

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Seventh Session
April 8, 2013**

The Assembly Committee on Ways and Means was called to order by Chair Maggie Carlton at 8:05 a.m. on Monday, April 8, 2013, in Room 3137 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).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, 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

COMMITTEE MEMBERS EXCUSED:

Assemblyman William C. Horne, Vice Chair
Assemblyman Pat Hickey

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Michael J. Chapman, Principal Deputy Fiscal Analyst

Minutes ID: 780



Connie Davis, Committee Secretary
Cynthia Wyett, Committee Assistant

Chair Carlton asked Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, to instruct the Committee on the legislation defined as "one-shot" appropriations.

Ms. Jones advised that the bills before the Committee were requests for one-shot appropriations for the current fiscal year. If approved, funding for the bills would be provided through the fund balance available in current fiscal year 2013. The equipment requests scattered throughout the biennial budget would be funded with projected revenues for 2014 and 2015.

Assembly Bill 462: Appropriates to and authorizes the expenditure of money by the Desert Regional Center within the Division of Mental Health and Developmental Services of the Department of Health and Human Services for a new computer system for medical records, provider invoices and claims processing. (BDR S-1179)

Chair Carlton opened the hearing on Assembly Bill 462.

Janet Murphy, Deputy Administrator, Aging and Disability Services Division, Department of Health and Human Services, advised that A.B. 462 requested \$938,119 from the General Fund for a new statewide computer-based, case-management system to replace the current medical records and billing system used by the Desert Regional Center within the Division of Mental Health and Developmental Services.

Ms. Murphy reported that the development costs for the new system were estimated at \$1,517,710; Medicaid administrative costs made up the remaining cost of \$579,591.

In response to Assemblyman Grady who asked for clarification on the request for funding and estimated costs, Ms. Murphy explained that the total cost of the system was \$1,517,710; \$938,119 was a request for an appropriation from the General Fund, and Medicaid administrative costs would provide the balance of \$579,591.

In response to Chair Carlton who asked for additional information concerning the new system, the timeline, and ongoing costs, Ms. Murphy provided the following information:

- The new integrated case-management system would allow staff and community providers to access the system through a web portal.
- The new system would assist staff with Medicaid billing.
- The new system would provide a possible future integration with the Aging and Disability Services Division.
- The development cost for the new system was \$1,517,710. Future ongoing maintenance and licensing costs were estimated at \$460,000 annually.
- The timeline would begin with the request for proposal (RFP) planned for release in the later part of fiscal year 2014; the contract would be awarded at the close of fiscal year 2014; the new system would be ready to use during fiscal year 2015.

In response to Chair Carlton who asked whether the system was requested in The Executive Budget proposed for the 2011–2013 biennium, Ms. Murphy advised that the system, though initially contemplated in 2006, was not requested in 2011.

In response to Assemblyman Aizley who asked for clarification concerning integrating with the Aging and Disability Services Division, Ms. Murphy advised that although the Aging and Disability Services Division currently had an integrated case-management system, the new system would allow records to be shared between the systems.

Hearing no response to her request for testimony in support of or in opposition to the bill, Chair Carlton called for public testimony. There being no response to her request for public testimony, Chair Carlton closed the hearing on A.B. 462 and opened the hearing on Assembly Bill 477.

Assembly Bill 477: Makes an appropriation to the Office of the State Controller to replace computer servers for the statewide financial system. (BDR S-1176)

Susan Rosseter Hart, Chief Deputy Controller, Office of the State Controller, advised the Committee that Assembly Bill 477 appropriated \$470,397 to replace computer servers for the statewide financial system housed and maintained in the Office of the State Controller.

Chair Carlton asked whether the servers would be replaced with used servers from the Division of Enterprise Information Technology Services (EITS), as discussed in an earlier meeting.

Alex Echo, Information Technology Manager, Office of the State Controller, advised that although staff had explored replacing the servers with used equipment from EITS, the EITS system was much larger than the statewide financial system needed. Mr. Echo advised that it was less expensive and more efficient to purchase a new system.

In response to Chair Carlton's inquiry concerning ongoing costs associated with the replacement servers, Mr. Echo advised that all costs were included in the appropriation request.

In response to Chair Carlton's inquiry concerning whether an appropriation to replace servers had been proposed in a previous session, Mr. Echo advised the request to replace servers was a new proposal for the 2013 Legislative Session.

Assemblyman Eisen asked whether the purchase and installation of the replacement servers would be coordinated through EITS.

Mr. Echo advised that staff from the Office of the State Controller had been working with EITS' staff to coordinate the purchase of the new system.

Chair Carlton opened the hearing to those in support of or in opposition to A.B. 477.

David D. Gustafson, Chief Information Officer, EITS, Department of Administration, appeared before the Committee to speak in support of A.B. 477. Mr. Gustafson discussed working with the Office of the State Controller on a study to replace the Advantage system, which included the state's financial, payroll, and human resource systems. The request to fund the study was contained within The Executive Budget for the 2013-2015 biennium.

Mr. Gustafson advised that EITS was moving its UNIX servers [core operating system for the state financial system] to a new platform. Originally, he said, the intent was to move the used servers to the Controller's Office. Mr. Gustafson said, however, that, as reported by Mr. Echo, the servers were too large, and purchasing new servers was more cost-efficient. Mr. Gustafson said that at a point in the future when the entire financial system was replaced, a more integrated solution for the state information technology infrastructure would be researched.

In response to Chair Carlton's questions concerning the obsolescence of the state's computer hardware and software, Mr. Gustafson discussed the rapidly changing world of information technology. The current 14-year old financial system, he said, was outdated the day it was installed. The system, he said, was so highly customized that it became unsupportable by the vendor. He explained the appropriation, if approved, would simply provide a new hardware platform for the system.

Additionally, Mr. Gustafson advised that both he and the Controller were hopeful that, at some point in the future, after the benchmarking and replacement study, either a cloud-based solution [the use of hardware and software computing resources delivered as a service over a network (typically the Internet)] or at least a more flexible platform would be available.

In response to Assemblywoman Kirkpatrick's question regarding a future solution, Mr. Gustafson explained that replacement of the state financial system would begin with the benchmarking and replacement study. The study, he said, would discover inefficient processes, and once best practices were determined, those processes could be taken to a cloud-based offering, which would increase scalability [ability of a computer application or product to function well when it was changed in size or volume to meet user need]. Upon conclusion of the study, a request for proposal (RFP) could be initiated to replace the software for the state financial system.

In response to Assemblywoman Kirkpatrick's question regarding the replacement servers and the benchmark study, Mr. Gustafson advised that the servers were six or seven years old and long overdue for replacement. The Office of the State Controller, he said, needed supportable hardware during the period the benchmarking and replacement study was being conducted.

In response to Assemblyman Sprinkle's questions concerning a cloud-based solution, Mr. Gustafson explained that with passage of the bill, the Office of the State Controller's servers would be replaced, and following the benchmarking and replacement study, EITS would return to the 2015 Legislative Session with a proposal to develop and replace the Advantage system. He explained, however, that because of the timeline, the hardware would already be outdated by the time the next solution was reached. Mr. Gustafson said his preference was to move to a cloud-based solution that would not require the current infrastructure.

In response to Assemblyman Sprinkle, who asked whether hardware would continue to be required, Mr. Gustafson advised that the need for hardware

would depend on the solution. He explained that if one only needed a computer to connect to the cloud, hardware would not be required.

Assemblyman Bobzien noted that it had become increasingly recognized that across-the-board, cloud-based solutions for all services would provide cost savings from a procurement standpoint as well as for the expense and management of servers.

Mr. Gustafson expressed agreement with Assemblyman Bobzien and advised that the EITS Computer Facility budget account 1385 included the Governor's recommendation for deployment and training costs to move email services to a cloud-based email solution.

Chair Carlton, hearing no response to her request for additional testimony in support of or in opposition to the bill, called for public testimony. There being no response to her request for public testimony, Chair Carlton closed the hearing on A.B. 477 and opened the hearing on Assembly Bill 467.

Assembly Bill 467: Makes an appropriation to the Division of State Parks of the State Department of Conservation and Natural Resources to replace public safety equipment and worn and obsolete equipment. (BDR S-1185)

Chair Carlton asked agency representatives to explain the need for an appropriations bill to replace equipment rather than placing a request in the budget.

Stephanie Day, Deputy Director, Budget Division, Department of Administration, explained that there were different methods of requesting funds for a future biennium. One-shot appropriations, such as Assembly Bill 467, she said, requested funds from the current biennium, which upon passage of the bill would balance forward to the next biennium. The other choice was to request funding, typically seen as decisions units, in The Executive Budget. Ms. Day said that the one-shot appropriation process was used especially with information technology projects that were sometimes a multiyear endeavor so that funds could be balanced forward to complete projects.

In response to Assemblyman Eisen who asked for clarification on what became of the funds should a one-shot appropriation bill fail to be approved, Ms. Day advised that the funds would remain in the State General Fund and be available for use elsewhere in the budget.

In response to Assemblyman Aizley's request for additional clarification on one-shot appropriations, Ms. Day described a one-shot appropriation as a

one-time provision of funding, and as in the case of A.B. 467, if all of the equipment was not purchased in the first year, the funding could be balanced forward to the next year for the purchase of equipment.

Eric Johnson, Deputy Administrator, Division of State Parks, State Department of Conservation and Natural Resources, testified that functional equipment was necessary to complete the mission of Nevada State Parks. The staff of the Division of State Parks, he said, prided themselves in their ability to maintain equipment beyond normal useful life. Mr. Johnson said, however, there was a point at which repair costs and time became excessive or replacement components were no longer available, and the agency had reached that point with respect to certain vehicles and equipment.

Mr. Johnson referred to a document entitled "Nevada State Parks One Shot Equipment" ([Exhibit C](#)) and provided the following information:

- Page 2 listed five pickup trucks and respective costs that were needed to replace trucks with an average mileage of 140,000 miles located at the following state parks:

Valley of Fire	\$18,033
Cave Lake	\$26,301
Wild Horse	\$25,194
Lahontan	\$23,366
Berlin-Ichthyosaur	\$27,657

Mr. Johnson reported that the Valley of Fire truck was a 1998 model with 140,000 miles. The truck had steering problems, and the body was beginning to fail.

Cave Lake had a 1997 Ford plow truck with a severely damaged front end, which was parked because of engine problems.

Wild Horse had a 1997 Ford plow truck with 180,000 miles. Previously requested components, he said, could be used on the plow trucks.

Lahontan had a 1992 Ford plow truck with 140,000 miles.

Berlin-Ichthyosaur had a 1996 GMC that could still be operated although it had transmission problems.

Mr. Johnson commented that one of the problems with trucks located in remote locations was the cost and time associated with taking the vehicles to the repair shop in Fallon.

- Page 3 listed a 1998 Kubota tractor with hydraulic problems to be replaced with a \$28,200 larger and faster unit.
- Page 4 requested a used \$55,000 loader with a 15-year service life to replace a 1967 model; rental option for a year totaled \$46,800.
- Page 5 requested the purchase of a used \$29,500 backhoe to replace a 1982 model at Wild Horse State Park to clear snow from the campground.
- Page 6 requested the purchase of a new \$43,712 Bobcat track loader for beach repair.
- Page 7 requested the purchase of a \$2,800 bed insert for a pickup as well as a \$4,995 tilt-deck trailer for beach improvements and flood damage repair at Big Bend of the Colorado State Recreation Area near Laughlin.
- Page 8 requested purchase of a used tractor and a used lowboy trailer for \$68,900. The equipment would be used for the transport of heavy equipment throughout state parks.
- Page 9 requested the purchase of a new \$2,399 storage shed for Big Bend of the Colorado State Recreation Area near Laughlin. The shed would be used to protect a boat, requested in The Executive Budget, from the weather.
- Page 10 requested the purchase of a new \$14,966 light-duty truck for the agency's water system specialist to transport water samples from northern region parks to the University of Nevada, Reno.

Chair Carlton noted that the bill did not reflect the new equipment Mr. Johnson mentioned in his testimony and suggested language be included that addressed the new equipment portion of the request.

In response to Mr. Hardy's question concerning the cost of the shed, Mr. Johnson advised that the cost of the shed was the purchase price only, and State Parks' employees would install it.

In reference to Chair Carlton's comments regarding clarifying language for the new equipment, Mr. Johnson advised that the request was originally submitted for new and replacement equipment for a total of \$371,023. He explained that when the request was submitted, the Budget Division inadvertently omitted the language for the new equipment, which totaled \$137,772. The replacement equipment, he said, totaled \$233,251.

Chair Carlton advised that staff would work with the agency to ensure the language concerning the new equipment was incorporated into the bill.

Hearing no response to her request for testimony in support of or in opposition to the bill, Chair Carlton called for public testimony. There being no response to her request for public testimony, Chair Carlton closed the hearing on A.B. 467 and opened the hearing on Assembly Bill 469.

Assembly Bill 469: Makes appropriations to the State Department of Conservation and Natural Resources for the replacement and maintenance of emergency response, firefighting and other critical equipment and vehicles. (BDR S-1186)

Pete Anderson, State Forester, Division of Forestry, State Department of Conservation and Natural Resources, testifying in support of Assembly Bill 469, advised that the majority of the vehicles requested in the bill were over ten years old and ranged in mileage from 124,000 to 369,000 miles. Replacement parts, he said, were no longer available, and several vehicles were red-tagged as unsafe or irreparable. Mr. Anderson said that the vehicles generated revenue for the state and provided safe emergency response to incidents.

Mr. Anderson referred to a document entitled "One-Shot Appropriations – AB469" ([Exhibit D](#)) and provided the following information for budget account (BA) 4195:

- Page 2 reflected information regarding the Division's 1999 Model 14 fire trucks, described as the workhorses for wildfire suppression responses. The five International Model 14 fire trucks were in need of major repairs at a total cost of \$319,160.
- Page 3 reflected information regarding the replacement of three Type 6 engines for emergency response and patrol throughout the state at a cost of \$307,089. The vehicles ranged in age from 11 to 32 years with mileage ranging from 124,249 to 195,814 miles.

- Page 4 reflected information regarding a request for \$345,000 for a spare engine for the Division's Huey UH-1H helicopters. Having a spare engine would minimize downtime should a failure occur during wildfire season.
- Page 5 reflected information regarding a request to replace two tilt-deck bulldozer transport trailers for \$184,640 and a request to repair a 1992 Caterpillar D6 bulldozer for \$34,178.
- Page 6 reflected information regarding requests for the replacement of one SUV at a cost of \$27,748; replacement parts for the repair of the SUV and repair of the light-support truck fleet at a cost of \$84,600. Page 6 also reflected information on a request for \$8,650 to purchase a hydraulic hose-coupling machine. The machine would provide agency mechanics the ability to repair hose couplings.

Funding for the requests on pages 1-6 for BA 4195 totaled \$1,311,065.

Mr. Anderson referred to [Exhibit D](#) and provided the following information for budget account (BA) 4198:

- Page 7 reflected a request for \$1,785,240 to replace ten worn-out crew carriers for the Conservation Camp program. Vehicles ranged in age from 16 to 28 years with mileage that ranged from 142,297 to 369,150 miles. Page 7 also reflected an additional request of \$222,970 for replacement parts for the balance of the fleet, all of which had exceeded warranty coverage.
- Page 8 reflected a request for \$179,520 to replace five pickup trucks in the Conservation Camp program that ranged in age from 14 to 20 years and a request for \$227,260 to replace five nine-year-old passenger vans. Page 8 reflected an additional request for \$139,664 to purchase replacement parts for the agency's van fleet.
- Page 9 reflected a request for \$5,122 to replace the existing 1994 phone system at the Stewart Conservation Camp.
- The total funding request for BA 4198 was \$2,559,766.

In response to Chair Carlton's request for additional information concerning the Division's crew carriers, Mr. Anderson advised that the Conservation Camp program had 70 vehicles, 10 of which the Division requested to replace and 25 designated for renovation. Mr. Anderson mentioned that the Division received funds during the 2011 Legislative Session to renovate 10 of the older crew

carriers. He said, however, the Division had not replaced vehicles since the 2007 Legislative Session.

In response to Assemblyman Sprinkle's question concerning the average number of miles crew carriers accumulated in a year, Mr. Anderson advised that, depending on the fire season, a crew carrier averaged from 30,000 to 40,000 miles in a year. He explained that the Division's shops had the mechanical capability to renovate the carrier portion of a crew carrier, and the cab and chassis could be replaced over time.

In response to Chair Carlton's inquiry concerning the helicopter replacement engine, Mr. Anderson advised that the Division had three UH-1H helicopters with the same engine. The request, he said, was for a replacement engine that the mechanics could switch out as needed during a high-use season to minimize downtime. Mr. Anderson pointed out that with the expansion of the wildland fire protection program, fire fighting duties were increasing to a year-round obligation.

In response to Chair Carlton's inquiry concerning the number of hours each helicopter had accumulated, Mr. Anderson advised that one helicopter had 800 hours remaining before timing out.

In response to Chair Carlton's inquiry concerning whether the old engine would be refurbished or used for parts, Mr. Anderson advised that once an aircraft engine timed out, it had to be replaced.

In response to Assemblywoman Kirkpatrick's inquiry concerning the disposition of the equipment tagged for replacement, Mr. Anderson advised that the operable equipment would be moved, for example, to volunteer fire departments and irreparable equipment would be auctioned.

In response to Assemblyman Hardy's inquiry concerning the purchase of a hydraulic machine to repair hose couplings, Mr. Anderson explained that the idea was that at the end of the fire season, the Division would send the hydraulic machine to a central location to repair fire hoses.

Assemblyman Anderson asked why, on hunting trips, he had seen fire fighting tools on fire sites after blazes were extinguished.

Mr. Anderson responded that the Division of Forestry had an accountability system and tools were only replaced if broken. Anytime a Forestry crew attended a fire, he said, they arrived and departed with a full inventory of equipment. It was Mr. Anderson's opinion that federal agency teams who

ordered equipment for specific fire incidents sometimes abandoned fire equipment on site.

Hearing no response to her request for testimony in support of or in opposition to the bill, Chair Carlton called for public testimony. There being no response to her request for public testimony, Chair Carlton closed the hearing on A.B. 469 and opened the hearing on Assembly Bill 468.

Assembly Bill 468: Makes an appropriation to the Department of Corrections for an upgrade to and end-user training for the Nevada Offender Tracking Information System. (BDR S-1182)

Mel Rosenberg, Chief of Information Technology, Department of Corrections (NDOC), appeared before the Committee to present and speak in support of Assembly Bill 468. The bill appropriated \$1,902,000 for an upgrade and end-user training for the Nevada Offender Tracking Information System (NOTIS). The appropriation provided \$1,690,000 for the upgrade to the system and \$152,000 for a training course and delivery of the course for the balance of the biennium.

In response to a request from Chair Carlton for a brief overview of NOTIS, Mr. Rosenberg provided the following information:

- NDOC purchased NOTIS from Syscon Justice Systems in 2005.
- After customization, NDOC implemented the system in 2007.
- The Department of Corrections used NOTIS as its main offender-tracking system and supported the State Board of Parole Commissioners' functions within the system.
- NOTIS interfaced with and moved data to and from the Department of Public Safety's Offender Tracking Information System (OTIS).
- NOTIS was antiquated and its system defined as the "one-down" version, or the last product. The current vendor supported a new version to which NDOC wanted to upgrade.
- NDOC was experiencing problems with its current version of NOTIS because it was no longer compatible with newer operating systems and tools in current use.

- The training course was omitted in the first implementation of NOTIS, and the inability to train staff on how to use the system had been a long-standing barrier in the organization.
- Training NDOC's diverse user community in its many locations was a vital part of the upgrade.

In response to Chair Carlton's question concerning NOTIS interfacing with other systems, Mr. Rosenberg advised that NOTIS was 80 percent the vendor's tool and 20 percent customized, which presented some problems. The upgrade he said would provide a 95 percent to 5 percent mix because some of the NDOC's customization had become standard offerings in the vendor's next version. Although progress was being made, Mr. Rosenberg reiterated that the current technology was antiquated, and even the upgrade would be considered older technology. He explained that although NOTIS did interface with OTIS, it did not use the most modern methods to do so.

In response to Chair Carlton's questions concerning the upgrade to NOTIS and the proposed integration of the Division of Parole and Probation into NDOC, Mr. Rosenberg explained that the upgrade to the existing NOTIS did not include the parole functionality. The vendor's tool, he said, had the parole functionality although NDOC did not own the license and was not using the function, which the upgrade would not change. Mr. Rosenberg advised that separate funding would be necessary to turn on, what Syscon described as, the community module that provided the parole functionality.

Assemblyman Hogan asked whether the \$152,000 in training funds was for professional staff only or whether an opportunity existed to train some of the inmates to use the system.

Mr. Rosenberg explained that the \$152,000 was for a curriculum development exercise for the entire user community that included correctional officers, intake workers, and management staff. Although he said he would pass the suggestion on to NDOC's training organization, Mr. Rosenberg explained that, if permitted to be included in the user community, inmates would gain access to data to which they should not be permitted to access, a barrier that would be difficult to surmount.

In response to Assemblyman Aizley's question concerning whether NOTIS provided interstate offender-tracking, Mr. Rosenberg advised that NOTIS was available for use only within the state on the state network although it transmitted data to and from systems outside of the state.

In response to Assemblyman Sprinkle's question concerning why NDOC was not upgrading to the newest version of the system, Mr. Rosenberg said there were several vendors in the market that had new systems that the Director of the Department of Corrections had looked at. He said, however, before going to a new application, NDOC would have to conduct a study to determine the Department's requirements, which would require a biennium followed by a biennium to procure and put a new system into production. The timeline, he said, extended so far into the future and with looming security problems, a first step had to be taken before moving on to the next step.

Chair Carlton acknowledged that testimony concerning information technology applications and the two-step process of catching up and moving forward appeared to be a predominant theme.

Hearing no response to her request for testimony in support of or in opposition to the bill, Chair Carlton called for public testimony. There being no response to her request for public testimony, Chair Carlton closed the hearing on A.B. 468 and announced the Committee would next consider budget closings for the Office of the Governor and Office of the Lieutenant Governor.

ELECTED OFFICIALS
OFFICE OF THE GOVERNOR (101-1000)
BUDGET PAGE ELECTED-7

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that there were no major closing issues for budget account (BA) 1000. Ms. Jones, however, provided the following information on four other closing items:

- A 41 percent increase in operating expenses recommended in the base budget was for the transfer of \$83,800 per year in National Governors Association dues previously paid by the Governor's Office of Economic Development (GOED). The base budget increase also reestablished authority in the upcoming biennial budget to pay Western Governors Association dues not paid from 2008 to 2012. Staff confirmed that the \$83,800 in National Governors Association dues was removed from the GOED base budget. The recommendation, Ms. Jones said, appeared reasonable.
- The Governor recommended department cost-allocation adjustments through decision units Maintenance (M) 801, Enhancement (E) 801, and E-804 to support the Department of Administration Director's Office as well as for centralized personnel services provided to the account by the

Division of Human Resource Management. The net increase in General Funds recommended for the cost allocations was \$687 over the 2013-2015 biennium. The recommendation, Ms. Jones said, appeared reasonable.

- A cost-allocation adjustment resulted from the transfer of the commodity food program under decision unit E-802. The Executive Budget recommended a General Fund increase of \$4,062 over the 2013-2015 biennium. The recommendation, Ms. Jones said, appeared reasonable and was contingent upon the approval of the transfer of the commodity food program from the Department of Administration Purchasing Division to the Department of Agriculture.
- The Executive Budget requested \$13,597 in the 2013-2015 biennium through E-710 to replace equipment for the Office of the Governor that included a printer, six desktop computers, and related software in accordance with the Division of Enterprise Information Technology Services (EITS) recommended equipment replacement schedule. Decision unit E-710 also included replacement of antiquated recording equipment in the Capitol Building Guinn Room, which was used to record public meetings. The recommendation, Ms. Jones said, appeared reasonable.

Ms. Jones advised that staff recommended that all other closing items be closed as recommended by the Governor with authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

Chair Carlton advised that she would entertain a motion to close the budget as recommended by the Governor and to authorize staff to make technical adjustments.

ASSEMBLYMAN KIRNER MOVED TO CLOSE
BUDGET ACCOUNT 1000 AS RECOMMENDED BY THE
GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION
STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hickey and Horne were not present for the vote.)

BUDGET CLOSED.

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ELECTED OFFICIALS
GOVERNOR'S MANSION MAINTENANCE (101-1001)
BUDGET PAGE ELECTED-12

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised of one major closing issue concerning budget account (BA) 1001 for which she provided the following information:

An amendment was submitted to combine two part-time positions. The budget currently supported a 0.49 full-time-equivalent position (FTE) as well as a 0.15 (FTE) vacant nonclassified position. Budget amendment A13A0077 recommended combining the two positions to a 0.64 position, which would result in a General Fund increase of \$22,005 over the biennium. The increase would support health insurance coverage through the Public Employees' Benefits Plan (PEBP) and retirement through the Public Employees' Retirement System (PERS).

Ms. Jones asked whether the Committee wished to approve the budget amendment to provide funding to support employee healthcare and retirement benefits for a 0.64 FTE position.

In response to an inquiry from Chair Carlton, Ms. Jones confirmed that the 0.64 FTE would remain an nonclassified position. As a reminder to the Committee, Ms. Jones clarified that the positions in the Office of the Governor and in the Governor's Mansion Maintenance budget account were nonclassified. The Governor, she said, had the flexibility to determine the number of positions and the pay grade for those positions during each budget cycle. Ms. Jones explained, however, that the Mansion Maintenance budget with only 2.64 positions was too small to afford the incremental costs that would result from making one position an over half-time position and absorbing the associated benefits. Thus, the request, she said, was to provide authority to support those benefits.

ASSEMBLYMAN HARDY MOVED TO APPROVE THE BUDGET
AMENDMENT TO BUDGET ACCOUNT 1001.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hickey and Horne were not present for the vote.)

Ms. Jones provided the following information on three other closing items in the budget:

- The Executive Budget recommended \$58,200 in fiscal year (FY) 2014 to support deferred maintenance items at the Governor's Mansion such as painting, repair of floors, light poles, a trellis, cabinets, carpet-cleaning, and replacement/repair of a walk-in cooler. Representatives of the Office of the Governor testified that there were no other life-safety issues awaiting remediation, beyond those supported by the request. The recommendation, Ms. Jones said, appeared reasonable.
- The Governor recommended a decrease of \$1,668 in General Funds over the biennium for the Department of Administration cost allocations (Maintenance (M) 801 and Enhancement (E) 801) and an increase of \$650 in General Funds over the 2013-2015 biennium to fund the cost allocation (E-804) for centralized personnel services provided to the account by the Division of Human Resource Management. The net decrease in General Funds recommended for the cost allocations over the 2013-2015 biennium was \$1,018. The recommendation, Ms. Jones said, appeared reasonable.
- The Executive Budget recommended a General Fund increase for the Department of Administration cost allocation (E-802) of \$2,588 over the 2013-2015 biennium contingent upon approval of the Governor's recommendation to transfer the commodity food program from the Department of Administration Purchasing Division to the Department of Agriculture. The recommendation, Ms. Jones said, appeared reasonable.

Staff recommended that all other closing items be closed as recommended by the Governor and requested authority to make technical adjustments.

Chair Carlton advised that she would entertain a motion to close the other closing items as recommended by the Governor and to give staff authority to make technical adjustments.

ASSEMBLYMAN HAMBRICK MOVED TO CLOSE OTHER CLOSING ITEMS IN BUDGET ACCOUNT 1001 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY

ASSEMBLYMAN GRADY SECONDED THE MOTION.
THE MOTION CARRIED. (Assemblymen Hickey and Horne were not present for the vote.)

BUDGET CLOSED.

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ELECTED OFFICIALS
GOVERNOR'S WASHINGTON OFFICE (101-1011)
BUDGET PAGE ELECTED-17

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that there were no major closing issues in the Governor's Washington Office budget. The budget, she said, requested \$512,689 over the biennium to continue funding for contract services in support of the Washington Office.

Ms. Jones noted that the Committee requested detailed information regarding the budget for the Governor's Washington Office, which staff provided in the meeting packets.

Staff recommended that the Governor's Washington Office budget be closed as recommended by the Governor and requested authority to make technical adjustments.

Chair Carlton noted that the Department of Transportation provided support for the budget through the Highway Fund, the Commission on Tourism provided support through room tax funds, and the Governor's Office of Economic Development provided support through the General Fund.

Assemblywoman Kirkpatrick expressed concern regarding the process for accessing and receiving information from the Washington Office staff.

Ms. Jones advised that the Governor's Chief of Staff testified in a previous meeting that if members of the Committee wished to access resources provided by the Washington Office, their requests could be made through the Office of the Governor. Ms. Jones offered to assist members as well.

In response to Chair Carlton, who asked whether additional time was required to review the detailed information provided to the Committee regarding the Washington Office, Assemblywoman Kirkpatrick said that while she did not require additional time, she intended to request additional information on how to access the resources provided by the Washington Office staff.

In response to Assemblyman Aizley who asked why there were no FTE positions in the Washington Office budget, Chair Carlton advised that the positions were contracted through a company in Washington, D.C.

In response to a question from Chair Carlton concerning the length of the contract, Stephanie Day, Deputy Director, Budget Division, Department of Administration, advised that the contract for the two staff members expired at the end of the current biennium. The Budget Division, she said was in the process of preparing a contract amendment to take the contract through the end of the 2013-2015 biennium.

In response to Chair Carlton's questions concerning the request for proposal process for the contract, Ms. Day advised that the RFP was issued and the contract approved for the current biennium. As previously stated, she said an amendment to the contract was being prepared, and the amendment would contract for the two staff members through the end of the 2013-2015 biennium, concluding a period of four years after which another RFP would be initiated.

In response to Assemblyman Hogan's question concerning the detailed information for the Governor's Washington Office, Ms. Jones advised that the information was provided on pages 7 through 10 of the documents the Committee members received in their packets prior to the meeting.

Assemblywoman Flores reiterated previous concerns regarding access to the Governor's Washington Office and asked whether the budget closing could be moved to a subsequent meeting to allow the Committee members more time for discussion.

Chair Carlton commented that the established timeline for closing budgets made postponing the closing to another day difficult unless there was a problem that required additional discussion.

Assemblywoman Kirkpatrick expressed her preference for moving on with the budget closing. She advised that she met with representatives of the Office of the Governor on a weekly basis and would ask for information on

accessing the Washington Office, which she would share with the other members of the Committee.

Chair Carlton commented that continuing to fund the Washington Office with the current funding formula was perhaps a topic for a future discussion during the interim.

Assemblyman Hambrick recalled how accessible the Washington Office staff was to him during his first session when they provided audiovisual accommodations for witnesses in Washington, D.C., who were testifying in support of one of his bills.

There were no other questions or comments, and Chair Carlton advised that she would entertain a motion to close the budget as recommended by the Governor and to allow Fiscal Analysis Division staff to make technical adjustments.

ASSEMBLYMAN KIRNER MOVED TO CLOSE
BUDGET ACCOUNT 1011 AS RECOMMENDED BY THE
GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION
STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hickey and Horne were
not present for the vote.)

BUDGET CLOSED.

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**ELECTED OFFICIALS
GOVERNOR'S OFFICE
STATE FISCAL STABILIZATION ACCOUNT (101-1007)
BUDGET PAGE ELECTED-18**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that staff was responsible for developing the closing recommendations for the State Fiscal Stabilization Account. The Committee, she said, had not previously reviewed the account.

Ms. Jones advised that the State Fiscal Stabilization Account was created by the 2009 Legislature to account for Nevada's allocation of State Fiscal Stabilization Funds pursuant to the American Recovery and Reinvestment Act of

2009 (ARRA). The account, she said, was also used during fiscal year (FY) 2011 when the Interim Finance Committee (IFC) approved work programs for the account to accept \$83.1 million in Ed Jobs funding allocated to the Department of Education.

Ms. Jones reported that there were no major closing issues for the account. One closing item, decision unit Enhancement (E) 495 recommended the elimination of \$43.2 million of federal funding in each year of the 2013-2015 biennium because of the expiration of the U.S. Department of Education Ed Jobs grant. Ms. Jones advised that all of the funds for the grant were expended prior to its September 30, 2012 expiration date.

The recommendation, Ms. Jones said, appeared reasonable.

Additionally, staff, she said, recommended closing the account as recommended by the Governor.

There were no questions from the Committee.

ASSEMBLYMAN HARDY MOVED TO CLOSE THE ACCOUNT AS
RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hickey and Horne were
not present for the vote.)

BUDGET CLOSED.

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ELECTED OFFICIALS
LIEUTENANT GOVERNOR (101-1020)
BUDGET PAGE ELECTED-57

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that there were no major closing issues in the Lieutenant Governor's budget account.

Ms. Jones advised there were three other closing items for which she provided the following information:

- The Office of the Lieutenant Governor requested and the Governor recommended the restoration of \$4,350 from the General Fund in the 2014 base budget for the Lieutenant Governor to make one international trip each year, typically to China, to market tourism and to support economic development in Nevada. The Lieutenant Governor testified in a previous hearing that the adjustment was made to assure the availability of funding for the international trip as it was unknown whether support for the travel would become available from another source.

Ms. Jones advised that the recommendation appeared reasonable.

- The Executive Budget recommended, through decision unit Enhancement (E) 710, \$6,736 from the General Fund over the biennium to replace a chair and computer hardware and software in accordance with the Division of Enterprise Information Technology Services (EITS) recommended equipment replacement schedule.

Ms. Jones advised that the recommendation appeared reasonable.

- The Executive Budget recommended, through decision unit E-811, \$12,018 over the 2013-2015 biennium to increase an unclassified administrative assistant position from a 0.40 full-time-equivalent (FTE) position to a 0.51 FTE. The recommendation partially restored the FTE of a position that was reduced in conjunction with budget reductions over the last biennium. The Lieutenant Governor testified during the budget hearing on the account that the Office had been reduced from 6.0 FTE in the 2009-2011 biennium to its current staffing level of 4.40 FTE (not including the Lieutenant Governor).

Ms. Jones advised that the recommendation appeared reasonable.

Staff recommended closing the budget as recommended by the Governor and requested the authority for Fiscal Analysis Division staff to make technical adjustments.

There were no questions from the Committee.

ASSEMBLYMAN ANDERSON MOVED TO CLOSE THE ACCOUNT AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hickey and Horne were not present for the vote.)

BUDGET CLOSED.

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Chair Carlton opened the hearing to public comment to which there was no response.

Chair Carlton reported that the following day's hearing schedule would include the Subcommittees on General Government hearing on budget closings for the Judicial College and College of Juvenile and Family Justice, Merit Award Board, Division of Human Resource Management, Division of Internal Audits, and Department of Business and Industry. The Subcommittees on Human Services would meet for a work session on the Aging and Disability Services Division, the Health Division, and the Division of Mental Health and Developmental Services.

There being no further business before the Committee, Chair Carlton adjourned the hearing at 9:42 a.m.

RESPECTFULLY SUBMITTED:

Connie Davis
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: April 8, 2013

Time of Meeting: 8:05 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 467	C	Eric Johnson, Deputy Administrator, Division of State Parks, State Department of Conservation and Natural Resources	"Nevada State Parks One Shot Equipment"
A.B. 469	D	Pete Anderson, State Forester, Division of Forestry, State Department of Conservation and Natural Resources	"One-Shot Appropriations – AB469"