

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

**Seventy-Seventh Session
May 9, 2013**

The joint meeting of the Assembly Committee on Ways and Means and the Senate Committee on Finance was called to order by Chair Maggie Carlton at 8:15 a.m. on Thursday, May 9, 2013, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at nelis.leg.state.nv.us/77th2013. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblyman William C. Horne, Vice Chair
Assemblyman Paul Aizley
Assemblyman Paul Anderson
Assemblyman David P. Bobzien
Assemblyman Andy Eisen
Assemblywoman Lucy Flores
Assemblyman Tom Grady
Assemblyman John Hambrick
Assemblyman Crescent Hardy
Assemblyman Joseph M. Hogan
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Randy Kirner
Assemblyman Michael Sprinkle



SENATE COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Vice Chair
Senator Moises (Mo) Denis
Senator David R. Parks
Senator Pete Goicoechea
Senator Ben Kieckhefer
Senator Michael Roberson

COMMITTEE MEMBERS EXCUSED:

Senator Debbie Smith, Chair
Assemblyman Pat Hickey

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
Michael J. Chapman, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Laura Freed, Senior Program Analyst
Adam Drost, Program Analyst
Jennifer Gamroth, Program Analyst
Kristen Kolbe, Program Analyst
Brody Leiser, Program Analyst
Heidi Sakelarios, Program Analyst
Carol Thomsen, Committee Secretary
Cynthia Wyett, Committee Assistant

Chair Carlton stated that she would open Public Comment prior to commencing with the closing reports from the subcommittees. She asked whether there was anyone present who wished to address the Committees, and there was no one.

Chair Carlton announced that the Committees would commence hearing closing reports from the subcommittees, beginning with the report for the Colorado River Commission.

Michael J. Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report from the Senate Committee on Finance Subcommittee on Natural Resources and Transportation and the Assembly Committee on Ways and Means Subcommittee on Public Safety,

Natural Resources and Transportation, into the record for the Colorado River Commission ([Exhibit C](#)).

The Subcommittees completed the review of the Colorado River Commission (CRC) budget request for the 2013-15 biennium. There are no General Funds appropriated to any of the CRC accounts. The Subcommittees recommend the following closing actions:

Colorado River Commission (296-4490) COLORADO RIVER COMM-4:

The Subcommittees approved the Governor's recommendation to add three new positions: a Natural Resource Specialist, a Power Facilities Communications Technician, and an Administrative Assistant II. The new positions will assist the CRC in meeting future workload increases resulting from the Hoover Power Allocation Act (HPAA) of 2011 (Public Law 112-72). The HPAA of 2011 amends the Hoover Power Plant Act of 1987 by reallocating approximately 5 percent of the hydroelectric power to a new allocation pool to be made available beginning in October 2017 when current customer contracts expire. The intent of the 2011 Act is to reallocate this power to new customers currently not contracted for hydroelectric power such as Native American tribes, irrigation districts and rural cooperatives. As a result, the CRC expects an increase in the number of public meetings, contract renegotiations with existing and new customers, as well as securing additional capacity available from the new resource pool administered by the Western Area Power Administration.

The Subcommittees also eliminated an unclassified Special Assistant position that has been vacant since October 2006.

The Subcommittees closed the CRC Research and Development (296-4497; COLORADO RIVER COMM-10), the CRC Power Delivery System (502-4501; COLORADO RIVER COMM-12), and the CRC Power Marketing Fund (505-4502; COLORADO RIVER COMM-15) as recommended by the Governor.

Chair Carlton asked whether there were questions from the Committees regarding the closing report for the Colorado River Commission, and there were none. The Chair called for a motion.

ASSEMBLYMAN KIRNER MOVED TO ACCEPT THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE SUBCOMMITTEE ON NATURAL RESOURCES AND TRANSPORTATION AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON NATURAL RESOURCES, TRANSPORTATION AND PUBLIC SAFETY AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE COLORADO RIVER COMMISSION.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Roberson and Smith and Assemblyman Hickey were not present for the vote.)

BUDGETS CLOSED.

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Chair Carlton stated that the next report was the Office of the Military.

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report from the Senate Committee on Finance Subcommittee on Public Safety, Military and Veterans' Services and the Assembly Committee on Ways and Means Subcommittee on Public Safety, Natural Resources and Transportation into the record for the Office of the Military ([Exhibit D](#)).

The Subcommittees developed the following recommendations for the Office of the Military. The recommendations decrease General Fund appropriations for the Office by \$4,226 in FY 2014 and \$6,955 in FY 2015.

Military (101-3650) MILITARY-6: The Subcommittees approved the Governor's recommendation for a new Management Analyst II position assigned to the fiscal unit of the Office of the Military, including costs associated with the new position.

The Subcommittees approved Fiscal staff's recommendation to eliminate six vacant positions that were funded 100 percent with federal funds. The six positions have been vacant for one and one half years to almost eight years, and there is no longer federal funding to support the six positions.

The Subcommittees approved the Governor's recommendation for additional funding of approximately \$275,000 over the 2013-15 biennium for various maintenance of building and grounds projects at the Clark County Armory and Support Maintenance Shop, the Henderson Armory and the Plumb Lane Armory in Reno.

Carlin Armory (101-3651) MILITARY-13: The Subcommittees approved the Governor's recommendation for funding in the amount of approximately \$185,000 over the 2013-15 biennium to improve information technology for the Carlin complex and enable communications within the Office of the Military. Equipment to be purchased includes a conferencing and telephone system, a paging system, a server, projection equipment for the various training rooms, and wireless communication equipment to provide wireless connectivity between the multiple buildings on the complex.

Other Accounts With No Major Closing Issues: The following accounts were closed by the Subcommittees as recommended by the Governor, including authority for Fiscal staff to make technical adjustments:

- Adjutant General's Special Facility Account (101-3652) MILITARY-22
- National Guard Benefits (101-3653) MILITARY-24
- Patriot Relief Fund (101-3654) MILITARY-26
- Emergency Operations Center (101-3655) MILITARY-17

Chair Carlton asked whether there were questions from the Committees regarding the closing report for the Office of the Military, and there were none. The Chair called for a motion.

ASSEMBLYMAN SPRINKLE MOVED TO ACCEPT THE REPORT FROM THE SENATE COMMITTEE ON FINANCE SUBCOMMITTEE ON PUBLIC SAFETY, MILITARY AND VETERANS' SERVICES AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE OFFICE OF MILITARY.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Roberson and Smith and Assemblyman Hickey were not present for the vote.)

BUDGETS CLOSED.

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Chair Carlton stated that the next presentation was the Department of Wildlife.

Kristen Kolbe, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report from the Senate Committee on Finance Subcommittee on Natural Resources and Transportation and the Assembly Committee on Ways and Means Subcommittee on Public Safety, Natural Resources and Transportation into the record for the Department of Wildlife ([Exhibit E](#)).

The Subcommittees have completed the review of the Department of Wildlife (NDOW) budget recommendations for the 2013-15 biennium. The closing recommendations of the Subcommittees resulted in no General Fund savings over the 2013-15 biennium.

Director's Office (101-4460) WILDLIFE-11: The Subcommittees approved this account as recommended by the Governor. Additionally, the Subcommittees approved 23 budget amendments submitted by the Budget Division to centralize costs related to vehicle insurance, the Purchasing Assessment, and the Statewide Cost Allocation Plan within the Director's Office account, rather than the other operating accounts.

Operations (101-4461) WILDLIFE-18: The Subcommittees approved a total net funding increase of \$23,654 over the 2013-15 biennium for the reclassification of three positions in the Reno office to better facilitate the management of the Nevada Wildlife Data System and the Application Hunt System as recommended by the Governor. The funding includes indirect costs charged to NDOW operating accounts of \$99,283, a reduction in transfers of boating fees from the Wildlife Fund of \$1,204, and a reduction in application fees transferred from the Wildlife Fund of \$74,425.

Conservation Education (101-4462) WILDLIFE-27: The Subcommittees approved federal Wildlife Restoration funds of \$91,695 over the 2013-15 biennium to support a Conservation Educator I position and associated costs to maintain and expand archery education and bow hunting programs in Nevada. The Subcommittees also approved the elimination of a vacant Marketing Coordinator position, which reduces transfers of unrestricted fees from the Wildlife Fund of \$134,234 over the 2013-15 biennium.

Law Enforcement (101-4463) WILDLIFE-34: The Subcommittees approved Aquatic Invasive Species (AIS) fees of \$293,000 and a reduction in Boating Reserve funds of \$293,000 over the 2013-15 biennium to adjust funding for Game Warden positions to promote the "Clean, Drain and Dry" campaign and educate watercraft users about the AIS program. The Subcommittees also approved a reduction in Boating Reserve funds transferred from the Wildlife Fund of \$138,799 over the 2013-15 biennium for the elimination of one vacant Game Warden position.

Game Management (101-4464) WILDLIFE-43: The Subcommittees approved net federal Wildlife Restoration funds of \$34,612 and transfers of unrestricted revenues of \$11,537 over the 2013-15 biennium for a new Biologist position and associated operating costs for the Wildlife Health program. The Subcommittees' approval included an adjustment to reduce seasonal position costs by \$63,070 over the 2013-15 biennium as a result of approving the new position.

Fisheries Management (101-4465) WILDLIFE-53: The Subcommittees approved the Governor's recommendation of total net funding of \$1.6 million over the 2013-15 biennium, consisting of federal sport fish and small grant funds of \$667,158, a reduction of unrestricted revenue transferred from the Wildlife Fund of \$34,606, and AIS fees of \$939,880 over the 2013-15 biennium to align funding sources to support seasonal position costs and equipment items for the AIS program. The Subcommittees also approved federal Sport Fish Restoration for Fish Management program funds of \$50,074, State Wildlife Grant funds of \$43,461, and unrestricted Wildlife Funds of \$44,289 for the addition of one

Wildlife Staff Specialist position and associated operating costs for the Nevada Native Aquatics Program.

Diversity (101-4466) WILDLIFE-63: The Subcommittees approved total funds of \$119,855 over the 2013-15 biennium, which includes federal funding of \$72,230, unrestricted Wildlife Funds of \$9,584, and Habitat Conservation Fees of \$38,041 over the 2013-15 biennium for the addition of one Biologist III position and related costs for expanding the agency's Geographic Information System (GIS) mapping program.

Habitat (101-4467) WILDLIFE-73: The Subcommittees approved federal wildlife habitat restoration funds of \$140,577 over the 2013-15 biennium for the transfer of a Wildlife Staff Specialist position for the Sagebrush Ecosystem Team consistent with the closing actions by the Subcommittees for the DCNR Administration account. A new Wildlife Staff Specialist position for Project Management was approved by the Subcommittees as recommended by the Governor supported by Ruby Pipeline settlement funds of \$66,501 and mitigation funds transferred from Habitat Enforcement of \$66,501 over the 2013-15 biennium. Additionally, the Subcommittees approved federal funds of \$61,084, unrestricted revenues transferred from the Wildlife Fund of \$25,612, and mining assessments transferred from the Wildlife Fund of \$35,561 over the 2013-15 biennium for a new Biologist III position and related costs for energy development and mining projects in the Ely area for on-the-ground habitat projects as recommended by the Governor.

The Subcommittees also approved all other closing items as recommended by the Governor with authority for Fiscal staff to make technical adjustments.

Chair Carlton asked about the reduction in boating reserve funds and what the balance would be in that reserve. Ms. Kolbe stated that for fiscal year (FY) 2015 the balance would be approximately \$430,000.

Chair Carlton asked whether there were questions from the Committees regarding the closing report for the Department of Wildlife, and there were none. The Chair called for a motion.

SENATOR GOICOECHEA MOVED TO ACCEPT THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE SUBCOMMITTEE ON NATURAL RESOURCES AND TRANSPORTATION AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE DEPARTMENT OF WILDLIFE.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Roberson and Smith and Assemblyman Hickey were not present for the vote.)

BUDGETS CLOSED.

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Chair Carlton stated the next closing report was the Department of Transportation.

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report from the Senate Committee on Finance Subcommittee on Natural Resources and Transportation and the Assembly Committee on Ways and Means Subcommittee on Public Safety, Natural Resources and Transportation into the record for the Nevada Department of Transportation ([Exhibit F](#)).

The Subcommittees completed the review of the Nevada Department of Transportation budget account. The closing actions taken by the members of the Subcommittees have resulted in a decrease in Highway Fund authorizations of \$60,000 in each year of the 2013-15 biennium when compared to the Governor's recommended budget.

Transportation Administration (201-4660) NDOT-17: The department targets a Highway Fund balance of \$90 million to provide sufficient cash to cover operating and capital expenses. Based upon the Governor's recommended expenditures and revenues projected by the Department of Motor Vehicles as of March 31, 2013, the department estimates a Highway Fund balance of approximately \$102.9 million at the end of the 2013-15 biennium.

The Subcommittees recommended additional Highway Fund revenue of \$4.3 million in FY 2014 and \$6.3 million in FY 2015 contingent upon the passage of Senate Bill 503, which would increase the issuance period and the fee charged for DMV-issued driver licenses and identification cards.

The Subcommittees did not concur with the Governor's recommendation for Highway Fund authorizations of \$60,000 in each year of the 2013-15 biennium for Public-Private Partnership agreements to develop, finance, and operate High Occupancy Tolling (HOT) lanes in Southern Nevada based upon the failure of Assembly Bill 485 to meet the first Committee passage deadline. The Subcommittees also concurred with the Governor's recommendation to provide Highway Fund authorizations of \$351,424 in the 2013-15 biennium for a technology investment request that would implement a forensic software program to identify electronic documents needed during the pretrial phase of lawsuits involving NDOT.

The Subcommittees concurred with the Governor's recommendation to establish private sponsorship of rest areas, contingent upon passage of Assembly Bill 447, which would generate approximately \$100,000 in FY 2015 in Miscellaneous revenue. The Subcommittees also recommended to approve the department's request to retitle four unclassified Division Administrators as unclassified Assistant Directors and recommended a bill draft request to amend NRS 408.111 to accommodate this change. The amendment would remove the requirement that Assistant Directors are in the classified service of the state.

Chair Carlton asked whether there were questions from the Committees regarding the closing report for the Nevada Department of Transportation, and there were none. The Chair called for a motion.

SENATOR WOODHOUSE MOVED TO ACCEPT THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE SUBCOMMITTEE ON NATURAL RESOURCES AND TRANSPORTATION AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION AS PRESENTED

FOR THE BUDGET ACCOUNTS OF THE NEVADA DEPARTMENT
OF TRANSPORTATION.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

Assemblyman Aizley asked whether there would be a fee to use the rest areas throughout the state because of the private sponsorship. Chair Carlton said that the Assembly Committee on Ways and Means was currently considering a bill regarding the sponsorship of rest areas, which should address Assemblyman Aizley's inquiry.

THE MOTION CARRIED. (Senators Roberson and Smith and Assemblyman Hickey were not present for the vote.)

BUDGETS CLOSED.

Senator Woodhouse believed that a motion was needed from the Senate Committee on Finance to introduce a bill draft request (BDR) to amend *Nevada Revised Statutes* (NRS) 408.111 to retitle the four unclassified division administrator positions as unclassified assistant director positions and remove the requirement that assistant director positions were in the classified service of the state. Therefore, Senator Woodhouse called for a motion.

SENATOR KIECKHEFER MOVED TO INTRODUCE A BILL DRAFT
REQUEST TO AMEND NRS 408.111 TO RETITLE FOUR
UNCLASSIFIED DIVISION ADMINISTRATOR POSITIONS AS
UNCLASSIFIED ASSISTANT DIRECTOR POSITIONS AND REMOVE
THE REQUIREMENT THAT ASSISTANT DIRECTOR POSITIONS
WERE IN THE CLASSIFIED SERVICE OF THE STATE.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED ON THE SENATE SIDE.
(Senators Roberson and Smith were not present for the vote.)

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Chair Carlton stated that the next report was for the State Department of Agriculture and Division of Minerals.

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report from the Senate Committee on Finance

Subcommittee on General Government and the Assembly Committee on Ways and Means Subcommittee on General Government into the record for the State Department of Agriculture and the Division of Minerals ([Exhibit G](#)).

The Subcommittees on General Government completed the review of the budget accounts for the Department of Agriculture and the Division of Minerals. The closing actions taken by the members of the Subcommittees resulted in a decrease in General Fund appropriations of \$7,390 in FY 2014 and \$17,370 in FY 2015 when compared to the Governor's recommended budget.

Issues Affecting Multiple Accounts: The Subcommittees voted to approve the Governor's recommendation to provide uniforms to certain department employees who have frequent public contact. The Subcommittees also voted to approve the Governor's recommendation to provide travel expenditures for department employees who work outside of the Reno-Sparks area to attend an annual department-wide meeting, which will be held at the department's Sparks headquarters.

Administration (101-4554) AGRICULTURE-36: The Subcommittees voted to approve the Governor's recommendation to transfer the Dairy Commission from the Department of Business and Industry, the Commodity Food Program from the Department of Administration, and the Nutrition Education Programs from the Department of Education to the Department of Agriculture to create a new Food and Nutrition Division. The Subcommittees also voted to approve the Governor's recommendation, as amended, to provide 11 new positions for the Department of Agriculture's Administration Division including a Deputy Director, Southern Office Administrator, Public Information Officer II, Business Process Analyst II, Management Analyst II, Program Officer I, IT Technician IV, Accounting Assistant II, Administrative Assistant I, Literacy Coordinator, and Education and Information Officer. Three of these positions would restore positions that were eliminated in prior biennia, two positions would transfer from the Dairy Commission, and the department indicates the remaining six positions are necessary based on the department's current needs and initiatives.

The Subcommittees voted to approve General Fund appropriations of \$20,000 in each year of the 2013-15 biennium for

a contribution to the Nevada Junior Livestock Show Board. The Subcommittees concurred with the Governor's recommendation to modify the department's cost allocation by appropriating the General Fund share of the cost allocation to the General Funded budget accounts, rather than appropriating the General Fund share in the Administration account.

Gas Pollution Standards (101-4537) AGRICULTURE-48: The Subcommittees voted to approve the Governor's recommendation to merge the Gas Pollution Standards account with the Weights and Measures account to create the Consumer Equitability Division. The two accounts share staff, which are dependent upon one another as the Weights and Measures staff collects the fuel samples that are tested by Gas Pollution Standards staff.

Plant Health & Quarantine Services (101-4540) AGRICULTURE-58: The Subcommittees did not approve the Governor's recommendation to transfer a Conservation Staff Specialist II position from the Department of Conservation and Natural Resources to the Department of Agriculture Registration/Enforcement account to represent the Department of Agriculture's role in the Sagebrush Ecosystem Team. The Registration/Enforcement account is not authorized to receive General Fund appropriations, which are recommended to partially fund the Conservation Staff Specialist II position. Instead, the Subcommittees voted to approve transferring the position from the Department of Conservation and Natural Resources to a General Funded account within the Department of Agriculture, the Plant Health & Quarantine Services account, and funding the position with a combination of General Fund appropriations and fund transfers from the Registration/Enforcement account.

Grade & Certification of Agriculture Products (101-4541) AGRICULTURE-64: The Subcommittees voted to approve the Governor's recommendation to merge the Grade & Certification account with the Registration/Enforcement account to simplify the department's accounting by avoiding fund transfers between the two accounts for shared staff.

Agriculture Registration/Enforcement (101-4545) AGRICULTURE-73: The Subcommittees concurred with the Governor's recommendation to add an Administrative Assistant II

position to the Plant Industry Division. The Subcommittees voted to approve fund transfers from the Registration/Enforcement account to the Plant Health and Quarantine Services account to support a portion of the Conservation Staff Specialist II position recommended for transfer from the Department of Conservation and Natural Resources to the Department of Agriculture as part of the Sagebrush Ecosystem Team.

Weights, Measures and Standards (101-4551) AGRICULTURE-90:

The Subcommittees voted to approve the Governor's recommendation to add a new Metrologist position along with revenue identified by the department of \$55,000 in FY 2014 and \$69,000 in FY 2015 for calibrating the equipment for out-of-state registered service agents.

Livestock Inspection (101-4546) AGRICULTURE-117:

Based upon the Governor's recommendation to create an Animal Industry Division with a new Administrator position in the Veterinary Medical Services account, the Subcommittees concurred with the Governor's recommendation to eliminate the Administrator position for the Livestock Inspection Division. The Subcommittees also voted to approve the reclassification of an Administrative Assistant III position to a Program Officer I position to supervise daily Livestock Inspection program operations and assist Brand Inspectors. The Subcommittees concurred with the Governor to increase Livestock Inspection Tax revenue by \$54,808 in each year of the 2013-15 biennium, contingent upon approval of Senate Bill 465 which increases the per head tax on livestock. Finally, the Subcommittees voted to approve the reclassification of a seasonal Administrative Assistant I position to a permanent position, as this employee has been working full-time since November 2011.

Veterinary Medical Services (101-4550) AGRICULTURE-135:

The Subcommittees concurred with the Governor's recommendation to combine Veterinary Medical Services, the Livestock Inspection Division, and the Predatory Animal and Rodent Control into a reorganized Animal Industry Division. The Subcommittees also voted to approve a new unclassified Administrator position for the administrative responsibilities associated with the reorganized Animal Industry Division. The Subcommittees voted to approve

the elimination of a Program Officer I position, which has been vacant since June 2011.

The Subcommittees recommended closing the following Department of Agriculture budget accounts as recommended by the Governor with minor or technical adjustments:

- Pest, Plant Disease, Noxious Weed Control (101-4552)
AGRICULTURE-103
- Mormon Cricket & Grasshoppers (101-4556)
AGRICULTURE-112
- Predatory Animal & Rodent Control (101-4600)
AGRICULTURE-130

Minerals (101-4219) MINERALS-5: The Subcommittees voted to approve the Governor's recommendation to partially fund the Sagebrush Ecosystem Team with mining claim fee revenue of \$140,635 in FY 2014 and \$143,977 in FY 2015.

Chair Carlton asked whether there were questions from the Committees regarding the closing report for the Department of Agriculture and the Division of Minerals, and there were none. The Chair called for a motion.

ASSEMBLYMAN HARDY MOVED TO ACCEPT THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE SUBCOMMITTEE ON GENERAL GOVERNMENT AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON GENERAL GOVERNMENT AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE DEPARTMENT OF AGRICULTURE AND THE DIVISION OF MINERALS.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Roberson and Smith and Assemblyman Hickey were not present for the vote.)

BUDGETS CLOSED.

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Chair Carlton stated that the next closing report was for the Health Division, Department of Health and Human Services (DHHS).

Brody Leiser, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report from the Senate Committee on Finance Subcommittee on Human Services and the Assembly Committee on Ways and Means Subcommittee on Human Services into the record for the Health Division, DHHS ([Exhibit H](#)).

The Subcommittees on Human Services completed the review of the Department of Health and Human Services, Health Division's budget accounts and has made the following recommendations for the division's 2013-15 biennium budget. The Subcommittees' recommendations resulted in a General Fund increase of \$1,446,893 in FY 2014 and \$1,525,797 in FY 2015. The following comments describe the more significant recommendations of the Subcommittee.

Child Care Services (101-3149) DHHS-PUBLIC HEALTH-142: The Subcommittees removed \$34,152 in General Fund appropriations recommended by the Governor and replaced it with child care facility license fee revenue in an equal amount to support a portion of the costs in FY 2015 for a Child Care Facility Surveyor position for the purpose of performing complaint investigations. The Subcommittees approved the remainder of the Child Care Services account as recommended by the Governor.

Health Statistics and Planning (101-3190) DHHS-PUBLIC HEALTH-25: The Subcommittees approved the Governor's recommendation to remove the General Fund appropriations from this account and replace them with vital records fee revenue in the amount of \$1.02 million per fiscal year. Assembly Bill 449 eliminates the provision of NRS 440.690 that requires vital records fees to be remitted to the General Fund. The vital records fees would be retained in this account. In addition, Assembly Bill 471 provides for a one-shot appropriation for this account so that it may repay the General Fund advance it received for FY 2013. The Subcommittees approved the insertion of language into the Authorizations Act permitting Health Statistics and Planning to seek a General Fund advance of not greater than \$550,000 in each fiscal year of the 2013-15 biennium for cash flow purposes.

The Subcommittees also approved three new positions for this account: one Program Officer, one Statistician, and one

Administrative Assistant, at a total cost of \$316,177 over the biennium. The Subcommittees approved the cost allocation of the Program Officer between the Vital Records Program and the Medical Marijuana Program.

The Subcommittees approved eight enhancements in software, hardware, networking capabilities, office equipment and security glass for the vital records reception area, at a total cost of \$268,998 in FY 2014 and \$64,409 in FY 2015.

Early Intervention Services (101-3208) DHHS-ADSD-64: The Subcommittees approved the Governor's recommendation to transfer the Early Intervention Services (EIS) program into the Aging and Disability Services Division (ADSD). However, the Subcommittees did not approve the Governor's recommendation to transition 75 percent of the total EIS caseload to community providers by the end of the 2013-15 biennium. Instead, the Subcommittees recommend maintaining an equal distribution of the total caseload between state EIS clinics and community providers for the 2013-15 biennium. This decision added 37.51 new Developmental Specialist positions to this account over the upcoming biennium. The total cost of maintaining a 50/50 caseload split, as well as adjusting the program expenditure categories, increases the General Fund appropriations in this account by \$2.26 million for the 2013-15 biennium. In addition, the Subcommittees approved Fiscal staff's recalculation of the base budget need, and added \$923,572 in General Fund appropriations to this account to support the base caseload. Finally, one Clinical Program Manager II was transferred to this account from the Sierra Regional Center budget in order to manage the EIS clinic in the Northwest region of the state.

Immunization Program (101-3213) DHHS-PUBLIC HEALTH-43: The Subcommittees approved a General Fund appropriation of \$500,000 per fiscal year, as recommended by the Governor, to make available additional pertussis vaccinations for the immunization of family members and close contacts of newborns. The Subcommittees also approved a new Business Process Analyst III and two Program Officer I positions in this account to replace contract staff with permanent state employees, as recommended by the Governor. The Subcommittees accepted Budget Amendment A13A0017, which authorizes this account to

receive \$500,000 in tobacco settlement funds in each fiscal year of the 2013-15 biennium, for the purpose of increasing immunization rates. The Subcommittees approved the remainder of the Immunization Program account as recommended by the Governor with adjustments to align the Prevention and Public Health Fund federal grant revenue and expenditures to realize the full amount of the grant award.

Communicable Diseases (101-3215) DHHS-PUBLIC HEALTH-56:

The Subcommittees approved the addition of \$1.85 million in pharmaceutical company rebate funding per fiscal year, which provides total drug rebate revenue authority of \$3.1 million per fiscal year for the upcoming biennium. Unless the funds are needed for drug purchases for the AIDS Drug Assistance Program, insurance support for the State Pharmacy Assistance Program, or the Coordination of Benefits Program, the additional drug rebate funding will be utilized to enhance HIV/AIDS “wraparound services,” such as housing supports, counseling, transportation, and HIV/AIDS risk education.

Health Facilities Hospital Licensing (101-3216)

DHHS-PUBLIC HEALTH-62: The Subcommittees approved the technology investment request for a new licensing system and the allocation of costs to support the system, as recommended by the Governor, with adjustments to align the cost allocation revenue in this account with the amount of funds being transferred from the other Health Division accounts. The Subcommittees approved the continuation of a Management Analyst II position that was presented as an informational item before the Interim Finance Committee at its December 11, 2012, meeting. Additionally, the Subcommittees approved the remainder of the Health Facilities Hospital Licensing account as recommended by the Governor.

Public Health Preparedness Program (101-3218)

DHHS-PUBLIC HEALTH-72: The Subcommittees approved the addition of two new grant-funded positions to support the Emergency System for Advance Registration of Health Professionals portion of the Hospital Preparedness Grant. One new Health Program Specialist and one new Administrative Assistant was added, at a total cost of \$207,847 over the upcoming biennium.

Biostatistics and Epidemiology (101-3219)

DHHS-PUBLIC HEALTH-79: The Subcommittees approved a new, unclassified Medical Epidemiologist, funded by the Epidemiology and Lab Capacity grant, at a total biennial cost of \$347,794. The Subcommittees also approved the addition of three new classified positions (one IT Professional and two Health Program Specialists) to support the BioSense surveillance application, at a total grant-funded cost of \$517,514 over the biennium.

Chronic Disease (101-3220) DHHS-PUBLIC HEALTH-89: The Subcommittees accepted a budget amendment to add \$1 million per fiscal year in tobacco settlement funding to this budget in order to enhance the division's existing Tobacco Cessation and Surveillance programs.

Maternal Child Health Services (101-3222)

DHHS-PUBLIC HEALTH-100: The Subcommittees approved additional fee revenue and expenditure authority beyond what the Governor recommended for this account, so that the Health Division could increase its newborn metabolic screening fee. The Health Division had planned to contract with the University of Nevada School of Medicine (UNSOM) to perform newborn metabolic screening tests, but the UNSOM had not acquired the requisite equipment to do so, and is not expected to be able to perform this service until at least FY 2015. Therefore, the Health Division chose to return to its previous vendor, Oregon Health Sciences University (OHSU) at a higher contracted rate per screening than UNSOM would have been. In order to pay the OHSU contract costs, as well as support the other operating costs of the Newborn Screening program, the Subcommittees approved the budget predicated on the State Board of Health increasing the newborn screening fee from the current \$71 to \$81 in FY 2014 and \$83 in FY 2015. This action added \$251,168 in additional authority in FY 2014 and \$255,523 in additional authority in FY 2015. The Subcommittees also approved the Governor's recommendation to reduce one Health Program Specialist from full-time to half-time and add one Administrative Assistant. Both positions support the Newborn Screening program.

Office of Health Administration (101-3223)

DHHS-PUBLIC HEALTH-111: The Subcommittees approved the Governor's recommendation to transfer 11 Accounting, Information Technology, and Personnel positions from this account to the Aging and Disability Services Division (ADSD), Federal Programs and Administration account to support the workload generated by the transfer of EIS to the ADSD, as approved by the Subcommittees. The Subcommittees also approved transferring the Community Health Nursing Manager position from Community Health Services to this account, as recommended by the Governor. Additionally, the Subcommittees approved funding for four Grants and Projects Analyst II positions to replace contract staff with permanent state employees, as recommended by the Governor. Finally, the Subcommittees approved the remainder of the Office of Health Administration account as recommended by the Governor, with an adjustment to remove the travel increases for the State Health Officer position, which has been approved to be funded in the Mental Health Administration account.

Community Health Services (101-3224)

DHHS-PUBLIC HEALTH-121: The Subcommittees approved the Governor's recommendation to eliminate four (3.25 FTE) vacant Community Health Nurse positions, for a total net savings of \$119,177 over the biennium, of which \$117,711 is General Fund appropriations. In addition, the Subcommittees approved the addition of three Administrative Assistants dedicated to the Lyon County Nursing clinic, at a total cost of \$237,003. The new positions will be entirely funded by Lyon County's reimbursement to the state for providing Community Health Nursing Services. The Subcommittees approved staff's recommendation to align the funding to county reimbursements, which saved a total of \$116,971 in General Fund appropriations.

For all budget accounts, the Subcommittees approved the other closing items as recommended by the Governor, with technical adjustments as recommended by Fiscal staff, and with authority for Fiscal staff to make additional technical adjustments as necessary.

Other Accounts With No Major Closing Issues:

The Subcommittees recommend closing the following Health Division accounts largely as recommended in

The Executive Budget, with minor or technical adjustments as recommended by Fiscal staff:

- Radiation Control (101-3101) DHHS-PUBLIC HEALTH-12
- Low-Level Radioactive Waste fund (251-3152)
DHHS-PUBLIC HEALTH-19
- Cancer Control Registry (101-3153)
DHHS-PUBLIC HEALTH-21
- Consumer Health Protection (101-3194)
DHHS-PUBLIC HEALTH-36
- WIC Food Supplement (101-3214)
DHHS-PUBLIC HEALTH-50
- Health Facilities, Administration Penalty (101-3217)
DHHS-PUBLIC HEALTH-70
- Emergency Medical Services (101-3235)
DHHS-PUBLIC HEALTH-131
- Marijuana Health Registry (101-4547)
DHHS-PUBLIC HEALTH-137

Assemblyman Hardy asked for additional information about Early Intervention Services (EIS).

Laura Freed, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the Governor's recommendation was to move more of the caseload from state EIS clinics to community providers over the course of the upcoming biennium. The Governor recommended that by the end of the biennium, 75 percent of the total caseload would be served by community providers and 25 percent would be served by state EIS clinics.

Ms. Freed said there was a great deal of discussion during budget hearings about the ability to generate capacity among community providers to the point where 75 percent of the EIS caseload could be handled by those providers. There was also much discussion about the medically fragile children who were a portion of the EIS caseload and who would remain under the care of the Aging and Disability Services Division (ADSD). Ms. Freed stated the Subcommittees chose to maintain the caseload split at 50/50 between community providers and the EIS clinics, which would be the caseload split by the end of fiscal year (FY) 2013.

Ms. Freed noted that maintaining the 50/50 split would require some General Fund add-back because the staffing ratios to serve the medically fragile

children were higher than was historically required by the caseload mix within EIS.

Senator Goicoechea asked whether community providers had the capability of assuming the additional 25 percent of the EIS caseload.

Ms. Freed stated that the Subcommittees chose to retain the 50:50 split in caseload for EIS clients. In certain specialties there was a great deal of provider capacity, but in others there was not. The feeling of the Subcommittees was that it would be a medium- to long-term undertaking to develop the necessary community provider capacity in all areas of the state.

Senator Goicoechea said apparently a 75/25 split would be too large a step in too short a time. Ms. Freed believed that was a fair representation of the situation.

Assemblyman Bobzien stated that Senator Goicoechea was correct regarding the action of the Subcommittees regarding the EIS caseload. Several legislators had been involved in the issue since 2011 and had heard extensive concerns about community providers and levels of care. Mr. Bobzien said there had been testimony from pediatricians, who relied heavily on EIS services to help children achieve healthy outcomes. To characterize the action taken by the Subcommittees was an acknowledgement that community providers had an important role, but the state should move forward judiciously in the effort to split the caseload for medically fragile children. Mr. Bobzien believed that the 50/50 caseload split was the most prudent way to move forward while protecting those children.

Senator Kieckhefer echoed the comments made by Assemblyman Bobzien. He believed that, for the first time, the EIS program was becoming more manageable; it had been a difficult program over the past two biennia, and there had been a great deal of discussion about moving children to community providers or retaining them within the system. Senator Kieckhefer believed that the program was being recognized as a medical program as much as a therapy program, and it was being recognized that the needs were intertwined. The medically fragile children would remain within the state's EIS program, and their care would be coordinated more closely with medical personnel.

Senator Kieckhefer pointed out that approximately 40 percent of the EIS caseload consisted of children who were medically fragile, and those children would remain in the state system along with another 10 percent of the caseload who were not considered medically fragile. That would represent the

50 percent caseload that would remain with the state. Senator Kieckhefer said the other 50 percent of the caseload, who were served by community providers, were also a critical component because it helped build community capacity, not just for the EIS children, but for all other children in the state.

Senator Kieckhefer believed that the 50/50 caseload split was an important balance; he stated that he would agree with moving the remaining 10 percent of the caseload that was not medically fragile to community providers as well if that were the consensus of opinion. However, he believed that the 50/50 split was reasonable for the upcoming biennium. There were costs associated with the caseload split, but Senator Kieckhefer believed that it was government in its most basic form to try and help citizens who could not help themselves. The caseload consisted of children from the ages of 0 to 3, and EIS services could potentially increase their lifetime capacities.

Assemblyman Kirner said the state would pay for the care of the EIS caseload, whether the children were served by the state or by community providers, and he wondered what accounted for the large increase in General Fund over the Governor's recommendation. He wondered whether it was the additional personnel needed.

Chair Carlton said the Subcommittees had discussed the issue of vacant positions and lack of staffing and adjusting the caseload to a 50/50 split would require additional positions. The 50/50 caseload split was actually less costly than a 60/40 split, and members of the Subcommittees were not comfortable with a 25/75 split. Chair Carlton said the additional positions would be added gradually.

Ms. Freed said the caseload ratio was at a 50/50 split at the present time because the caseload had been transitioning for several months; additional personnel would be needed to address the services for those children.

Chair Carlton asked whether there were further questions from the Committees regarding the closing report for the Health Division, and there were none. The Chair called for a motion.

SENATOR KIECKHEFER MOVED TO ACCEPT THE CLOSING
REPORT FROM THE SENATE COMMITTEE ON FINANCE
SUBCOMMITTEE ON HUMAN SERVICES AND THE ASSEMBLY
COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON
HUMAN SERVICES AS PRESENTED FOR THE BUDGET ACCOUNTS
OF THE HEALTH DIVISION.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

Chair Carlton noted that there were two members of the Committees in opposition to the motion. She suggested that the Committees split the motion and accept the closing report excluding Early Intervention Services, budget account (BA) 3208. She asked Senator Kieckhefer if he was amenable to amending his motion to exclude BA 3208, and he offered the following motion.

SENATOR KIECKHEFER MOVED TO ACCEPT THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE SUBCOMMITTEE ON HUMAN SERVICES, AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON HUMAN SERVICES AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE HEALTH DIVISION, EXCLUDING BUDGET ACCOUNT 3208, EARLY INTERVENTION SERVICES.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Goicoechea, Roberson, and Smith and Assemblymen Hickey and Horne were not present for the vote.)

Chair Carlton called for a motion to accept the closing report for BA 3208, Early Intervention Services.

SENATOR KIECKHEFER MOVED TO ACCEPT THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE SUBCOMMITTEE ON HUMAN SERVICES AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON HUMAN SERVICES AS PRESENTED FOR BUDGET ACCOUNT 3208, EARLY INTERVENTION SERVICES.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hardy and Kirner voted no. Senators Goicoechea, Roberson, and Smith, and Assemblymen Hickey and Horne were not present for the vote.)

BUDGETS CLOSED.

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Chair Carlton said the next closing report was for the Silver State Health Insurance Exchange.

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report from the Senate Committee on Finance Subcommittee on General Government and the Assembly Committee on Ways and Means Subcommittee on General Government into the record for the Silver State Health Insurance Exchange ([Exhibit I](#)).

Silver State Health Insurance Exchange Admin (101-1400) HEALTH INS EXCHANGE-3:

In closing the budget for the Silver State Health Insurance Exchange (SSHIX), the Subcommittees approved the Governor's recommendation, as amended, to establish fee revenue totaling \$3.55 million in FY 2014 and \$10.97 million in FY 2015 to build reserves and to fund personnel, operating, and maintenance costs for the SSHIX beginning on January 1, 2015.

The Subcommittees approved the Governor's recommendation to add four new unclassified positions to the SSHIX account, including one Benefits Manager, one Quality Assurance Officer, one Training Specialist, and one Administrative Assistant, totaling \$314,904 in FY 2014 and \$329,972 in FY 2015. The professional level positions will begin on July 1, 2013, and the support position will begin on October 1, 2013.

The Subcommittees approved the Governor's recommendation, as amended, to support the ongoing development and operation of the Exchange and the Eligibility Engine with federal grant funds, fee revenue, and reserves totaling \$15.74 million in FY 2014 and \$5.83 million in FY 2015.

Chair Carlton asked whether there were questions from the Committees.

Senator Kieckhefer commented that the fee revenue would be generated by a \$4.95 per member, per month fee for health insurance plans that would be sold inside the Exchange. The legislation that would initiate the fee had recently been heard by the Senate Committee on Finance. Senator Kieckhefer stated he was not yet comfortable with the bill that would incorporate the per member, per month fee into the overall premium that would then be equalized in premiums outside the Exchange. That could shift costs for financing the Exchange to people who were purchasing insurance outside the Exchange. Senator Kieckhefer said he did not disagree with the level of funding and would

support the budget closing, but he wanted to advise the Committees that he was not yet comfortable with the fee structure within the Governor's recommendation.

Chair Carlton asked whether there were further questions from the Committees regarding the closing report for the Silver State Health Insurance Exchange, and there were none. The Chair called for a motion.

ASSEMBLYMAN EISEN MOVED TO ACCEPT THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE SUBCOMMITTEE ON GENERAL GOVERNMENT AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON GENERAL GOVERNMENT AS PRESENTED FOR THE SILVER STATE HEALTH INSURANCE EXCHANGE.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Goicoechea, Roberson, and Smith and Assemblyman Hickey were not present for the vote.)

BUDGET CLOSED.

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Chair Carlton announced that the closing reports for the Office of Veterans' Services and the Department of Tourism and Cultural Affairs would be rescheduled.

Senator Kieckhefer said it would be helpful to know which closing reports would be heard prior to the hearing. Chair Carlton advised that Fiscal Analysis Division staff would do their best to advise members about the closing reports prior to meetings.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), explained that as the subcommittees finished closing the budget accounts, Fiscal staff attempted to bring those accounts to the full Committees for review as soon as possible. Once the full Committees accepted the subcommittees' recommendation, the stage was set for Fiscal staff to deal with finalization of the budgets and preparation of the Authorizations Act and Appropriations Act, which were the final bills that would be approved by the Committees to fund state government for the upcoming biennium.

Mr. Krmpotic stated that as Fiscal staff prepared the closing documents, they would do their best to advise members about the accounts that would be heard.

Mr. Krmpotic referred to the earlier motion by the Senate Committee on Finance to introduce a bill draft request (BDR) to implement the budget decision in the Department of Transportation budget to remove a provision in NRS 408.111 that required assistant director positions to be classified positions. Mr. Krmpotic said he had been advised by the LCB Legal Division that a BDR was not necessary and the provision could be incorporated in the pay bill. Therefore, Mr. Krmpotic suggested that the Senate Committee on Finance withdraw its earlier motion.

Senator Woodhouse called for a motion from the Senate Committee on Finance.

SENATOR KIECKHEFER MOVED TO WITHDRAW THE EARLIER MOTION TO INTRODUCE A BILL DRAFT REQUEST TO AMEND NRS 408.111 TO RETITLE FOUR UNCLASSIFIED DIVISION ADMINISTRATOR POSITIONS AS UNCLASSIFIED ASSISTANT DIRECTOR POSITIONS AND REMOVE THE REQUIREMENT THAT ASSISTANT DIRECTOR POSITIONS WERE IN THE CLASSIFIED SERVICE OF THE STATE.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED ON THE SENATE SIDE.
(Senators Goicoechea and Smith were not present for the vote.)

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Chair Carlton asked whether there was any further business or public comment to come before the Committees, and there being none, the Chair adjourned the hearing at 9:35 a.m.

RESPECTFULLY SUBMITTED:

Carol Thomsen
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

Senator Debbie Smith, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Ways and Means and Senate Committee on Finance

Date: May 9, 2013

Time of Meeting: 8:15 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
**	C	Michael J. Chapman, LCB	Closing Report, Colorado River Commission
**	D	Jennifer Gamroth, LCB	Closing Report, Office of Military
**	E	Kristen Kolbe, LCB	Closing Report, NDOW
**	F	Adam Drost, LCB	Closing Report, NDOT
**	G	Adam Drost, LCB	Closing Report, State Department of Agriculture and Division of Minerals
**	H	Brody Leiser, LCB	Closing Report, Health Division
**	I	Heidi Sakelarios, LCB	Closing Report, Silver State Health Insurance Exchange