ADMINISTRATION OF NRT IN B/A 101-2697.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. DAVIS:

The next major closing item for B/A 101-2697 is the decreased funding for SAIN, as described on page 47, Item No. 2, of [Exhibit C](#). The Governor is recommending a 28 percent decrease from the amount approved in the 2009-2011 biennium. Based on additional information and testimony from the Department, this request appears reasonable.

SENATOR CEGAVSKE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO APPROVE \$425,501 FOR THE 2011-2013

BIENNIUM TO CONTINUE SUPPORT OF THE SAIN PROGRAM IN  
B/A 101-2697.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. DAVIS:

There are 3 other closing items for B/A 101-2697 discussed on page 48 of [Exhibit C](#). The first one concerns contract costs for the High School Proficiency Exam (HSPE) and CRT. During the closing of this budget by the 2009 Legislature, the money committees expressed concerns about the contract costs for HSPE and CRT and directed the Department to reduce contract costs prior to contract renewal. The Department secured a new three-year contract effective July 1, 2010 to June 30, 2013 which represents a 4.1 percent reduction from the previous contract.

The second item is decision unit E-710, recommending \$9,069 in fiscal year (FY) 2011-2012 and \$26,376 in FY 2012-2013 for equipment replacement.

E-710 Equipment Replacement — Page K-12 EDUCATION-49

Finally, in decision unit E-800, a General Fund appropriation of \$1,678 in FY 2011-2012 and \$2,837 in FY 2012-2013 is requested for a new cost allocation to the Division of Human Resource Management which is proposed within the Department of Administration to centralize personnel services for several agencies. This cost allocation may be impacted by the decision regarding the recommendation to reorganize and centralize personnel services within the Department of Administration.

E-800 Cost Allocation — Page K-12 EDUCATION-50

SENATOR LESLIE MOVED TO CLOSE THE REMAINING THREE CLOSING ITEMS IN B/A 101-2697, INCLUDING DECISION UNITS E-710 AND E-800, AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR COST ALLOCATIONS AND OTHER TRANSFERS WITHIN NSDE.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Ms. DAVIS:

Budget Account 101-2705 is located on page 49 of [Exhibit C](#). This account is funded with fees from teacher licensure and has been self-sustaining since approximately 2002.

NDE – Teacher Education and Licensing — Budget Page K-12 EDUCATION-52  
(Volume I)

Budget Account 101-2705

The first major closing issue is declining revenues resulting from decreasing teacher licenses and renewals. The chart at the top of page 50, [Exhibit C](#), illustrates this decline in teacher licensure services since FY 2009-2010. The Office of Teacher Licensure (OTL) is considering options for a revised fee schedule as described in the middle of page 50. Further, they are evaluating staffing levels to align them with the decreasing licensing activities.

The OTL states their intention is to remain self-supporting and they will continue to review workloads, explore fee modifications and monitor operating expenditures to ensure reserves are adequate in this budget.

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CHAIR HORSFORD:  
Is this the first time the reserve level has been reduced to this level?

Ms. DAVIS:  
Yes.

CHAIR HORSFORD:  
If OTL is not fully self-supporting, will they have to request contingency funding from the Interim Finance Committee (IFC)?

Ms. DAVIS:  
That is correct.

ASSEMBLYMAN CONKLIN MOVED TO ISSUE A LETTER OF INTENT DIRECTING THE DEPARTMENT TO REPORT QUARTERLY TO IFC DURING THE 2011-2013 BIENNIUM REGARDING RESERVE LEVELS IN B/A 101-2705; AND TO REPORT QUARTERLY TO IFC ON PROPOSALS TO CHANGE THE FEE STRUCTURE ON STAFFING LEVELS FOR OTL IN ORDER TO REMAIN SELF-SUPPORTING.

SENATOR LESLIE SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. DAVIS:  
The second major closing item for B/A 101-2705 concerns the teacher licensure database and other enhancements approved by the 2009 Legislature as outlined on page 51 of [Exhibit C](#). Funds in the amount of \$344,083 were authorized to be paid from reserves in this account. The project included a two-phase process. However, due to declining revenues, the work did not begin until the beginning of FY 2010-2011. Phase I is complete and the work for Phase II is scheduled to begin. The Agency used federal funding for Phase I and anticipates continuing to use federal funds through Phase II.

SENATOR DENIS MOVED TO ISSUE A LETTER OF INTENT DIRECTING THE DEPARTMENT TO REPORT QUARTERLY TO IFC DURING THE 2011-2013 BIENNIUM REGARDING THE STATUS OF THE TEACHER LICENSURE DATABASE IN B/A 101-2705.

SENATOR CEGAVSKE SECONDED THE MOTION.

SENATOR KIECKHEFER:

There has been a great influx in the number of teachers hired during the past decade due to the population growth. Now that this is leveling out, has staffing been adjusted to reflect the reduced workload?

Ms. DAVIS:

Staffing has been discussed with the Agency. Additional staff was not hired during higher enrollment times. The processing time was much longer, sometimes as long as eight months. Now, licensures are processed within 30 days.

SENATOR KIECKHEFER:

If the Agency did not hire additional staff, what did they do with the extra revenue?

Ms. DAVIS:

It was used for digital scanning to convert hard copy teacher licensure information into an electronic format. Some offices were relocated which impacted the rent and operating costs and some funds were used to update the Agency's Website.

SENATOR KIECKHEFER:

I will support the Governor's recommendation on this account, but I am not totally comfortable with his recommendation.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. DAVIS:

In decision unit E-710, \$4,524 is recommended in reserve funds over the 2011-2013 biennium to replace computer hardware in accordance with the State five-year replacement schedule. This recommendation appears reasonable.

E-710 Equipment Replacement — Page K-12 EDUCATION-55

Finally, decision unit E-800 recommends \$2,334 in FY 2011-2012 and \$3,943 in FY 2012-2013 for a new cost allocation to the Division of Human Resource Management proposed within the Department of Administration to centralize personnel services for several agencies. This cost allocation may be impacted by the decision regarding the recommendation to reorganize and centralize personnel services within the Department of Administration.

E-800 Cost Allocation — Page K-12 EDUCATION-56

SENATOR LESLIE MOVED TO APPROVE B/A 101-2705, INCLUDING DECISION UNITS E-710 AND E-800, AS RECOMMENDED BY THE GOVERNOR; TO ISSUE A LETTER OF INTENT DIRECTING THE DEPARTMENT TO REPORT QUARTERLY TO IFC DURING THE 2011-2013 BIENNIUM REGARDING RESERVE LEVELS IN THIS ACCOUNT AND ANY PROPOSALS TO CHANGE THE FEE STRUCTURE OR STAFFING LEVELS FOR OTL; TO ISSUE A LETTER OF INTENT DIRECTING THE DEPARTMENT TO REPORT QUARTERLY TO IFC DURING THE 2011-2013 BIENNIUM REGARDING THE STATUS OF ALL PHASES OF THE TEACHER LICENSURE DATABASE REGARDING THE RESERVE LEVELS AND THE STATUS OF COMPLETING THE TEACHER LICENSURE DATABASES FOR THIS ACCOUNT; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY FOR DEPARTMENTAL COST ALLOCATIONS AND TRANSFERS WITHIN NSDE.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.



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BUDGET CLOSED.

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Ms. DAVIS:

Next, is B/A 101-2605, on page 53 of [Exhibit C](#). This account includes the federal funding for the Safe and Drug-Free Schools and Communities Act. The Governor recommends elimination of this account from the *Executive Budget* due to the elimination of federal funds. The recommendation also includes the elimination of one full-time equivalent (FTE) position which became vacant in November of 2009. The Governor's recommendation appears reasonable.

NDE – Drug Abuse Education — Budget Page K-12 EDUCATION-58 (Volume I)  
Budget Account 101-2605

SENATOR CEGAVSKE MOVED TO ELIMINATE B/A 101-2605 AS  
RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

ASSEMBLYWOMAN MASTROLUCA:

Has there been any indication by the federal government about the possibility of this program coming back?

Ms. DAVIS:

I have not heard anything.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.  
BUDGET CLOSED.

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Ms. DAVIS:

We will move to B/A 101-2611. This program is totally federally funded. A detailed description is located on page 54 of [Exhibit C](#).

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NDE – School Health Education – AIDS — Budget Page K-12 EDUCATION-62  
(Volume I)  
Budget Account 101-2611

There are no major closing issues. Decision Unit E-225 recommends the elimination of a vacant .51 FTE administrative assistant I position. The position duties include the preparation of the Nevada Youth Risk Behavior Survey. The Department indicates this can be accomplished by temporary contractual staff every other year at a lower cost.

E-225 Reduce Duplication of Effort — Page K-12 EDUCATION-63

Decision unit E-800 recommends \$186 in FY 2011-2012 and \$315 in FY 2012-2013 for a new cost allocation to the Division of Human Resource Management proposed within the Department of Administration to centralize personnel services for several agencies. The cost allocation may be impacted by the decision regarding the recommendation to reorganize and centralize personnel services within the Department of Administration.

E-800 Cost Allocation — Page K-12 EDUCATION-65

These recommendations appear reasonable.

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-2611, INCLUDING DECISION UNITS E-225 AND E-800, AS RECOMMENDED BY THE GOVERNOR; AND TO GRANT AUTHORITY TO STAFF TO MAKE TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY FOR DEPARTMENTAL COST ALLOCATIONS AND TRANSFERS WITHIN NSDE AND FOR THE MOST CURRENT INFORMATION REGARDING FEDERAL REVENUE.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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BUDGET CLOSED.

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MS. DAVIS:

The overview and detail for B/A 101-2678 is on page 56 of [Exhibit C](#). This account includes federal funding for continuation of the Nevada Gaining Early Awareness and Readiness for the Undergraduate (GEAR UP) and associated scholarship programs.

NDE – GEAR UP — Budget Page K-12 EDUCATION-67 (Volume I)  
Budget Account 101-2678

The major budget issue is the transfer of an administrative assistant IV from B/A 101-2719 to B/A 101-2678 as described on page 57 of [Exhibit C](#).

NDE - Education Staffing Services — Budget Page K-12 EDUCATION-33  
(Volume I)  
Budget Account 101-2719

During the budget hearing, the Subcommittee expressed concern regarding the need for two administrative assistant positions in the GEAR UP program. In response, the Department requested at the April 18, 2011 IFC meeting, to transfer the existing administrative assistant III position from B/A 101-2678 to B/A 101-2715. The intention was to align the position duties with the funding for the position. The IFC approved the transfer and fiscal staff adjusted the budget closing document to reflect the approved position transfer. Based on the IFC action on April 18, 2011, the Governor's recommendation to transfer an administrative assistant IV position to B/A 101-2678 appears reasonable.

NDE – Individuals with Disabilities (IDEA) — Budget Page  
K-12 EDUCATION-122 (Volume I)  
Budget Account 101-2715

SENATOR CEGAVSKE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO TRANSFER AN ADMINISTRATIVE ASSISTANT IV POSITION FROM B/A 101-2719 TO B/A 101-2678; AND TO APPROVE THE TECHNICAL ADJUSTMENT TO TRANSFER THE

ADMINISTRATIVE ASSISTANT III POSITION TO B/A 101-2715 BASED ON IFC APPROVAL OF THIS ACTION ON APRIL 18, 2011.

ASSEMBLYMAN KIRNER SECONDED THE MOTION

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. DAVIS:

Page 57 of [Exhibit C](#) lists two other closing items. Decision unit E-710 recommends funds for replacement of computer hardware in accordance with the State's replacement schedule. Decision unit E-800 recommends a new cost allocation resulting from the reorganization to centralize personnel services for certain agencies, as previously discussed. These requests are reasonable and it is recommended the budget be closed as recommended by the Governor.

E-710 Equipment Replacement — Page K-12 EDUCATION-70

E-800 Cost Allocation — Page K-12 EDUCATION-70

ASSEMBLYMAN KIRNER MOVED TO APPROVE B/A 101-2678, INCLUDING DECISION UNITS E-710 AND E-800, AS RECOMMENDED BY THE GOVERNOR; TO APPROVE THE TECHNICAL ADJUSTMENT TO TRANSFER THE ADMINISTRATIVE ASSISTANT III POSITION TO B/A 101-2715 BASED ON IFC APPROVAL; AND TO APPROVE STAFF TO MAKE TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY FOR DEPARTMENTAL COST ALLOCATIONS AND TRANSFERS WITHIN NSDE AND FOR THE MOST CURRENT INFORMATION REGARDING FEDERAL REVENUE.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

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SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Ms. DAVIS:

The overview for B/A 101-2706, located on page 58 of [Exhibit C](#), lists the programs included in this account.

NDE – Other Unrestricted Accounts — Budget Page K-12 EDUCATION-73  
(Volume I)  
Budget Account 101-2706

On November 19, 2009, IFC approved three new positions in B/A 101-2706 to establish the Office of Charter Schools within NSDE. These positions are funded through cost allocations to the Office of Charter Schools, supported by charter school administrative fees. The *Executive Budget*, in decision unit E-905 of B/A 101-2706, recommends the transfer of an administrative assistant III from B/A 101-2720 to B/A 101-2706. The chart on page 59 of [Exhibit C](#) lists all the positions in the Office of Charter Schools, including the three positions approved by IFC and the administrative assistant position recommended by the Governor, to be transferred to this account.

E-905 Trans From Ed Support Svcs to Other Unrestricted — Page  
K-12 EDUCATION-77

NDE – Education Support Services — Budget Page K-12 EDUCATION-39  
(Volume I)  
Budget Account 101-2720

Currently, the education programs professional position in B/A 101-2673 works 100 percent on charter school activities, yet is funded 100 percent with General Fund monies. Staff inquired into funding this position with charter school administrative fees. The Department responded that should the 2011 Legislature approve a new office of charter schools outside the Department, the personnel in the Office of Charter Schools could be transferred to the new office and the Department could retain the education programs

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professional position to serve as a liaison between the new office of charter schools and the Department. However, it appears reasonable to pay for this position with charter school administrative fees, rather than General Fund monies, if charter school fees are available to support the cost of the position.

NDE - Education State Programs — Budget Page K-12 EDUCATION-27  
(Volume I)  
Budget Account 101-2673

As explained on page 60 of [Exhibit C](#), there are sufficient revenues from fees and reserve balances in B/A 101-2706 to fund the education programs professional position.

Senate Bill (S.B.) 212 as amended, would require the Department to transfer all charter school fees collected in this account to the newly created Public Charter School Authority by October 1, 2011, and require the Department to transfer the management analyst position to the newly created Public Charter School Authority by January 1, 2012. The legislation, if approved, authorizes other positions to be hired by a director appointed by the Governor.

[SENATE BILL 212 \(1st Reprint\)](#): Revises provisions governing charter schools.  
(BDR 34-900)

Assembly Bill (A.B.) 171, if approved, changes the administrative fee collected from state-sponsored charter schools from the current rate of 1.5 percent to 1 percent after the first year of charter school implementation.

[ASSEMBLY BILL 171 \(1st Reprint\)](#): Revises provisions governing charter schools. (BDR 34-812)

Does the Committee wish to approve Staff's recommendation to transfer an education programs professional position from B/A 101-2673 to B/A 101-2706 to be funded with charter school fees, resulting in a General Fund savings of approximately \$98,000 in each year of the 2011-2013 biennium? Additionally, Staff requests authority to make adjustments to B/A 101-2706 based on the outcome of S.B. 212 and A.B. 171. Staff recommends the remainder of this account be closed as recommended by the Governor and to allow Staff to make technical adjustments.

ASSEMBLYWOMAN SMITH MOVED TO APPROVE B/A 101-2706, INCLUDING DECISION UNIT E-905, AS RECOMMENDED BY THE GOVERNOR; TO AUTHORIZE STAFF TO MAKE ADJUSTMENTS BASED ON THE OUTCOME OF S.B. 212 AND A.B. 171; TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY FOR DEPARTMENTAL COST ALLOCATIONS AND TRANSFERS WITHIN NSDE AND FOR THE MOST CURRENT INFORMATION REGARDING FEDERAL REVENUE.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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SENATOR CEGAVSKE:

I am still waiting for information requested regarding the fees for services provided for charter schools. I am interested in seeing that information.

Ms. DAVIS:

The next item is B/A 101-2709. Page 62 of [Exhibit C](#) gives an overview and lists all the programs included in this account.

NDE – Discretionary Grants – Restricted — Budget Page K-12 EDUCATION-79  
(Volume I)

Budget Account 101-2709

The major closing issue is the carryforward of the Education Jobs Fund (Ed Jobs) to FY 2011-2012. In FY 2010-2011, the State was awarded approximately \$83.1 million in Ed Jobs funds, less \$578,576 for administration of the grant. A description of the administrative funds and how they can be used is listed at the bottom of page 63 in [Exhibit C](#).

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The Governor's budget does not include any carryforward of these funds. Staff has worked with the Agency and the Department of Administration, Budget Division, to determine how much will need to be carried forward for FY 2011-2012. The funds are available to school districts through September 30, 2012. As of April 22, 2011, the school districts only expended approximately \$19.5 million. Page 64 of [Exhibit C](#) indicates approximately \$37.3 million will be carried forward. However, new information has been received revising this number to a carryforward of approximately \$30.1 million. Approximately \$29.6 million would go to school districts and \$525,000 to the Department for administration funds. Does the Committee wish to approve the carryforward of approximately \$30.1 million in Ed Jobs funds for FY 2011-2012?

ASSEMBLYMAN HARDY MOVED TO APPROVE THE CARRYFORWARD OF APPROXIMATELY \$30.1 MILLION OF ED JOBS FUNDS IN B/A 101-2709 FOR FY 2011-2012.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. DAVIS:

There are four other closing items for B/A 101-2709. The first is decision unit E-498 regarding the expiration of Longitudinal Data Systems Grant and deletion of those funds from this account as described on page 64 of [Exhibit C](#). This recommendation appears reasonable.

E-498 Expiring Grant/Program — Page K-12 EDUCATION-81

Item No. 2 is decision unit E-491, concerning the expiration of the Federal Homeless Children Grant awarded through the American Recovery and Reinvestment Act of 2009 (ARRA). This was a one-time award that will not be available in the upcoming biennium. Consequently, the Governor recommends



deleting these funds from this account. This recommendation appears reasonable.

E-491 Expiring Grant/Program — Page K-12 EDUCATION-81

Item No. 3 is decision unit E-504. The Governor recommends transferring an education programs professional position from B/A 101-2673 where the position was funded 100 percent from General Fund monies to B/A 101-2709 where the position will be funded with 100 percent Elementary and Secondary Education Act, Title III, English Language Acquisition grant funds. This recommendation appears reasonable.

E-504 Adjustments to Transfers — Page K-12 EDUCATION-82

Item No. 4 is decision unit E-800 regarding the new cost-allocation plan previously discussed.

E-800 Cost Allocation — Page K-12 EDUCATION-30

Staff recommends approval of the other closing items as recommended by the Governor.

CHAIR HORSFORD:

What is happening with the homeless children now that the ARRA grant has expired?

Ms. DAVIS:

The ARRA funds will continue through September 30, 2011. Regular homeless grant funding will continue in this budget. Only the ARRA funds are one-time funding.

ASSEMBLYMAN KIRNER MOVED TO APPROVE B/A 101-2709, INCLUDING DECISION UNITS, E-498, E-491, E-504 AND E-800 AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY FOR DEPARTMENTAL COST ALLOCATIONS AND TRANSFERS WITHIN NSDE AND FOR THE MOST CURRENT INFORMATION REGARDING FEDERAL REVENUE.

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SENATOR LESLIE SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Ms. DAVIS:

Budget Account 101-2712 contains the Title I funds of the No Child Left Behind Act of 2001 (NCLB). An overview, including a listing of the programs in this account, is located on page 66 of [Exhibit C](#).

NDE – Elementary & Secondary Ed – Title I — Budget Page K-12  
EDUCATION-85 (Volume I)  
Budget Account 101-2712

There are no major closing issues in this budget. There are four other closing items as described on page 67 of [Exhibit C](#). The first item includes three decision units recommending elimination of revenues and expenditures for expiring federal grants. Based on the elimination of these federal grants, the recommendation appears reasonable.

Decision Unit E-491 eliminates federal Title I-Part A Basic ARRA grant funds.

E-491 Expiring Grant/Program — Page K-12 EDUCATION-88

Decision Unit E-492 eliminates federal funds for the Even Start literacy program.

E-492 Expiring Grant/Program — Page K-12 EDUCATION-88

Decision Unit E-493 eliminates federal funds for the Reading First program.

E-493 Expiring Grant/Program — Page K-12 EDUCATION-88

The second other closing item concerns the School Improvement Grants (SIG). The Governor recommends approximately \$6.8 million in each year of the 2011-2013 biennium in federal ARRA SIG funds. On page 67, Other Closing Item No. 2 describes the schools and programs funded with these monies. The *Executive Budget* also recommends approximately \$5.6 million in each year of the biennium for federal program improvement grants. These grants are awarded to Title I schools identified as being in need of improvement. Program revenue and expenditures for the SIG appear reasonable.

Other Closing Item No. 3, decision units E-225 and E-226, consolidates Migrant Aid-to-Schools expenditure and administrative categories. This recommendation appears reasonable.

E-225 Reduce Duplication of Effort — Page K-12 EDUCATION-87

E-226 Reduce Duplication of Effort — Page K-12 EDUCATION-87

Other Closing Item No.4, decision unit E-800, is a revision to the cost allocation as previously discussed.

E-800 Cost Allocation — Page K-12 EDUCATION-90

SENATOR KIECKHEFER MOVED TO APPROVE B/A 101-2712 INCLUDING DECISION UNITS E-225, E-226, E-491, E-492, E-493 AND E-800 AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS BY STAFF.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\*\*\*\*\*

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Ms. DAVIS:

Budget account 101-2713 includes federal funds for Titles II, V and VI programs included in the NCLB Act. The programs included in this account are described on pages 69 and 70 of [Exhibit C](#).

NDE – Elementary & Secondary EDUCATION Titles II V, & VI, — Budget Page  
K-12 EDUCATION-92 (Volume I)  
Budget Account 101-2713

There are no major closing items. Several decision units are eliminating federal grant funds as described on pages 70 and 71 of [Exhibit C](#). First, is decision unit E-491, which eliminates approximately \$1.7 million in federal technology funds and a grants and projects management analyst in FY 2012-2013.

E-491 Expiring Grant/Program — Page K-12 EDUCATION-94

Decision unit E-492 eliminates approximately \$3.7 million in each year of the biennium in one-time ARRA federal technology grant funds.

E-492 Expiring Grant/Program — Page K-12 EDUCATION-95

Decision Unit E-495 eliminates \$144,869 in federal grant monies in each year of the 2011-2013 biennium for innovative strategies.

E-495 Expiring Grant/Program — Page K-12 EDUCATION-95

Decision units E-497 and E-498 eliminate \$6,878 in each year of the 2011-2013 biennium due to the expiration of the enhanced assessment grant and the improving education grants.

E-497 Expiring Grant/Program — Page K-12 EDUCATION-96

E-498 Expiring Grant/Program — Page K-12 EDUCATION-96

These recommendations appear reasonable due to the expiration of the federal grant monies.

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The *Executive Budget* recommends, in decision unit E-496, elimination of \$917,178 in each year of the 2011-2013 biennium for Math and Science Partnership Grant funds. However, recent information at the federal level indicates this grant will be continued for one more year. Fiscal Staff worked with NSDE and the Department of Administration, Budget Division to adjust this budget to continue the Math and Science Partnership grant with corresponding expenditures through FY 2011-2012, as reflected in the closing document.

E-496 Expiring Grant/Program — Page K-12 EDUCATION-95

Fiscal Staff has also adjusted the closing document, [Exhibit C](#), page 70, Other Closing Item No. 2, to include federal authority carryforward of \$100,000 and corresponding expenditures to continue the Striving Readers Literacy grant in FY 2011-2012.

Other Closing Item No. 3, Decision unit E-710, includes \$2,992 in each year of the 2011-2013 biennium for the annual statistical software license fees. This recommendation appears reasonable.

E-710 Equipment Replacement — Page K-12 EDUCATION-98

Decision unit E-800 includes funds for the new cost allocation previously discussed.

E-800 Cost Allocation — Page K-12 EDUCATION-98

SENATOR DENIS:

Regarding the Striving Readers Literacy Grant, was an application submitted by the February 1, 2011, deadline for additional funding for the statewide implementation of our literacy plan?

Ms. DAVIS:

Yes. The maximum Nevada can receive is \$500,000. I will check on the status of this application and report back to you.

SENATOR DENIS MOVED TO APPROVE B/A 101-2713, INCLUDING DECISION UNITS E-491, E-492, E-495, E-496, E-497, E-498, E-710 AND E-800, AS RECOMMENDED BY THE GOVERNOR; TO AUTHORIZE STAFF

TO MAKE A TECHNICAL ADJUSTMENT TO TRANSFER RENT EXPENDITURES FROM THE TECHNOLOGY ADMINISTRATION CATEGORY TO THE STATE ASSESSMENT ADMINISTRATION CATEGORY DUE TO THE ELIMINATION OF THE TECHNOLOGY GRANT; TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY FOR DEPARTMENTAL COST ALLOCATIONS AND TRANSFERS WITHIN NSDE AND FOR THE MOST CURRENT INFORMATION REGARDING FEDERAL REVENUE; TO AUTHORIZE STAFF TO RESTORE REVENUE AND EXPENDITURE AUTHORITY FOR THE MATH AND SCIENCE PARTNERSHIP GRANT; AND TO ADD AUTHORITY FOR THE STRIVING READERS LITERACY GRANT.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN ATKINSON AND HAMBRICK WERE ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

Ms. DAVIS:

The overview for B/A 101-2606 is located on page 72 of [Exhibit C](#). The federal programs that fund this account are the Leveraging Education Assistance Program (LEAP) and the Special Leveraging Education Assistance Program (SLEAP). The federal funding for these programs has ended.

NDE – Student Incentive Grants — Budget Page K-12 EDUCATION-101  
(Volume I)  
Budget Account 101-2606

On March 28, 2011, the Department of Administration, Budget Division submitted Budget Amendment No. 253 eliminating federal funding for the LEAP and SLEAP grant funds and the General Fund appropriation that served as the State match. This action eliminates the account from the *Executive Budget*

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resulting in a General Fund savings of \$381,634 in each year of the 2011-2013 biennium.

ASSEMBLYWOMAN SMITH MOVED TO APPROVE BUDGET AMENDMENT NO. 253 AND ELIMINATE B/A 101-2606 BASED ON THE ELIMINATION OF THE FEDERAL STUDENT INCENTIVE GRANTS.

SENATOR LESLIE SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

Ms. DAVIS:

Budget Account 101-2676 is primarily supported by federal funds made available under the Carl D. Perkins Vocational and Applied Technology Education Act. These funds are used to improve Career and Technical Education (CTE) programs. The *Executive Budget* recommends approximately \$17.5 million in federal funds over the 2011-2013 biennium, representing a 9 percent increase over the previous biennium. The General Fund appropriation to provide the match and Maintenance of Effort (MOE) is \$12,130 more each year than the previous biennium.

NDE – Career and Technical Education — Budget Page K-12 EDUCATION-104  
(Volume I)

Budget Account 101-2676

The major closing issue on pages 74 and 75 of [Exhibit C](#) is a proposed reduction of federal CTE funds. New information from the federal level indicates CTE funds will be less than the amount shown in the *Executive Budget*.

Preliminary information indicates CTE funding will be reduced by 13.9 percent in federal fiscal year 2012. The Department projects this proposed reduction will reduce CTE funding allocated to Nevada by 38.9 percent.

The Department indicates that based on this new information, the federal funding for FY 2011-2012 is anticipated to remain at approximately the same level as FY 2010-2011. They believe they will be able to maintain current staffing levels, with some reduction in State level activities and aid to schools during FY 2012-2013. If changes occur in the federal Perkins grant during the 2011-2013 biennium, the Department will submit a work program revision. Based on the information available, this approach appears reasonable.

The other closing items are listed on page 75 of [Exhibit C](#). Decision unit E-710 includes \$5,499 in FY 2011-2012 and \$8,658 in FY 2012-2013 for computer hardware replacement in accordance with the state replacement schedule in FY 2012-2013.

#### E-710 Equipment Replacement — Page K-12 EDUCATION-107

Decision unit E-800 includes funds for the new cost-allocation plan as previously discussed.

#### E-800 Cost Allocation — Page K-12 EDUCATION-107

SENATOR CEGAVSKE MOVED TO APPROVE B/A 101-2676, INCLUDING DECISION UNITS E-710 AND E-800, AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY FOR DEPARTMENTAL COST ALLOCATIONS AND TRANSFERS WITHIN NSDE AND FOR THE MOST CURRENT INFORMATION REGARDING FEDERAL REVENUE.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.



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BUDGET CLOSED.

\* \* \* \* \*

Ms. DAVIS:

Next is B/A 101-2680. An overview of this account is on page 76 of [Exhibit C](#).

NDE – Continuing Education — Budget Page K-12 EDUCATION-109 (Volume I)  
Budget Account 101-2680

There are no major closing issues. The only other closing items are decision unit E-710 recommending funds for computer hardware replacement in accordance with the State replacement schedule and E-800 recommending a new cost allocation as previously discussed.

E-710 Equipment Replacement — Page K-12 EDUCATION-112

E-800 Cost Allocation — Page K-12 EDUCATION-112

Staff recommends this account be closed as recommended by the Governor.

ASSEMBLYMAN CONKLIN MOVED TO APPROVE B/A 101-2680 INCLUDING DECISION UNITS E-710 AND E-800 AS RECOMMENDED BY THE GOVERNOR; AND TO GRANT STAFF THE AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY FOR DEPARTMENTAL COST ALLOCATIONS AND TRANSFERS WITHIN NSDE AND FOR THE MOST CURRENT INFORMATION REGARDING FEDERAL REVENUE.

SENATOR LESLIE SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

MS. DAVIS:

Pages 78 and 79 of [Exhibit C](#) give an overview of B/A 101-2691 and describe the federal nutrition programs included in this account. The two main programs are the National School Lunch Program (NSLP) and the School Breakfast Program (SBP).

NDE – Nutrition Education Programs — Budget Page K-12 EDUCATION-114  
(Volume I)  
Budget Account 101-2691

The major closing issue is the decrease in General Fund appropriation in decision unit E-600. The Governor recommends reducing this account by \$273,000 in each year of the 2011-2013 biennium. The General Fund appropriation is used to meet the MOE requirement to obtain the federal nutrition program grant funds. With this recommended reduction, remaining funds in this account for the General Fund appropriation are \$106,934 in FY 2011-2012 and \$107,582 in FY 2012-2013. In discussing the decrease in General Fund appropriation with the Department, Staff was advised the minimum annual MOE requirement for Nevada is \$62,435.

E-600 Budget Reductions — Page K-12 EDUCATION-118

The table at the bottom of page 79 of [Exhibit C](#) shows the General Fund appropriations for the past five years and the recommended amounts for the 2011-2013 biennium.

The Department indicates federal funds provided in this account can be used for administrative purposes under the State administrative expense plan. The Department utilizes these funds to support the salaries and associated operating costs of the education consultants, program officers and auditors in this budget.

The General Fund appropriation has typically been used to fund the director and two administrative positions in this budget. Those positions are being redirected to be funded with part General Fund appropriation and part federal funds. In

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addition, the General Fund has assisted this budget by helping with enhancements and improvements to the nutrition program database. The database ensures that the collection of data is reliable for the reporting of sponsor and statewide information regarding the program. In discussing this recommendation with the Agency during the budget hearing, they indicated there would be no impact on the maintenance of that system with the Governor's recommended level of funding. They did indicate that A.B. 137, if passed, would require additional reporting requirements which could require staff to work overtime.

[ASSEMBLY BILL 137 \(1st Reprint\)](#): Revises provisions governing programs of nutrition in public schools. (BDR 34-191)

Based on the Department's indication that the General Fund will be sufficient to meet the MOE requirement, the recommendation appears reasonable. Does the Committee wish to approve the Governor's recommendation to decrease the General Fund by \$273,000 for each year of the upcoming biennium?

SENATOR KIECKHEFER:

Will the shifting of federal funds to cover administration costs result in any reduction in the number of children served?

Ms. DAVIS:

No.

SENATOR KIECKHEFER MOVED TO APPROVE DECISION UNIT E-600 OF B/A 101-2691 DECREASING THE GENERAL FUND BY \$273,000 FOR EACH YEAR OF THE 2011-2013 BIENNIUM AS RECOMMENDED BY THE GOVERNOR.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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The other closing items are described on pages 80 and 81 of [Exhibit C](#). Closing Item No. 1 includes decision units M-101 and M-200 regarding inflationary and caseload increases. These recommendations as described appear reasonable.

M-101 Agency Specific Inflation — Page K-12 EDUCATION-116

M-200 Demographics/Caseload Changes — Page K-12 EDUCATION-117

Closing Item No. 2, decision unit E-493, concerns the expiration of one-time ARRA funding for nutrition equipment assistance grants. These funds have been expended and will not be continuing. This recommendation appears reasonable as described in [Exhibit C](#), page 80.

E-493 Expiring Grant/Program — Page K-12 EDUCATION-118

Closing Item No. 3, decision unit E-902, regarding the transfer of one administrative assistant position from this account to B/A 101-2719 appears reasonable as described on pages 80 and 81 of [Exhibit C](#).

E-902 Trans From Nutrition Ed Programs to Ed Staffing Sv — Page K-12  
EDUCATION-120

NDE - Education Staffing Services — Budget Page K-12 EDUCATION-33  
(Volume I)

Budget Account 101-2719

Closing Item No. 4 concerns participation rates. The subcommittee expressed concern about Nevada being ranked last in the Nation regarding participation rates. The Committee may wish to issue a letter of intent directing the Department to report semiannually to IFC over the upcoming biennium regarding Nevada's efforts to improve Nevada's participation rates in NSLP and SBP.

Closing Item No. 5, decision unit E-710, recommends funding for replacement of computer hardware in accordance with the State five-year replacement schedule. This recommendation appears reasonable.

E-710 Equipment Replacement — Page K-12 EDUCATION-119

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CHAIR HORSFORD:

Regarding the proposal for a letter of intent, can we do better than just requiring a report? This may not be enough.

ASSEMBLYWOMAN MASTROLUCA:

In conversations I have had with representatives from Clark and Washoe Counties, they understand and appreciate our interest on this issue and have made a commitment to improve their breakfast rates. I will, however, support a recommendation aimed at strengthening this item.

CHAIR HORSFORD:

Can the Committee create the performance indicators for the Agency?

MS. DAVIS:

Do you want to include this in the letter of intent?

CHAIR HORSFORD:

I would like to set the performance indicator if the Agency will not. If the Agency fails to meet the performance indicator, they can explain why.

MRS. SMITH:

The performance indicator is for the Department and what you are asking is for the school districts to obtain a certain performance level. I am not sure how that can work.

MS. DAVIS:

The letter of intent could be written requiring the Department to assist the districts to obtain the performance level.

CHAIR HORSFORD:

I want the Department, in coordination with the districts, to develop a performance indicator that requires Nevada to achieve the national participation average within two years. I also want the Department to outline their action plan for how they will accomplish this and require them to submit a semiannual progress report to IFC.

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ASSEMBLYWOMAN MASTROLUCA:

Can this same reporting also be provided to the Legislative Committee on Education?

CHAIR HORSFORD:

Yes.

ASSEMBLYWOMAN MASTROLUCA MOVED TO APPROVE B/A 101-2691 INCLUDING DECISION UNITS M-101, M-200, E-493, E-600, E-710 AND E-902 AS RECOMMENDED BY THE GOVERNOR; TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY FOR DEPARTMENTAL COST ALLOCATIONS AND TRANSFERS WITHIN NSDE AND FOR THE MOST CURRENT INFORMATION REGARDING FEDERAL REVENUE; TO ISSUE A LETTER OF INTENT DIRECTING THE DEPARTMENT, IN COORDINATION WITH THE DISTRICTS, TO DEVELOP A PERFORMANCE INDICATOR THAT REQUIRES NEVADA BE AT THE NATIONAL PARTICIPATION AVERAGE WITHIN TWO YEARS AND REQUIRES THE DEPARTMENT TO OUTLINE THEIR ACTION PLAN FOR ACHIEVING THIS GOAL AND PROVIDE A SEMIANNUAL PROGRESS REPORT TO IFC AND THE LEGISLATIVE COMMITTEE ON EDUCATION.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

Ms. DAVIS:

The overview and detail about B/A 101-2715 begins on page 82 of [Exhibit C](#). This budget is funded with federal dollars received under the provisions of the Individuals with Disabilities Education Act (IDEA).

NDE – Individuals with Disabilities (IDEA) — Budget Page K-12  
EDUCATION-122 (Volume I)  
Budget Account 101-2715

The major closing issue concerns the *Nevada Revised Statutes* (NRS) 395 Program as described on page 83 of [Exhibit C](#). The *Executive Budget* includes \$20,991 in General Fund appropriations for each year of the 2011-2013 biennium to meet anticipated costs for students who meet the NRS 395 program criteria.

In follow-up with the Department, the anticipated placement of a student in the NRS 395 program has not occurred. The Department concurred with Staff to eliminate General Fund appropriation of \$20,891 in each year of the 2011-2013 biennium. An amount of \$100 each year would be retained in the account to allow the Department access to the IFC Contingency Fund should a student become enrolled in the program during the 2011-2013 biennium. Does the Committee wish to approve the reduction of \$20,891 in the General Fund appropriation for each year of the 2011-2013 biennium?

ASSEMBLYWOMAN MASTROLUCA:

If this is done, how long would a child have to wait for the restored funding before he could get access to the needed education?

Ms. DAVIS:

I do not know exactly how long the process would take. However, federal funding is available for the child to get started with his education pending IFC approval.

ASSEMBLYWOMAN MASTROLUCA:

I understand the reason for deleting the funding, but I do not want to restrict any child's access to education because money is removed from this account.

Ms. DAVIS:

I discussed the proposed action with the director of IDEA at the Department who indicated they were comfortable with the deletion of the funds.

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CHAIR HORSFORD:

It takes time to obtain funds from the IFC Contingency Fund. How would this not result in lost time for the child's education?

MS. DAVIS:

The process that takes place usually gives the Department some lead time to get the child enrolled and the funding in place. The Department can provide more details.

KEITH RHEAULT, PH.D., (Superintendent of Public Instruction, Department of Education):

Once a student is identified, staff from NSDE and the Department of Health and Human Services work together to locate appropriate educational services. If it becomes necessary to access this fund, federal dollars are available for NRS 395 students that would cover the needs until the IFC decision is made.

ASSEMBLYWOMAN MASTROLUCA MOVED TO APPROVE STAFF'S RECOMMENDATION TO REDUCE THE GENERAL FUND APPROPRIATION IN B/A 101-2715 BY \$20,891 FOR EACH YEAR OF THE 2011-2013 BIENNIUM; AND TO RETAIN A GENERAL FUND AMOUNT OF \$100 FOR EACH YEAR TO ALLOW THE DEPARTMENT ACCESS TO THE IFC CONTINGENCY FUND SHOULD A STUDENT BECOME ENROLLED IN THE NRS 395 PROGRAM DURING THE 2011-2013 BIENNIUM.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MS. DAVIS:

Four other closing items are described on pages 83 and 84 of [Exhibit C](#). Closing Item No. 1, decision units E-491 and E-492, recommend a reduction of approximately \$68.6 million over the 2011-2013 biennium in ARRA IDEA-Part B and IDEA-preschool funds. These funds expire September 30, 2011. The



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school districts will authorize all of the ARRA IDEA grants funds for expenditure before the funds expire. This recommendation appears reasonable.

E-491 Expiring Grant/Program — Page K-12 EDUCATION-124

E-492 Expiring Grant/Program — Page K-12 EDUCATION-125

Closing Item No. 2, decision unit E-225, consolidates \$446,330 in the federal Project Promises Aid-to-Schools category with the Project Promises Administrative category. The Department indicates that since there is no administrative cap on the program, two separate expenditure categories are not needed and consolidation of the categories would be more efficient. This recommendation appears reasonable.

E-225 Reduce Duplication of Effort — Page K-12 EDUCATION-124

Closing Item No. 3, decision unit E-710, recommends funds for replacement of computer hardware and software in accordance with the State five-year replacement schedule. This recommendation appears reasonable.

E-710 Equipment Replacement — Page K-12 EDUCATION-126

Decision unit E-800 is a change in the allocation plan as previously discussed. This cost allocation may be impacted by the decision regarding the recommendation to reorganize and centralize personnel services within the Department of Administration.

E-800 Cost Allocation — Page K-12 EDUCATION-126

Staff recommends the other closing items be closed as recommended by the Governor.

ASSEMBLYWOMAN MASTROLUCA MOVED TO APPROVE  
B/A 101-2715, INCLUDING DECISION UNITS E-491, E-492, E-225,  
E-710 AND E-800 AS RECOMMENDED BY THE GOVERNOR; AND TO  
AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS THAT MAY  
BE NECESSARY FOR DEPARTMENTAL COST ALLOCATIONS AND

TRANSFERS WITHIN NSDE AND FOR THE MOST CURRENT  
INFORMATION REGARDING FEDERAL REVENUE.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN SMITH WAS  
ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

TERI SULLI (Program Analyst, Fiscal Analysis Division, Legislative Counsel  
Bureau):

Please refer to Senate Finance and Assembly Ways and Means Meeting Jointly,  
Closing List #2, April 26, 2011 ([Exhibit D](#)). We will begin with B/A 101-1005.

#### ELECTED OFFICIALS

High Level Nuclear Waste — Budget Page ELECTED-25 (Volume I)  
Budget Account 101-1005

An overview of this account is located on page 1 of [Exhibit D](#). The major  
closing issue concerns the reduced General Fund for Yucca Mountain defense  
efforts. No decision is necessary on this item. This is informational only.

The Governor recommends a General Fund appropriation of approximately  
\$1.3 million over the 2011-2013 biennium. This is a decrease of 63 percent  
from the approximate \$3.5 million approved for the 2009-2011 biennium. The  
2009 Legislature approved \$970,000 in each year of the 2009-2011 biennium  
for the Nevada Protection Fund expenditure category. During the  
Twenty-sixth Special Session, the Legislature approved the reversion of  
\$57,563 remaining in the Nevada Protection Fund in FY 2009-2010 and  
required the reserve for reversion of the entire \$970,000 approved for  
FY 2010-2011. For the 2011-2013 biennium, the Governor recommends

eliminating all General Fund support for the Nevada Protection Fund expenditure category.

Because the Yucca Mountain licensing proceedings have been on hold for several months and the pending federal litigation has slowed, the Agency has been able to carry out their responsibilities notwithstanding the reversion of the Nevada Protection Funds. Should the licensing proceedings resume, the anticipated costs will once again ramp up rapidly. The Agency indicates no alternative sources of funds for the Nevada Protection Fund category are available and if the licensing proceedings and litigation resume, a request for additional funding from IFC will be required.

There are four other closing items in this account beginning on page 2 of [Exhibit D](#). Closing Item No. 1 is decision unit E-325, recommending \$50,000 in annual contract expenses for administrative oversight be changed from a General Fund appropriation to Highway Funds. This recommendation appears reasonable.

#### E-325 Deliver Public Services Directly and Efficiently — Page ELECTED-27

Closing Item No. 2, decision unit E-692, recommends a General Fund decrease of \$55,551 over the 2011-2013 biennium, resulting from the elimination of a contract used to carry out local and regional national public information activities. This recommendation appears reasonable.

#### E-692 Budget Reductions — Page ELECTED-28

Closing Item No. 3, decision unit E-710, recommends \$8,137 over the 2011-2013 biennium for computer replacement equipment. This recommendation appears reasonable.

#### E-710 Equipment Replacement — Page ELECTED-28

Closing Item No. 4 is decision unit E-800 recommending a General Fund decrease of \$1,403 over the biennium used for the support of the Department of Administration's cost allocations. This recommendation appears reasonable.

#### E-800 Cost Allocation — Page ELECTED-28

Staff recommends this account be closed as recommended by the Governor and seeks authority to make adjustments to the Department of Administration cost allocations, based on the closing actions for the various budgets that contribute to the cost allocations.

ASSEMBLYMAN CONKLIN MOVED TO APPROVE B/A 101-1005, INCLUDING DECISION UNITS E-325, E-692, E-710 AND E-800 AS RECOMMENDED BY THE GOVERNOR; AND AUTHORIZES STAFF TO MAKE ADJUSTMENTS TO THE DEPARTMENT OF ADMINISTRATION COST ALLOCATIONS, BASED ON THE CLOSING ACTIONS FOR THE VARIOUS BUDGETS THAT CONTRIBUTE TO THE COST ALLOCATIONS.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN SMITH WAS ABSENT FOR THE VOTE.)

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

BUDGET CLOSED.

\* \* \* \* \*

Ms. SULLI:

Next is B/A 101-1002. This account is described on page 3 of [Exhibit D](#). There are no major closing issues on this budget.

AG – Extradition Coordinator — Budget Page ELECTED-55 (Volume I)  
Budget Account 101-1002

There are two other closing items. First, the *Executive Budget* recommends approximately \$1.11 million for extradition costs over the 2011-2013 biennium. This represents a 2.6 percent decrease from the approximate \$1.14 million approved for the last biennium. Pursuant to NRS 179.225, after the appropriation is exhausted, extradition costs are referred for payment from the Reserve for Statutory Contingency account which are General Fund monies. However, that account has not been accessed since 2007. A five-year average

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of extradition costs was used to develop the 2011-2013 budgets. The Agency believes the Governor's recommended amounts will be sufficient. The recommendation appears reasonable.

The second other closing item, decision Unit E-710, recommends \$4,850 in FY 2011-2012 for replacement computer hardware and software.

E-710 Equipment Replacement — Page ELECTED-58

Staff recommends this account be closed as recommended by the Governor.

ASSEMBLYMAN CONKLIN MOVED TO APPROVE B/A 101-1002, INCLUDING DECISION UNIT E-710, AS RECOMMENDED BY THE GOVERNOR.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN SMITH WAS ABSENT FOR THE VOTE.)

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

BUDGET CLOSED.

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Ms. SULLI:

Next, is B/A 101-1030 beginning on page 5 of [Exhibit D](#).

AG – Administrative Fund — Budget Page ELECTED-60 (Volume I)  
Budget Account 101-1030

There are two major closing issues in this account. The first one is a budget reduction due to the elimination of two deputy attorney general (DAG) positions, one legal secretary and one computer forensic examiner. This results in a General Fund savings of \$349,351 and reduced assessments of \$399,942 over the 2011-2013 biennium.

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During the Office of Attorney General (AG) budget hearing, the Agency indicated that, with the combined elimination of these 4 positions and the 8.28 FTE positions eliminated during the Twenty-sixth Special Session, there will be additional duties for existing staff who are already handling heavy workloads. However, the Agency has not provided workload statistics to justify retaining the positions. Does the Committee wish to approve the elimination of these four positions?

ASSEMBLYMAN CONKLIN:  
Are these positions vacant?

Ms. SULLI:  
Yes, all four are currently vacant.

ASSEMBLYMAN CONKLIN:  
Why are they vacant?

Ms. SULLI:  
I believe the Agency has been holding them vacant to accumulate vacancy savings and to meet budget reduction goals over the last three years.

ASSEMBLYMAN CONKLIN:  
I am reluctant to eliminate these positions considering Nevada ranks first in the Nation in many fraud categories. It will be difficult to get these positions back in the future.

CHAIR HORSFORD:  
Can you explain what the computer forensic examiner does?

Ms. SULLI:  
There are four computer forensic examiner positions, two of which are filled and two others vacant. The position recommended for elimination has never been filled; it was left vacant to accumulate vacancy savings. The Agency would need to describe the specific duties.

SENATOR KIECKHEFER:  
I sympathize with my colleague's comments, but this is not something we can afford to add back at this time.

SENATOR KIECKHEFER MOVED TO APPROVE THE ELIMINATION OF TWO DAG POSITIONS, ONE LEGAL SECRETARY AND ONE COMPUTER FORENSIC EXAMINER IN B/A 101-1030 AS RECOMMENDED BY THE GOVERNOR.

SENATOR CEGAVSKE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN AIZLEY, ATKINSON, BOBZIEN, CARLTON, CONKLIN AND MASTROLUCA VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. SULLI:

The second major closing issue concerns the reclassification of the law enforcement investigator positions. It is recommended that 42 law enforcement investigator positions within the AG office be moved from unclassified State service to classified State service effective July 2, 2011.

The Agency indicates this is necessary due to the difficulties in recruitment and retention efforts for these positions. In the 2009 Legislative Session, the Agency came forward with the same recommendation; however, the money committees expressed concerns about the possible fiscal impact of the classification change. The Department of Personnel (DOP) conducted a study of the unclassified positions to determine where in the State's classification system they would be placed. On May 21, 2010, DOP approved the recommended changes to the AG investigator series and determined a new classification series would be needed.

There are 42 positions funded in four different accounts within the AG office, including B/A 101-1030, 101-1033, 101-1037 and 330-1038, affected by the proposed reclassification. Based on the decisions made today, Staff may need authority to adjust the affected budgets.

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AG – Workers' Comp Fraud — Budget Page ELECTED-72 (Volume I)  
Budget Account 101-1033

AG – Medicaid Fraud — Budget Page ELECTED-82 (Volume I)  
Budget Account 101-1037

AG – Consumer Advocate – Budget Page ELECTED-89 (Volume I)  
Budget Account 330-1038

During the AG's Office budget hearings, the committees expressed concern for any fiscal impact the reclassification might have now or on future biennia. In response, the Agency indicated the AG investigators do not currently qualify for the heart and lung benefits provided to police and fire personnel and will not qualify if they become classified employees. Additionally, the Agency indicated that the only additional fiscal impact, not identified in the *Executive Budget*, would be related to merit salary increases, if such increases are eventually reinstated.

The chart on page 7 of [Exhibit D](#) summarizes the 42 positions by account number and shows the estimated savings that would be generated by the proposed reclassification. In FY 2011-2012 there is a total estimated General Fund savings of \$11,981 and \$10,831 in FY 2012-2013.

Does the Committee wish to approve the recommendation to move all AG law enforcement investigators from unclassified State service to classified State service effective July 1, 2011?

SENATOR CEGAVSKE:

I have voiced my concern about the cost of these positions in previous hearings. I do not support the 42 reclassifications. This will cost well over \$500,000 and will go higher over time depending on the benefits.

SENATOR CEGAVSKE MOVED TO NOT APPROVE THE  
RECOMMENDATION FOR RECLASSIFICATION OF THE  
42 AG LAW ENFORCEMENT INVESTIGATORS IN B/A 101-1030.



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ASSEMBLYWOMAN SMITH:

The reclassification of the 42 positions is the Governor's recommendation and is a decrease in the budget according to the chart at the bottom of page 7 of [Exhibit D](#). Is that correct?

Ms. SULLI:

That is correct.

ASSEMBLYWOMAN SMITH:

If we do not reclassify, will there be additional costs that have to be added back to this budget?

Ms. SULLI:

Yes, the General Fund savings realized in the Governor's proposal would have to be added back into this account.

ASSEMBLYWOMAN SMITH:

The Governor's recommendation is to reclassify 42 positions and it will save the money shown in the chart on page 7 of [Exhibit D](#). Am I understanding this correctly?

Ms. SULLI:

Yes, that is correct.

SENATOR KIECKHEFER SECONDED THE MOTION.

SENATOR KIECKHEFER:

Would these 42 positions be afforded an early retirement as is afforded to other law enforcement officials?

Ms. SULLI:

No. The only time these individuals could be classified under the rules of a policeman or fireman is if they came from another agency and were already classified as eligible for those benefits. When individuals are hired into the AG Office, if they do not come from another agency where they had the benefit, they are not eligible for those benefits.

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CHAIR HORSFORD:

We have a motion and a second. I do not support the motion. The Governor's recommendation to reclassify these positions is for cost savings and I do not understand why we would not follow that recommendation.

ASSEMBLY: THE MOTION FAILED UNANIMOUSLY.

SENATE: THE MOTION FAILED. (SENATORS LESLIE, PARKS AND HORSFORD VOTED NO. SENATOR DENIS WAS ABSENT FOR THE VOTE.)

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CHAIR HORSFORD:

Is there another motion?

ASSEMBLYMAN CONKLIN MOVED TO APPROVE THE RECOMMENDATION TO MOVE ALL AG LAW ENFORCEMENT INVESTIGATORS IN B/A 101-1030 FROM UNCLASSIFIED STATE SERVICE TO CLASSIFIED STATE SERVICE EFFECTIVE JULY 1, 2011.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. SULLI:

There are six other closing items beginning on page 8 of [Exhibit D](#). Closing Item No.1 is the transfer of the federal Mortgage Fraud Program from the AG Consumer Advocate B/A 330-1038, to the AG Administration Fund, B/A 101-1030. At the December 17, 2010 meeting, IFC approved adding eight new positions, associated operating and program costs and associated federal funding, from the Edward Byrne Memorial State and Local Law Enforcement Assistance Grant, to B/A 330-1038. Since that time, the AG has indicated that due to a recent reorganization within their office, the supervision

of those positions and the monitoring of the mortgage fraud activity has now been placed in B/A 101-1030. As a result, the AG now recommends transferring the Byrne Grant positions and expenditures to B/A 101-1030. Budget Amendment No. 266B was submitted on April 15, 2011, requesting the transfer for the 2011-2013 biennium. The recommendation appears reasonable to Staff and has been included in the transfer in this closing document, Staff recommends approval of Budget Amendment No. 266B.

The duties have changed for one of the eight positions, a grants and project analyst II. The DOP completed a review and has changed the position to a grants and projects analyst I. The *Executive Budget* includes the position at the classification originally recommended. Fiscal staff has adjusted this closing document to change the position to the DOP-approved classification as a technical adjustment.

Closing Item No. 2 concerns the AG cost-allocation plan. The *Executive Budget* inadvertently eliminated the non-General Fund share of the AG cost allocation in six budgets within the AG's Office. This resulted in the General Fund in this account to be overstated by \$1,157,461 in FY 2011-2012 and \$1,188,508 in FY 2012-2013. Additionally, the Charges for Services revenue is understated by the same amounts. Budget Amendment No. 200A was submitted on March 21, 2011, and provides for the adjustment in revenue. Fiscal Staff has included the funding adjustment in this closing document and recommends approval of Budget Amendment No. 200A.

Closing Item No. 3 is an informational only item. The *Executive Budget* includes approximately \$1.44 million over the 2011-2013 biennium in transfer revenue from the State Treasurer to support the operations of the Tobacco Enforcement Unit, representing a 9 percent increase from the approximately \$1.32 million approved for the 2009-2011 biennium.

Closing Item No. 4 concerns the transfer of revenue from the Division of Environmental Protection to this account to support a new senior DAG and a DAG position as approved by the February 3, 2011, IFC meeting. The two FTE, as funded by the transfer, are not reflected in the *Executive Budget*. This closing document includes the adjustment to add the two new positions, operating costs and transfer from the Division of Environmental Protection to

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support the positions. The Agency has indicated that, beginning in FY 2013-2014, these positions will be included in the AG cost-allocation plan.

Closing Item 5, decision unit E-710, is for replacement of computer hardware and software in the Tobacco Enforcement Unit in the amount of \$19,388 in FY 2011-2012 and \$10,434 in FY 2012-2013.

E-710 Equipment Replacement — Page ELECTED-64

Closing Item No. 6, decision unit E-808, recommends an increase of \$3,957 in FY 2011-2012 and \$5,286 in FY 2012-2013 to reclassify an administrative assistant I position to a legal secretary trainee. This position is currently performing duties outside of its current classification.

ASSEMBLYMAN HARDY MOVED TO APPROVE ALL OTHER CLOSING ITEMS IN B/A 101-1030, INCLUDING DECISION UNITS E-710 AND E-808, WITH TECHNICAL ADJUSTMENTS AS NOTED AND AS ADJUSTED FOR BUDGET AMENDMENT NOS. 200A AND 266B.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Ms. SULLI:

The overview for B/A 101-1031 is located on page 10 of [Exhibit D](#).

AG – Special Fund — Budget Page ELECTED-68 (Volume I)  
Budget Account 101-1031

There is one major closing issue regarding the General Fund appropriation for the Yucca Mountain defense efforts. The Governor recommends a General Fund appropriation of \$271,531 over the 2011-2013 biennium which is a decrease of

91.5 percent from the approximately \$3.2 million approved for the 2009-2011 biennium. This decrease is due to the elimination of General Fund appropriation for the Nuclear Waste Litigation category. Page 11 of [Exhibit D](#) gives additional background information leading up to this recommendation.

There are two options for consideration by the Committee. One option is to approve the Governor's recommendation to eliminate all General Fund monies for the Nuclear Waste Litigation expenditure category, with the exception of the \$6,630 for unanticipated AG travel needs related to Yucca Mountain. The second option is to increase the General Fund appropriation by an amount to be determined by the Committee, which could be equal to, less than, or more than the AG proposal of \$100,000 in each year of biennium, to support continued pending litigation related to Yucca Mountain. With either option, the AG would retain the ability to approach IFC for additional funding during the 2011-2013 biennium, if needed.

ASSEMBLYMAN CONKLIN MOVED TO APPROVE THE AG PROPOSAL OF INCREASING THE GENERAL FUND BY \$100,000 IN EACH YEAR OF THE 2011-2013 BIENNIUM FOR B/A 101-1031 TO SUPPORT THE CONTINUED PENDING LITIGATION RELATED TO YUCCA MOUNTAIN.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

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

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

\* \* \* \* \*

There are two other closing items in this account discussed on pages 11 and 12 of [Exhibit D](#).

The 2007 Legislature approved the transfer of funding from the State Public Works Board (SPWB), B/A 401-1562, to the AG, B/A 101-1031, to fund a construction law counsel position. The *Executive Budget* for B/A 401-1562 indicates SPWB will provide \$175,029 in each year of the 2011-2013 biennium

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for the position and operating costs. However, the *Executive Budget* for B/A 101-1031 indicates a SPWB transfer of \$161,451 in FY 2011-2012 and \$172,046 in FY 2012-2013.

Administration – SPWD – Engineering and Planning — Budget Page ADMIN-80  
(Volume I)  
Budget Account 401-1562

An adjustment to the *Executive Budget* is made by Staff to this closing document to align the SPWB transfer and expenditures of \$175,029 in each year of the 2011-2013 biennium

Decision unit E-710, recommends the transfer from the SPWB of \$4,974 in FY 2012-2013 for computer hardware, software and Department of Information Technology services for the construction law counsel position.

Staff recommends the other closing items be closed as recommended by the Governor with the technical adjustment noted.

ASSEMBLYMAN HOGAN MOVED TO APPROVE THE OTHER CLOSING ITEMS IN B/A 101-1031, INCLUDING DECISION UNIT E-710; AND TO APPROVE STAFF'S RECOMMENDED TECHNICAL ADJUSTMENT.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

Ms. SULLI:  
Next is B/A 101-1033 beginning on page 13 of [Exhibit D](#).

AG – Workers' Comp Fraud — Budget Page ELECTED-72 (Volume I)  
Budget Account 101-1033

There are no major closing items in this account.

There are four other closing items beginning on page 14 of [Exhibit D](#). Other Closing Item No. 1, decision unit E-710, recommends \$39,084 over the 2011-2013 biennium for replacement of computer hardware and software. This recommendation appears reasonable. Fiscal staff has adjusted the funding in this decision unit to appropriately reflect \$10,968 in FY 2011-2012 and \$23,604 in FY 2012-2013 for the Workers' Compensation Fraud Unit replacement equipment and \$300 in FY 2011-2012 and \$4,212 in FY 2012-2013 for the Insurance Fraud Unit replacement equipment.

#### E-710 Equipment Replacement — Page ELECTED-75

Other Closing Item No. 2, decision unit E-806, was discussed in B/A 101-1030. Staff requests authority to make technical adjustments in conjunction with the Committee's closing action regarding the recommendation to reclassify all law enforcement investigator positions within the AG.

#### E-806 Unclassified Position Salary Increases — Page ELECTED-75

Other Closing Item No. 3 concerns the AG cost-allocation plan which was also discussed in B/A 101-1030. Budget Amendment No. 200B, submitted on March 21, 2011, provides for the allocations and adjusts the funding and the Reserve category by the appropriate amounts of \$613,472 in FY 2011-2012 and \$573,612 in FY 2012-2013. Fiscal Staff has included the adjustment in this closing document and recommends approval of Budget Amendment No. 200B.

The last closing item is the transfer from the Insurance Division. The *Executive Budget* indicates \$968,512 in FY 2011-2012 and \$967,056 in FY 2012-2013 will be transferred from the Insurance Division. However, based on the information from the Insurance Division, the transfer amount will be \$973,888 in each year of the biennium. Accordingly, Fiscal Staff has included in this closing document an adjustment to align the *Executive Budget* with the \$973,888 per year in revenues projected to be transferred from the Insurance Division.

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Staff recommends this account be closed as recommended by the Governor with the technical adjustments and budget amendment noted.

ASSEMBLYMAN OCEGUERA MOVED TO APPROVE B/A 101-1033, INCLUDING DECISION UNITS E-710 AND E-806 AS RECOMMENDED BY THE GOVERNOR; TO APPROVE BUDGET AMENDMENT NO. 200B; AND TO GRANT STAFF THE AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

Ms. SULLI:

An overview of B/A 101-1036 is located on page 15 of [Exhibit D](#). There are no closing issues in this account. Staff recommends this account be closed as recommended by the Governor.

AG – Crime Prevention — Budget Page ELECTED-78 (Volume I)  
Budget Account 101-1036

ASSEMBLYMAN HARDY MOVED TO APPROVE B/A 101-1036 AS RECOMMENDED BY THE GOVERNOR.

SENATOR CEGAVSKE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.



BUDGET CLOSED.

\* \* \* \* \*

MS. SULLI:

Budget Account 101-1037 is discussed on page 16 of [Exhibit D](#). There are no major closing issues in this account.

AG – Medicaid Fraud — Budget Page ELECTED-82 (Volume I)  
Budget Account 101-1037

There are five other closing items. The first one is the position classification adjustments. At the December 17, 2010, IFC meeting, the Committee approved the addition of a management analyst IV and a health care coordinator IV for the Medicaid Fraud Control Unit. Subsequently, on September 23, 2010, DOP completed a review of the positions' duties and changed the position classifications to a management analyst III and a health care coordinator III. The *Executive Budget* includes the two positions in the Base Budget at the classification originally recommended. Fiscal Staff has adjusted this closing document to change the positions to DOP approved classifications resulting in a decrease in expenditures of \$8,201 in FY 2011-2012 and \$7,435 in FY 2012-2013.

Other Closing Item No. 2, decision unit E-710, recommends \$7,020 in FY 2011-2012 for computer replacement equipment and software. This recommendation appears reasonable. Fiscal Staff has adjusted this closing document to adjust the funding to appropriately allocate 25 percent of the replacement equipment cost to the reserves as opposed to increasing the recovery revenue.

E-710 Equipment Replacement — Page ELECTED-85

Other Closing Item No. 3, decision unit E-806, is the decision unit for the reclassification of the law enforcement investigator positions discussed in B/A 101-1030. Eight of those positions are located in this account.

E-806 Unclassified Position Salary Increases — Page ELECTED-85

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Other Closing Item No. 4 concerns the transfer of the Senior Medicare Patrol (SMP) Program to the Division of Aging and Disability Services Federal Program and Administration, B/A 101-3151.

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

The Governor submitted Budget Amendment No. 264A on April 8, 2011, to transfer the federal grant funds for the SMP program in the amount of \$226,226 in FY 2011-2012 and \$225,784 in FY 2012-2013, which includes two positions and the associated program and operating costs, to B/A 101-3151. This recommendation appears reasonable and Staff have included the transfer of the SMP, decision unit E-950, in this closing document and recommends approval of Budget Amendment No. 264A.

#### E-950 Federal Grant

Other Closing Item No. 5 concerns the AG cost-allocation plan discussed in B/A 101-1030. Budget Amendment No. 200C, submitted on March 21, 2011, provides for the allocations and adjusts the funding in this account. Staff has included the adjustment in this closing document, with an additional adjustment to appropriately allocate the 25 percent to the reserves instead of increasing the recovery revenue. Staff recommends approval of Budget Amendment No. 200C with the adjustments noted.

SENATOR KIECKHEFER MOVED TO APPROVE B/A 101-1037 INCLUDING DECISION UNITS E-710 AND E-806 AS RECOMMENDED BY THE GOVERNOR; TO APPROVE BUDGET AMENDMENT NOS. 200C AND 264A; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NOTED.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

\* \* \* \* \*

MS. SULLI:

Budget account 330-1038 begins on page 19 of [Exhibit D](#). There are no major closing issues in this account.

AG – Consumer Advocate — Budget Page ELECTED-88 (Volume I)  
Budget Account 330-1038

There are five other closing items. The first one is the transfer of the Federal Mortgage Fraud Program from B/A 330-1038 to B/A 101-1030. This was discussed in B/A 101-1030. Staff have included the transfer in this closing document and recommends approval of Budget Amendment No. 266A with a \$7,895 net adjustment required to balance the transfer decision units. The adjustment to the budget amendment was discussed and agreed upon with the Budget Office.

Other Closing Item No. 2, decision unit E-710, recommends reserves of \$173,407 in FY 2011-2012 and \$45,403 in 2012-2013 for replacement of 14 computers, 14 software packages, 4 laptops, 2 servers, 1 printer and 1 projector for the 18.02 FTE positions funded with regulatory assessments.

E-710 Equipment Replacement — Page ELECTED-92

Other Closing Item No. 3, decision unit E-805, recommends reclassifying a vacant administrative assistant IV position to an accounting assistant IV and changes the funding for the position from General Fund monies to Regulatory Assessment funding. This will properly align the position funding with the duties performed. The recommendation results in a decreased General Fund appropriation of \$48,862 in FY 2011-2012 and \$48,708 in FY 2012-2013.

E-805 Classified Position Reclassifications — Page ELECTED-92

Other Closing Item No. 4, decision unit E-806, concerns the reclassification of the law enforcement investigators approved in B/A 101-1030. Five of those

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positions are located in this account. Staff requests authority to make technical adjustments.

#### E-806 Unclassified Position Salary Increases — Page ELECTED-92

The last closing item concerns the AG cost allocation which was discussed in B/A 101-1030. The *Executive Budget* inadvertently eliminated \$240,588 in FY 2011-2012 and \$276,129 in FY 2012-2013. Budget Amendment No. 200D, submitted on March 21, 2011, provides for the allocations and adjusts the funding by the appropriate amounts. Staff has included the adjustment in this closing document and recommends approval of Budget Amendment No. 200D.

Further, the *Executive Budget* understated the amount of regulatory assessments to be received in each year of the 2011-2013 biennium. Budget Amendment No. 266A includes an adjustment to the Public Utilities Commission Regulatory Assessments, B/A 224-3920, for this account based on the projections submitted in the Governor's recommended budget. Staff has included the adjustment in this closing document and recommends approval of Budget Amendment No. 266A.

#### PUC – Public Utilities Commission — Budget Page PUC-1 (Volume II) Budget Account 224-3920

ASSEMBLYMAN HOGAN MOVED TO APPROVE B/A 330-1038, INCLUDING DECISION UNITS E-710, E-805 AND E-806 AS RECOMMENDED BY THE GOVERNOR; TO APPROVE BUDGET AMENDMENT NOS. 200D AND 266A; AND TO AUTHORIZE STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Ms. SULLI:

Budget Account 101-1040 is described on page 22 of [Exhibit D](#). There are no major closing issues in this account.

AG – Violence Against Women Grants — Budget Page ELECTED-95 (Volume I)  
Budget Account 101-1040

There are two other closing items. The first item is regarding the rural program. The rural program directs \$350,000 in federal grant funds to address the crimes of domestic violence, dating and sexual violence and stalking against Nevadans. During the December 17, 2010, IFC meeting, the Committee approved increasing a .75 FTE grants analyst to a full-time position and also approved one additional DAG. These positions were not reflected in the *Executive Budget*. Staff have included in this closing document the adjustment increasing the grants analyst position by .25 FTE and adding 1.0 FTE DAG position.

The second other closing item is regarding the transfer to B/A 101-1042. The *Executive Budget* includes Services, Training Office and Prosecutors transfer funds of \$2,500 each year of the 2011-2013 biennium to the Victims of Domestic Violence B/A 101-1042. However, the subgrant expired on December 31, 2010 and justification for the transfer during the 2011-2013 biennium has not been received. Staff has included in this closing document an adjustment to eliminate the transfer to B/A 101-1042 and increase the nontaxable grant allocations by the same amounts.

AG – Victims of Domestic Violence — Budget Page ELECTED-105 (Volume I)  
Budget Account 101-1042

SENATOR KIECKHEFER MOVED TO APPROVE B/A 101-1040 AS RECOMMENDED BY THE GOVERNOR; TO APPROVE THE BUDGET ADJUSTMENT INCREASING THE GRANTS ANALYST POSITION BY .25 FTE AND ADDING 1.0 FTE DAG POSITION; AND TO AUTHORIZE STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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SENATE: THE MOTION CARRIED. (SENATORS PARKS AND KIECKHEFER WERE ABSENT FOR THE VOTE.)

BUDGET CLOSED.

\* \* \* \* \*

Ms. SULLI:

The overview for B/A 101-1041 is located on page 24 of [Exhibit D](#). There are no major closing items in this account.

AG – Council for Prosecuting Attorneys — Budget Page ELECTED-100  
(Volume I)  
Budget Account 101-1041

There are two other closing items. The first item is the AG cost allocation which was discussed in B/A 101-1030. Staff have included the adjustment in this closing document and recommends approval of Budget Amendment No. 200E which effectuated the funding.

Other Closing Item No. 2, decision unit E-710, recommends \$2,042 in 2011-2012 for replacement of computer hardware and software in accordance with the Department of Information Technology's replacement schedule. This recommendation appears reasonable. This closing document includes an adjustment changing the funding in this decision unit from an increase in court assessments to a reduction to the reserves which consists of unspent court assessments.

Staff requests authority to adjust the court assessment revenue in this account based on final committee approval of the court assessment projections.

SENATOR LESLIE MOVED TO APPROVE B/A 101-1041, INCLUDING DECISION UNIT E-710, AS RECOMMENDED BY THE GOVERNOR; TO APPROVE BUDGET AMENDMENT NO. 200E; TO GRANT STAFF AUTHORIZATION TO ADJUST THE COURT ASSESSMENT REVENUE BASED ON FINAL COMMITTEE APPROVAL OF THE COURT ASSESSMENT PROJECTIONS; AND TO GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATORS PARKS AND KIECKHEFER WERE ABSENT FOR THE VOTE.)

BUDGET CLOSED.

\* \* \* \* \*

MS. SULLI:

Budget account 101-1042 begins on page 26 of [Exhibit D](#). There are no major closing issues in this account.

AG – Victims of Domestic Violence — Budget Page ELECTED-105 (Volume I)  
Budget Account 101-1042

There are two other closing items. Closing Item No. 1 concerns transfer funds as described on page 27 of [Exhibit D](#). The *Executive Budget* includes transfer funds of \$2,500 in both years of the 2011-2013 biennium; however, no corresponding expenditure category has been included and justification for the transfer during the 2011-2013 biennium has not been received. Staff has adjusted this budget to eliminate this funding in FY 2011-2012 and FY 2012-2013 and reduce the reserve by the same amounts as reflected in this closing document.

Closing Item No. 2 is the AG cost-allocation plan discussed in B/A 101-1030. Staff has included the adjustment in this closing document and recommends approval of Budget Amendment No. 200F.

Staff requests authority to adjust the court assessment revenue in this account based on final Committee approval of the court assessment projections.

ASSEMBLYMAN HARDY MOVED TO APPROVE B/A 101-1042 AS RECOMMENDED BY THE GOVERNOR; TO APPROVE BUDGET AMENDMENT NO. 200F, TO GRANT STAFF THE AUTHORITY TO ADJUST THE COURT ASSESSMENT REVENUE BASED ON FINAL

COMMITTEE APPROVAL OF THE COURT ASSESSMENT PROJECTIONS;  
AND TO GRANT STAFF THE AUTHORITY TO MAKE TECHNICAL  
ADJUSTMENTS AS NECESSARY.

SENATOR LESLIE SECONDED THE MOTION.

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

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

BUDGET CLOSED.

\* \* \* \* \*

MS. SULLI:

The last item, B/A 715-1348, is described on page 28 of [Exhibit D](#).

AG – Attorney General Tort Claim Fund — Budget Page ELECTED-109  
(Volume I)

Budget Account 715-1348

There are no major closing issues in this account. However, there are other closing items regarding the reserve levels. The Governor recommends a reserve of approximately \$4 million at the end of FY 2010-2011 which is consistent with reserve balances in previous biennia.

During the AG's budget hearing, the Agency indicated that approximately \$1.8 million in additional claims were anticipated to be paid in FY 2010-2011. This could negatively affect the reserve balance at the end of FY 2010-2011 and, in turn, reduce the ending reserve balance for FY 2012-2013 to unacceptable levels. However, based on current information obtained from the State Integrated Financial System and further discussions between Fiscal Staff, the Budget Office and the Agency, it has been determined that sufficient authority appears to be available to meet FY 2010-2011 tort claims and no reduction to the Reserve category is anticipated at this time. The *Executive Budget* reserve levels appear reasonable.



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The second other closing item is the AG cost-allocation plan previously discussed in B/A 101-1030. Fiscal Staff has included the adjustment in this closing document and recommends approval of Budget Amendment No. 200G.

ASSEMBLYMAN HARDY MOVED TO APPROVE B/A 715-1348 AS RECOMMENDED BY THE GOVERNOR; AND TO APPROVE BUDGET AMENDMENT NO. 200G.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

BUDGET CLOSED.

\* \* \* \* \*

SENATOR CEGAVSKE:

I would like to revisit pages 7 and 8 of the closing document regarding the reclassification of the 42 law enforcement officers within the AG's Office. I want to make some clarifications to the Committee. The AG made this recommendation. The Governor did not. By passing this today, please understand there may be a savings in the FY 2011-2013 biennium, but after that, costs will increase over \$500,000. I hope the AG has that money somewhere to cover this increase. This body has been very careful about not giving pay increases or raises, but in this case an increase was approved.

CATHERINE CROCKET, (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Senate Committee on Finance, Joint Subcommittee on Public Safety, Military, and Veterans' Services and Assembly Committee on Ways and Means Joint Subcommittee on Public Safety, Natural Resources and Transportation has completed its review of various budgets for the Department of Public Safety for the 2011-2013 biennium ([Exhibit E](#)). The closing recommendations for these accounts resulted in General Fund savings of \$94,522 over the biennium.

The Subcommittee approved the Governor's recommendation for B/A 201-4706 to consolidate the Administrative Services Division account within the Director's Office account in order to centralize most of the Department's fiscal and human resource personnel and reduce costs. The Subcommittee approved the Governor's recommendation to reclassify the unclassified division administrator of Administrative Services to a classified administrative services officer IV for increased costs totaling \$11,455 for the 2011-2013 biennium. The Subcommittee also approved the Governor's recommendation to eliminate the executive officer to the director position for cost-allocation reductions totaling \$226,880 in the 2011-2013 biennium. Finally, the Subcommittee approved transferring \$962,487 for the 2011-2013 biennium to the Highway Patrol account for the cost of interlocal agreements for breathalyzer testing and calibration.

#### PUBLIC SAFETY

#### PUBLIC SAFETY

DPS – Director's Office — Budget Page PUBLIC SAFETY-1 (Volume III)  
Budget Account 201-4706

The Subcommittee approved the Governor's recommendation for B/A 201-4714 to consolidate administrative positions within the Administrative Services Division and transfer these positions to the Director's Office. The recommendation consolidates five positions from the Highway Patrol, Capitol Police, Justice Grant and the Division of Investigations. The Subcommittee recommends approving the Governor's recommendation to eliminate an accounting assistant and an administrative assistant position due to the discontinuation of a department-wide document-scanning program for cost-allocation savings totaling \$179,471 during the 2011-2013 biennium. With the exception of approving adjustments to reduce authority for unsupported equipment purchases, the Subcommittee approved the remainder of the budget as recommended by the Governor.

DPS – Administrative Services — Budget Page PUBLIC SAFETY-28 (Volume III)  
Budget Account 201-4714

The Subcommittee did not approve the Governor's recommendation for B/A 201-4713 to transfer General Fund monies of \$6,062 over the 2011-2013 biennium to the Dignitary Protection account for visiting dignitary protection in order to reflect funding where expenses are incurred. The Subcommittee approved closing the remainder of the budget as recommended by the Governor, including transferring \$962,487 over the 2011-2013 biennium from the Director's Office account for the cost of interlocal agreements for breathalyzer testing and calibration and changing the source of funding from cost-allocation reimbursement to Highway Funds.

DPS – Highway Patrol — Budget Page PUBLIC SAFETY-47 (Volume III)  
Budget Account 201-4713

The Subcommittee did not approve the Governor's recommendation for B/A 101-4738 to transfer \$951,024 from the General Fund over the 2011-2013 biennium to the Capitol Police account for Governor's Mansion security. With the exception of staff technical adjustments, the Subcommittee approved closing the remainder of the budget as recommended by the Governor.

DPS – Dignitary Protection — Budget Page PUBLIC SAFETY-73 (Volume III)  
Budget Account 101-4738

The Subcommittee approved the Governor's recommendation for B/A 101-3800 to eliminate two administrative assistants and one management analyst position, for General Fund savings of \$321,069 over the 2011-2013 biennium. The Subcommittee discussed the possibility of providing funding for four Pardons Board meetings per year, but took no action. The budget includes funding for two Pardons Board meetings per year. The Subcommittee indicated that funding for four Pardons Board meetings may be considered later if funds become available.

DPS – Parole Board — Budget Page PUBLIC SAFETY-209 (Volume III)  
Budget Account 101-3800

In B/A 101-3675, the Subcommittee approved eliminating one grants and projects analyst position for a General Fund savings of \$139,216 over the 2011-2013 biennium and replace \$269,857 in the General Fund over the 2011-2013 biennium with federal funding sources as recommended by the

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Governor. The Subcommittee approved staff technical adjustments to adjust funding sources for the Department's indirect cost recovery plan, for a General Fund savings of \$8,939 over the 2011-2013 biennium.

DPS – Homeland Security — Budget Page PUBLIC SAFETY-215 (Volume III)  
Budget Account 101-3675

The Subcommittee approved the Governor's recommendation for B/A 101-4688 to eliminate one management analyst position, for a savings of \$131,063 over the 2011-2013 biennium, including \$65,531 in highway funds. The Subcommittee approved closing the remainder of this account as recommended by the Governor, with staff's technical adjustments to align revenues and expenditures with actual federal funding available and adjust funding sources for the Department's indirect cost recovery plan.

DPS – Highway Safety Grants Account — Budget Page PUBLIC SAFETY-65  
(Volume III)  
Budget Account 101-4688

The Subcommittee approved a technical adjustment for B/A 201-4721 to reclassify one commercial vehicle safety inspector II to a commercial vehicle safety inspector III. The Governor recommended reclassifying one commercial vehicle safety inspector II to a training officer II; however, the DOP indicated that reclassification to a commercial vehicle safety inspector III was more appropriate. The Subcommittee approved closing the remainder of this account as recommended by the Governor, with the exception of staff's technical adjustments.

DPS – Highway Safety Plan & Admin — Budget Page PUBLIC SAFETY-173  
(Volume III)  
Budget Account 201-4721

The Subcommittee approved creating a new Evidence Vault account as recommended by the Governor for B/A 101-4701, with technical adjustments to reduce authority for evidence vault expenditures.

DPS – Evidence Vault — Budget Page PUBLIC SAFETY-17 (Volume III)  
Budget Account 101-4701

In B/A 201-4707, the Subcommittee approved changing the methodology used to allocate the office of professional responsibility's operating costs to allocate costs based on the number of civilian as well as sworn personnel investigations, as recommended by the Governor. The recommendation decreases allocated costs paid by the General Fund budget accounts by approximately \$93,000 and increases allocated costs paid by Highway Fund accounts by approximately \$110,000 annually. The Subcommittee approved technical adjustments to reduce authority for office rent and equipment purchases.

DPS – Office of Prof Responsibility — Budget Page PUBLIC SAFETY-13  
(Volume III)  
Budget Account 201-4707

In B/A 101-4710, the Subcommittee approved an increase of \$15,087 in the General Fund for each year of the 2011-2013 biennium for this budget as recommended by the Governor, with approval to continue language in the General Appropriations Act that allows for the transfer of General Fund appropriations between fiscal years to address shortfalls in either fiscal year.

DPS – Child Volunteer Background Checks Trust Acct — Budget Page PUBLIC  
SAFETY-162 (Volume III)  
Budget Account 101-4710

The Subcommittee also reviewed the budgets for the following other Department of Public Safety budget accounts:

DPS – Home Disaster Assistance Program — Budget Page PUBLIC SAFETY-120  
(Volume III)  
Budget Account 101-3672

DPS – Traffic Safety — Budget Page PUBLIC SAFETY-181 (Volume III)  
Budget Account 101-4687

DPS – Bicycle Safety Program — Budget Page PUBLIC SAFETY-183 (Volume III)  
Budget Account 201-4689

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DPS – Motorcycle Safety Program — Budget Page PUBLIC SAFETY-188  
(Volume III)  
Budget Account 201-4691

DPS – Forfeitures – Law Enforcement — Budget Page PUBLIC SAFETY-43  
(Volume III)  
Budget Account 101-4703

DPS – NHP K-9 Program — Budget Page PUBLIC SAFETY-62 (Volume III)  
Budget Account 201-4705

DPS – Capitol Police — Budget Page PUBLIC SAFETY-164 (Volume III)  
Budget Account 710-4727

DPS – State Emergency Response Commission — Budget Page  
PUBLIC SAFETY-122 (Volume III)  
Budget Account 201-4729

The Subcommittee recommends that these accounts be closed primarily as recommended by the Governor, with approval for Fiscal Staff to make necessary technical adjustments.

ASSEMBLYMAN CONKLIN MOVED TO APPROVE B/A 201-4706, 201-4707, 101-4701, 201-4714, 101-4703, 201-4713, 101-4705, 201-4721, 101-4738, 101-3672, 201-4729, 101-4710, 710-4727, 101-4688, 101-4687, 201-4689, 201-4691, 101-3800, 101-3675 AS RECOMMENDED BY THE SUBCOMMITTEE; AND TO AUTHORIZE STAFF TO MAKE THE NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

ASSEMBLYWOMAN CARLTON:

I will be voting against this due to the provision that creates a new position. I know it is not much money, but I disagree with the message that would be sent by the approval of this position.

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

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

BUDGET CLOSED.

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

The Joint Subcommittee on General Government has completed its review of the Judicial Branch budget request for the 2011-2013 biennium ([Exhibit F](#)). The closing recommendations of the Subcommittee resulted in General Fund savings of \$365,375 in FY 2011-2012 and \$425,769 in FY 2012-2013.

Pursuant to NRS 353.246, the Judicial Branch budgets are included in the *Executive Budget*, but are not subject to review by the Governor. Therefore, the recommendations presented in the *Executive Budget* represent the Judicial Branch's budget request.

Including only those accounts for which the Judicial Branch has control over expenditures, the budget submitted by the Judicial Branch includes General Fund appropriations of approximately \$13.7 million over the 2011-2013 biennium which represents a 19.1 percent decrease from the amount approved by the 2009 Legislature for the 2009-2011 biennium. However, after accounting for adjustments related to budget recommendations included by the Judicial Branch in the *Executive Budget*, the Judicial Branch's General Fund appropriation request for the 2011-2013 biennium is 11.5 percent less than the amount that was approved by the 2009 Legislature.

Based on information provided to the Subcommittee regarding the current trend of administrative assessments, the Subcommittee did not approve the Judicial Branch's administrative assessment revenue projections in the *Executive Budget* of approximately \$14.9 million in each year of the 2011-2013 biennium. Instead, the Subcommittee approved administrative assessment revenue of approximately \$14.6 million for each year of the biennium, as revised by the

Judicial Branch, which represents a 2 percent decrease from the amounts included in the *Executive Budget*, or 7 percent below the actual FY 2009-2010 level. Because the Supreme Court and the Senior Justice and Senior Judge Program utilize the General Fund for expenditures in excess of administrative assessment collections, this recommendation increases combined General Fund appropriations for these two accounts by \$161,935 in each year of the 2011-2013 biennium.

To be consistent with the salary reductions recommended for Executive Branch employees, the Subcommittee recommends the inclusion of the 5 percent salary reduction, suspension of merit pay increases and the suspension of longevity payments for all Judicial Branch employees except Supreme Court Justices and District Court Judges. In total, these recommendations provide General Fund savings of \$483,201 in FY 2011-2012 and \$552,303 in FY 2012-2013.

For B/A 101-1494, the Subcommittee approved transferring the seven Supreme Court Justice positions from the Supreme Court account to the District Judges Salary account and renaming the District Judges Salary account "State Judicial Elected Officials" as recommended in the *Executive Budget*. This recommendation transfers General Fund monies of approximately \$1.83 million in FY 2011-2012 and an approximate \$1.86 million in FY 2012-2013 that are required to pay the Justices' salaries and benefits to the District Judges Salary account. The Subcommittee approved the drafting of a bill to amend statutory language in NRS 3.030 to account for the change of the District Judges Salary account name.

## LEGISLATIVE/JUDICIAL

### JUDICIAL BRANCH

#### Supreme Court — Budget Page JUDICIAL-1 (Volume I) Budget Account 101-1494

In B/A 101-1490, the Subcommittee approved a budget amendment submitted by the Judicial Branch which reduces the salary of a District Court Judge in the Fifth Judicial District Court due to an unexpected vacancy and makes a technical correction. In total, the budget amendment provides General Fund savings of \$44,109 in FY 2011-2012 and \$42,957 in FY 2012-2013.



State Judicial Elected Officials — Budget Page JUDICIAL-5 (Volume I)  
Budget Account 101-1490

The Subcommittee approved the Judicial Branch's recommendation for B/A 101-1498 to reduce expenditures in the Judicial Selection account by 10 percent, providing General Fund savings of \$1,798 in each year of the 2011-2013 biennium.

Judicial Selection — Budget Page JUDICIAL-8 (Volume I)  
Budget Account 101-1498

Regarding B/A 101-1483, the Subcommittee approved the Judicial Branch's recommendation for reserve reductions totaling \$188,766 over the 2011-2013 biennium for five information technology-related enhancements, including: \$104,348 in FY 2012-2013 to provide off-site virtualization of application servers; \$29,530 in FY 2011-2012 to upgrade to Judicial Branch's human resources and employee management software; \$10,000 in each year to purchase web security and filtering software; \$9,000 over the biennium to replace the Judicial Branch's employee evaluation software; and \$25,888 in FY 2011-2012 to purchase Microsoft SharePoint collaboration software.

Administrative Office of the Courts — Budget Page JUDICIAL-17 (Volume I)  
Budget Account 101-1483

Next is B/A 101-1486. The Subcommittee approved the Judicial Branch's recommendation for reserve reductions totaling \$596,533 over the 2011-2013 biennium for six information technology-related enhancements, including: \$25,000 in each year to develop Phase II of a system to provide mandatory statistical reports; \$469,329 over the biennium to develop system requirements for the new case management system and to reserve funding for the new system to be used in the 2013-2015 biennium; \$8,214 in FY 2011-2012 to upgrade the current case management system; \$15,000 in each year to provide technology grants to trial courts; \$16,995 in each year to convert action codes in the case management system from NRS to Nevada Offense Codes; and \$5,000 in FY 2011-2012 to fund the conversion to Microsoft Access 2007.

Uniform System of Judicial Records — Budget Page JUDICIAL-27 (Volume I)  
Budget Account 101-1486

Regarding B/A 101-1492, the Subcommittee voted to request legislation that would allow the Judicial Branch to transfer not more than \$600,000 of the reserve balance in the Foreclosure Mediation Program account to other accounts within the Judicial Branch over the 2011-2013 biennium. For the upcoming biennium, the Judicial Branch recommends excess Notice of Default fee revenue of approximately \$3.1 million in FY 2011-2012 and \$3.5 million in FY 2012-2013, enough to fund approximately one and one-half years worth of operations of the Foreclosure Mediation Program. The Subcommittee authorized Staff to work with the Judicial Branch to determine the amount of funding to be transferred in each year of the 2011-2013 biennium, as well as the Judicial Branch accounts that will receive the transfers. This information will be included in the legislation for consideration by the Legislature.

Foreclosure Mediation Program — Budget Page JUDICIAL-43 (Volume I)  
Budget Account 101-1492

The Subcommittee recommends closing the following Judicial Branch accounts as recommended in the *Executive Budget*, with minor or technical adjustments:

Senior Justice & Senior Judge Program — Budget Page JUDICIAL-10 (Volume I)  
Budget Account 101-1496

Law Library — Budget Page JUDICIAL-14 (Volume I)  
Budget Account 101-2889

Judicial Programs and Services Division — Budget Page JUDICIAL-23 (Volume I)  
Budget Account 101-1484

Judicial Education — Budget Page JUDICIAL-34 (Volume I)  
Budget Account 101-1487

Specialty Court — Budget Page JUDICIAL-40 (Volume I)  
Budget Account 101-1495

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Judicial Support Governance and Special Events, — Budget Page JUDICIAL-47  
(Volume I)  
Budget Account 101-1493

Judicial Retirement System State Share — Budget Page JUDICIAL-50 (Volume I)  
Budget Account 101-1491

SENATOR DENIS MOVED TO APPROVE B/A 101-1483, 101-1484, 101-1486, 101-1487, 101-1490, 101-1491, 101-1492, 101-1493, 101-1494, 101-1495, 101-1496, 101-1498 AND 101-2889, AS RECOMMENDED BY THE SUBCOMMITTEE.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

SENATOR LESLIE:

I would like to disclose I am a Judicial Branch employee at the district court level, but my salary comes from Washoe County. Thus, I am not affected in any way and I will be voting.

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

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

BUDGET CLOSED.

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ASSEMBLYWOMAN SMITH:

Regarding the Foreclosure Mediation Program, B/A 101-1492, I will be submitting a request for that legislation to allow the transfer of funds.

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CHAIR HORSFORD:

As there is no further business, this meeting is adjourned at 10:38 a.m.

RESPECTFULLY SUBMITTED:

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Jackie Cheney,  
Committee Secretary

APPROVED BY:

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Senator Steven A. Horsford, Chair

DATE: \_\_\_\_\_

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Assemblywoman Debbie Smith, Chair

DATE: \_\_\_\_\_

<b><u>EXHIBITS</u></b>			
<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
	C	Joi Davis	Senate Finance and Assembly Ways and Means Meeting Jointly Closing List #1, April 25, 2011
	D	Teri Sulli	Senate Finance and Assembly Ways and Means Meeting Jointly Closing List #2, April 26, 2011
	E	Catherine Crocket	Department of Public Safety Closing Recommendations
	F	Wayne Thorley	Judicial Branch Closing Recommendations