

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

**Seventy-Seventh Session
April 24, 2013**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 9:10 a.m. on Wednesday, April 24, 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 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 Cresent Hardy
Assemblyman Pat Hickey
Assemblyman Joseph M. Hogan
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Randy Kirner
Assemblyman Michael Sprinkle

GUEST LEGISLATORS PRESENT:

John C. Ellison, Assembly District No. 33

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Mike Chapman, Principal Deputy Fiscal Analyst
Sherie Silva, Committee Secretary
Cynthia Wyett, Committee Assistant



Chair Carlton greeted Committee members and guests in the audience. She asked the Committee Assistant to call the roll; all Committee members were present.

Chair Carlton announced that the agenda would be taken out of order to coordinate with the hearing on some of the same items in the Senate Committee on Finance. She noted there were several bills and budget closings on the agenda.

Chair Carlton opened the hearing on Senate Bill 510, which was a priority bill requiring Committee action.

Senate Bill 510: Temporarily delays the statutory deadline for notifying certain school district employees of reemployment status. (BDR S-1207)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Senate Bill 510 would temporarily delay the statutory deadline for notifying certain school district employees of their reemployment status for the 2013-2014 school year. Existing law required the board of trustees of each school to notify, on or before May 1 of each year, the postprobationary and probationary employees who were employees of the board of trustees of their reemployment status for the next school year. Existing law also required the employees to notify the board of trustees, on or before May 10, of their acceptance of such reemployment.

Ms. Jones said it was unknown whether the state funding bills would be enacted in time for the school districts to execute the statutory deadline, and S.B. 510 was an emergency measure to temporarily suspend the statutory requirement. She noted that this action had been required in prior legislative sessions.

Chair Carlton asked for testimony in support of S.B. 510.

Lindsay Anderson, Government Affairs Director, Washoe County School District, testified the district was in support of S.B. 510, and the extra time to notify the district's employees in a legislative year would be appreciated.

Dotty Merrill, representing the Nevada Association of School Boards (NASB), said NASB appreciated that Senator Smith had sponsored the bill, and it was being moved quickly through the process. The school districts were facing additional budget cuts and/or declining enrollments, particularly in the rural areas, which faced challenges in attracting and retaining highly effective teachers.

Ms. Merrill explained that typically when notices of reemployment were sent out and someone was not going to be reemployed based on preliminary information, that person would begin to search for another job, and sometimes within a few

days, an effective teacher might decide to teach somewhere else. She said the districts appreciated the opportunity to have time beyond the regular statutory deadline to allow the school boards to have more information concerning legislative funding.

Mary Pierczynski, representing the Nevada Association of School Superintendents, testified in support of the bill, saying that it would provide the school districts with an additional tool to deal with staffing issues.

Chair Carlton asked whether anyone wished to provide neutral testimony or testimony in opposition to S.B. 510.

Nicole Rourke, representing Clark County School District (CCSD), testified the district appreciated the effort to extend the deadline in previous years, but Clark County School District had already notified over 18,000 employees of the current deadlines, and to retract that information at this time would complicate the process. She said a draft amendment ([Exhibit C](#)) had been prepared to exclude Clark County School District from the extension of the deadline.

Assemblywoman Kirkpatrick noted the bill would need to be passed by May 1, the Senate had indicated it needed to move quickly, and rules were suspended. This was the first she had heard of an amendment.

Ms. Rourke said the district just became aware of the bill on Thursday [April 18], and the district's process was nearly completed, and contracts were being prepared for teachers and administrators.

Assemblywoman Kirkpatrick observed the extension would give CCSD more time; she did not understand why the extension would create a problem.

Ms. Rourke said the change in the dates would cause serious confusion for the district employees, who would still have the statutory right to delay their responses until May 15. She said the list of contracts was to be submitted to the board of trustees for approval before the end of the school year. Extension of the deadline would delay action by the board of trustees until June 20, 2013, which would make communication with some teachers complicated and cause some employees to be without a contract for one month.

Chair Carlton noted the bill had been heard in the Senate Committee on Finance, and she asked whether Ms. Rourke had voiced the district's concerns to that Committee.

Ms. Rourke replied CCSD had just received the information on Monday [April 22], she discussed the matter with Senator Smith on Tuesday, and the draft amendment was prepared later that day.

Chair Carlton noted that the Clark County School District understood the legislative process and should have been aware of the deadline extensions in past sessions. She suggested that the district should have shared its concerns with members of the Ways and Means Committee prior to the meeting because the agenda had been rearranged to accommodate expeditious action on the bill. She noted a number of the Committee members were from Clark County, and the Clark County School District was before the Committee asking for an exemption from a bill that would be beneficial to the school district and the teachers.

Ms. Rourke said CCSD was in the process of hiring 2,000 new teachers, which she thought put the district in a different position than the other districts. She said the district's human resources department was performing multiple tasks, and maintaining the current deadlines would assist in the hiring process.

Chair Carlton asked for further questions from the Committee; there were none.

Chair Carlton called for public testimony and seeing none, she closed the hearing on Senate Bill 510 and opened the hearing on Assembly Bill 454.

Assembly Bill 454: Requires that certain information be transmitted electronically to the Department of Motor Vehicles. (BDR 43-1161)

Allen Byers, Acting Administrator, Division of Compliance and Enforcement, Department of Motor Vehicles (DMV), explained Assembly Bill 454 would make it mandatory for Nevada automobile dealers to electronically report all vehicle sales in the State of Nevada. Reporting vehicle sales was currently a manual process, which was slow and inefficient for Nevada motorists. He said the bill would provide two important benefits:

- It would make the mandatory trip to the DMV office for a buyer to register a vehicle no longer necessary, as the transaction could be completed online.
- For those customers going to DMV to register their vehicles, the process would be more efficient because the DMV technician would not be required to manually type in the vehicle information because it would already exist in electronic format at DMV. Elimination of the manual process would also help reduce errors when entering the information.

Mr. Byers said a pilot program had been in place for four years with a sizeable group of franchise dealerships. The pilot program was done on a voluntary basis at no cost to the dealers and provided options for the dealerships on how to transmit information. He noted that A.B. 454 had been discussed with and supported by the Nevada Franchised Automobile Dealers Association, which was the only known organized dealers' association in the state.

Mr. Byers said an amendment to section 6 ([Exhibit D](#)) of the bill had been submitted to change the effective date from July 1, 2013, to July 1, 2014, which was the date upon which the budget was built. He said the budget contained funds for contracts and postage.

Assemblyman Eisen asked whether the consumers would have access to the program as it was currently designed in the pilot project after July 1, 2013. Mr. Byers replied that as of July 1, 2013, all transactions would be reported to the DMV electronically, and consumers would have the ability to perform their registrations online.

Assemblyman Sprinkle asked whether the Department anticipated future expenses for computer system upgrades to handle the increased volume once the program was expanded.

Mr. Byers replied the current project was through a central vendor registration (CVR) system vendor, and the Department was currently budgeted to pay a per-transaction fee for the electronic submittal of the dealer's report of sale to DMV. He said the new system would be a Nevada-hosted website with no associated fees. Mr. Byers explained that dealers were currently not required to submit every deal electronically, but with enforcement of mandatory electronic submission of dealer's reports of sale, more fees would be coming from the CVR vendor and the program. However, there would be additional costs for postage to mail license plates and registrations.

Chair Carlton affirmed the increased costs were built into the Department's budget, and A.B. 454 was the bill to establish the system. Mr. Byers replied she was correct; the increased costs were an enhancement in the Department's budget.

Assemblyman Kirner affirmed that there would be a fee paid to a vendor for every electronic transaction. Mr. Byers replied that he was correct.

Chair Carlton asked for further questions from the Committee; there were none.

Hearing no response to her call for public testimony in support of or in opposition to the bill, Chair Carlton closed the hearing on Assembly Bill 454 and opened the hearing on Assembly Bill 195 (1st Reprint).

Assembly Bill 195 (1st Reprint): Revises provisions governing applications for the renewal of permits to carry concealed firearms. (BDR 15-446)

Assemblyman John C. Ellison, Assembly District No. 33, testified that a fiscal note was added to Assembly Bill 195 (1st Reprint). He said the fiscal note on the bill should have been addressed by the fees associated with CCW (carrying concealed weapons) permits. Only Washoe County had submitted a fiscal note, which was \$12,000 in fiscal year (FY) 2013 and \$72,000 in FY 2014 and FY 2015. He noted the bill would expire in 2016.

Chair Carlton asked whether a representative from the Department of Public Safety (DPS) was present to address a fiscal note submitted by DPS.

Patrick Conmay, Chief, Records and Technology Division, Department of Public Safety, explained that during the Department's initial assessment of A.B. 195 (1st Reprint), the criminal history repository staff considered a variety of potential fiscal impacts. One of the areas reviewed was whether there would be an effect on revenue streams associated with the National Instant Criminal Background Check System (NICS) or the Brady Handgun Violence Prevention Act (Brady Act) background checks.

Mr. Conmay said that Assembly Bill No. 282 of the 76th Session (2011) restored Nevada's status as an alternate permit state with the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives, which enabled holders of valid CCW permits to forego the additional Brady Act background check when purchasing a firearm from a licensed dealer. He said the 2011 statute applied only to individuals who renewed their permits after July 1, 2011, and because permits were valid for five years, many current holders could not renew their permits for some time because the sheriffs and chiefs decided to not allow early CCW renewals to avoid the potential for additional workload.

Mr. Conmay said that DPS staff projected that if a percentage of the individuals who would become eligible to renew their permits early under A.B. 195 (1st Reprint) took advantage of the process and then subsequently took advantage of the benefits associated for firearm purchases, there would be some revenue reduction in the Brady Act background check program.

In preparing the fiscal note, Mr. Conmay said that DPS projected the percentage of purchases and arrived at the amount contained in the fiscal note, which was

included for informational purposes. During a subsequent review, however, a decision was made to remove the projection from the fiscal note for two reasons:

- The revenue would ultimately fall off whether or not A.B. 195 (1st Reprint) was enacted, because all permits would be renewed over time, thereby enabling the permit holders to take advantage of the Brady Act exemption anyway.
- The projection was based upon an estimate of the number of persons who might purchase a firearm using the newly acquired exemption benefit. In an abundance of caution, DPS staff had applied a maximum-case scenario.

Mr. Conmay said a subsequent review by the Department concluded that there was no way to accurately project how many firearm purchases would be affected, so a decision was made to remove the component from the fiscal note.

Continuing, Mr. Conmay explained a second component of the original fiscal note included projections associated with workload and staffing if most or all of the eligible individuals applied for early renewal immediately or within the first few months after A.B. 195 (1st Reprint) went into effect. He said the original fiscal note again applied a maximum-case scenario and resulted in a request for three additional staff. The Department's subsequent review concluded that there was no accurate way to project how many persons might apply for early renewal and thus no way to project when an individual might elect to apply. Therefore, the decision was made to remove the request for staff until and unless actual workload increases occurred. If workload necessitated additional staffing, the Department would return to the Interim Finance Committee (IFC) with more precise information and make an appropriate request at that time.

Chair Carlton noted that there was a 180-day provision in the bill, and she wanted assurance that with deletion of the fiscal note for new staff, the Department would be able to comply with the 180-day timeline.

Mr. Conmay agreed with Chair Carlton that the timeline might be a concern, but it was not possible to estimate how many individuals would apply for a renewal. He noted the bill was amended to increase the time from 120 to 180 days to address the possibility of not meeting the deadline. He reiterated that if the volume increased to the extent that the Department could not comply with the timeline, the Department would return to IFC and request another position.

Chair Carlton asked whether there would be repercussions if the 180-day timeline were not met. Mr. Conmay replied he was unaware of any penalties associated with it other than noncompliance.

Chair Carlton asked Assemblyman Ellison how he felt about the 180-day provision and the Department returning to IFC to add personnel.

Assemblyman Ellison said the turnout for renewals would probably be very small, and it should take only 15 to 30 minutes to input a CCW permit into the data system. He noted that the bill would expire on June 30, 2016.

Chair Carlton asked how many positions were vacant in the DPS Records and Technology Division. Mr. Conmay replied the Division was completely staffed.

Assemblyman Sprinkle asked why it was not possible to project the number of renewals since the permits were already in the system.

Mr. Conmay replied the reason a projection could not be made was that A.B. 195 (1st Reprint) did not require an individual to renew early, and there were costs associated with a renewal. An individual with a valid permit could elect to renew his permit immediately after the bill was enacted rather than wait until it expired the next year, or he could wait until the following year. There was no way to determine how many persons would decide to renew early.

Assemblywoman Kirkpatrick observed that projections were often necessary when trying to determine who would take advantage of something and who would not, and she asked why this situation was different.

Mr. Conmay said he was not sure the case was different, but he did not feel that he could confidently and accurately predict how many individuals would renew. It seemed more responsible to wait until there was a sense of the number before asking for a new position.

Chair Carlton asked for further questions from the Committee; there were none.

Lieutenant Eric Spratley, Washoe County Sheriff's Office, testified that the Sheriff's Office had submitted a fiscal note on A.B. 195 (1st Reprint) for \$12,000 in fiscal year 2013 and \$72,000 in the two subsequent years. He said the Sheriff's Office was currently mandated to turn the CCWs around within 120 days, and the Office was running between 110 and 120 days with current staffing of one person in the CCW unit. Lieutenant Spratley said the Sheriff's Office would need an additional office support specialist to handle any increase in CCW workload. He said his staff had advised that the fiscal note could not be rescinded because permit renewals were currently taking between 110 and 120 days.

Assemblyman Ellison pointed out that Washoe County was the only county to submit a fiscal note. He noted that the fees were borne by the people that paid them: driver's licenses, fingerprinting, background checks. He said the bill was not supposed to be a moneymaking operation for the state; it was for the people.

Chair Carlton observed that a request for a CCW renewal could be made 180 days before the expiration date and it took Washoe County 110 days; she saw a 60- to 70-day cushion and did not understand why another position would be needed in the Sheriff's Office.

Lieutenant Spratley said the fiscal note was originally written for 120 days and the County negotiated with Assemblyman Ellison to extend it to 180 days. A fiscal note was submitted to try to be responsible in the worst-case scenario. He said the Sheriff's Office regularly tried to absorb good public-safety policy and any associated costs. Assembly Bill 195 (1st Reprint) was a good bill, but it was more for the convenience of CCW permit holders.

Chair Carlton affirmed that the date was negotiated from 120 days to 180 days to address the concerns of the Washoe County Sheriff's Office, but the fiscal note would not be rescinded, even though the concerns were addressed. Lieutenant Spratley said she was correct.

Hearing no response to her request for testimony in support of or in opposition to Assembly Bill 195 (1st Reprint), Chair Carlton closed the hearing on A.B. 195 (1st Reprint).

Chair Carlton announced that the Committee would next address the budget closing portion of the agenda.

ELECTED OFFICIALS

GOVERNOR'S OFFICE

OFFICE OF VETERANS' POLICY & COORDINATION (000-1008)

BUDGET PAGE ELECTED-52

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the Governor's recommended biennial budget included a new Office of Veterans' Policy and Coordination supported by General Funds of \$504,511 over the 2013-2015 biennium. Assembly Bill 58, submitted on behalf of the Office of Veterans' Services, if approved, would establish the new office and the Interagency Council on Veterans' Affairs and implement other provisions related to veterans. She noted that A.B. 58 was currently in the Committee on Ways and Means.

Ms. Jones said the responsibilities of the Office of Veterans' Policy and Coordination (OVPC) would be to establish policies for the provision of services to veterans and their families and to coordinate the activities of a variety of agencies and community organizations at the state and local levels that provided veterans' services. The Governor had recommended three positions to staff the new office:

1. Executive Director. The executive director would have responsibility for a strategic plan developed by the Interagency Council on Veterans' Affairs called the "Green Zone Initiative" (GZI), which would provide coordination of services and policy direction. The executive director would report to the Governor annually on the activities of the OVPC.

Ms. Jones said the recommended salary for the executive director was \$95,000 annually, which was equal to the executive director of the Nevada Office of Veterans' Services (NOVS). She pointed out that the OVPC would have a staff of 3, while the NOVS had 124.11 FTE (full-time-equivalent) staff that provided oversight of operations at a number of locations statewide, including the veterans' home and veterans' cemeteries, and provided direct assistance to veterans to access available services and benefits.

2. Policy Advisor. A policy advisor would be hired at \$55,000 a year to assist the executive director in implementing elements of the strategic plan through the Green Zone Initiative and provide support to the Interagency Council on Veterans' Affairs.

3. Administrative Assistant. The administrative assistant position would take minutes at the Interagency Council of Veterans' Affairs meetings and provide clerical support to the office at an annual salary of \$26,000.

Ms. Jones said the Governor's recommended budget established the positions as nonclassified employees, similar to the Office of the Governor and the Governor's Office of Economic Development, for which a sum of money was provided and the Office would determine the number of positions and salary levels of its staff members. However, staff in other current policy offices assigned to the Governor's Office, such as the Office of Energy, were in the classified and unclassified service.

Ms. Jones recalled that the Committee on Ways and Means had asked why the functions of the proposed new office could not be integrated into the existing Nevada Office of Veterans' Services (NOVS). In testimony and subsequent information provided to the Fiscal Analysis Division [Legislative Counsel Bureau] staff, NOVS indicated that it was an operational office that by statute operated the veterans' home and cemeteries and provided direct services, while the

proposed OVPC would be focused on policy development and service delivery coordination. Mr. Jones said that the NOVS further indicated that the OVPC would reach across many agencies at federal, state, and local levels to bring them together for the benefit of Nevada veterans.

Ms. Jones noted that *Nevada Revised Statutes* (NRS) 417.090 conferred a number of duties upon the executive director of the Nevada Office of Veterans' Services, including but not limited to: (1) coordinating activities of veterans' organizations, (2) serving as a clearinghouse to disseminate information regarding veterans' benefits, and (3) cooperating with county veterans' coordinators. Therefore, she said, it appeared that the OVPC may duplicate some of the statutory responsibilities currently conferred upon the director of the Nevada Office of Veterans' Services.

Continuing, Ms. Jones said that the NOVS Executive Director had indicated that while the agency was statutorily authorized to provide coordination and policy direction, it did not have the resources to do so, and a public information officer position and information technology staff would be required to execute those responsibilities.

Ms. Jones noted that the new OVPC was proposed to be funded by General Funds, but in response to questions from Fiscal staff and Committee members, the NOVS Executive Director had indicated that the Gift Account for Veterans could be accessed as a funding source to support the new office. However, the revenue from the gift account was currently designated for other programs and outreach efforts throughout the state, including rural outreach efforts and women's veterans' programs. Ms. Jones said the Executive Director had said there may be other outside funding sources from private and public agencies and the federal government, but those funds would be intended to supplement the General Fund request for the OVPC.

Ms. Jones said the decision before the Committee was whether to approve the establishment of the Governor's Office of Veterans' Policy and Coordination.

Chair Carlton asked for questions from the Committee; there were none.

Chair Carlton said there appeared to be a feeling among some legislators that the new office was a duplication of existing services, and she proposed that the Committee not approve the establishment of the new office. Instead, she suggested that consideration be given to adding positions to the Nevada Office of Veterans' Services to implement the Green Zone Initiative and other policy responsibilities for which NOVS was not sufficiently staffed.

Chair Carlton noted the Nevada Office of Veterans' Services budget had been closed in the Subcommittees on public safety, transportation, and veterans, but the budget could be reopened in the full Ways and Means Committee closing to add the new positions NOVS would require to assume the additional duties.

Assemblyman Horne concurred with Chair Carlton's proposal and agreed that the NOVS budget could be reopened in full committee.

Assemblyman Hickey asked, if the Committee agreed to reopen the NOVS budget and add positions, what other savings would be realized by not going forward with the new office.

Chair Carlton replied the budget for the new OVPC office was approximately \$500,000 for the biennium, and the new positions in NOVS would amount to no more than \$250,000 over the biennium, depending upon the number, classification levels, and salaries of the positions.

Assemblyman Grady said he would prefer that veterans not have to choose which office they had to contact for various services. It made sense to him that the Nevada Office of Veterans' Services should be the single agency to support the veterans. Chair Carlton agreed that one office would avoid confusion for veterans.

Chair Carlton noted that travel funds in the NOVS budget should be adequate with the addition of the two new positions. Travel funding could be increased in the 2015 Legislative Session if necessary.

Ms. Jones pointed out that the Governor's recommended budget for the Office of Veterans' Policy and Coordination included \$15,000 each year of the biennium for travel. She recommended that when considering travel funds in the NOVS budget, the Committee recognize that there may be additional travel funds needed for the Interagency Council on Veterans' Affairs.

Assemblyman Aizley asked whether the Committee needed to specify what new positions it was authorizing in the Nevada Office of Veterans' Services. Chair Carlton replied that it was not necessary to determine the positions at this time. The Committee would be reopening the NOVS budget and working with the Executive Director, Caleb Cage, to determine what positions would be needed.

Ms. Jones said if the Committee was recommending to not establish the new Governor's Office of Veterans' Policy and Coordination, a vote would be needed for the record that the request for the new budget account and all funding related to it were not approved. She suggested that the motion include direction to the

Fiscal Analysis Division staff to work with the Office of Veterans' Services to determine appropriate adjustments to its budget for the full Committee closing.

ASSEMBLYMAN HORNE MOVED THAT THE COMMITTEE NOT APPROVE THE REQUEST IN THE GOVERNOR'S RECOMMENDED BUDGET FOR ESTABLISHMENT OF THE OFFICE OF VETERANS' POLICY AND COORDINATION AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO WORK WITH THE NEVADA OFFICE OF VETERANS' SERVICES TO DETERMINE APPROPRIATE ADJUSTMENTS TO ITS BUDGET IN FULL COMMITTEE CLOSING.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**ELECTED OFFICIALS
GOVERNOR'S OFFICE
OFFICE OF ENERGY CONSERVATION (101-4868)
BUDGET PAGE ELECTED-22**

Mike Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reviewed the major closing issues for the Office of Energy.

The first major closing issue involved sufficiency of funding provided by the Renewable Energy Fund. Mr. Chapman recalled that when the Office of Energy account was closed in the 2011 Legislative Session, all but \$100 of General Fund was removed from the account in each year of the biennium. The General Funds were to be replaced with property tax collections transferred from the Renewable Energy Fund.

For the 2013-2015 biennium, Mr. Chapman explained that the Governor's recommended budget included transfers of property tax collections from the Renewable Energy Fund totaling \$782,666 in fiscal year (FY) 2014 and \$1,036,928 in FY 2015. He recalled that during the agency's budget hearing, the Committee heard that actual taxes received in the Renewable Energy Fund were not near the amounts approved for the 2013-2015 biennium. In FY 2013, legislatively approved property tax receipts were projected to be \$1.63 million, but as of February 2013, only \$162,072 had been collected. Mr. Chapman noted that

since the budget hearings in February, the amount of property tax collections had increased to \$1.1 million.

Mr. Chapman further explained that the Governor's recommended budget projected property tax receipts of \$3.1 million in the Renewable Energy Fund in FY 2014 and \$4.7 million in FY 2015. He pointed out that because the transfer of property tax receipts was a new initiative in the 2011 Legislative Session, it was difficult to project property tax collections at that time. The Office of Energy advised that there were also complications in working with the local taxing entities to determine when eligible facilities that received abatements would actually come on to the tax rolls and start generating the tax collections for the Renewable Energy Fund.

Mr. Chapman stated the Director of the Office of Energy had said that the agency had been working to resolve the problems, which appeared to have an effect on the FY 2013 property tax collections. The Director had also testified that there was a built-in delay factor for projecting when the property tax collections would be realized in the Renewable Energy Fund.

Mr. Chapman said that given the revised projections developed by the Office of Energy, as well as the improved collections for FY 2013, the transfer of property tax receipts from the Renewable Energy Fund as recommended by the Governor for FY 2014 and FY 2015 appeared to be reasonable.

Assemblywoman Kirkpatrick requested that the Office of Energy budget be held because she wanted to have further discussions concerning the elimination of 3.51 full-time-equivalent (FTE) positions. She said the Office of Energy supported one of the state's sector councils, the New Energy Industry Task Force, and if ongoing reductions were anticipated, she suggested a decision needed to be made for the long term whether it should continue to be a part of the sector councils.

Chair Carlton stated that the entire budget for the Office of Energy would be held as requested by Assemblywoman Kirkpatrick, and it would be rescheduled for closing after further review.

ELECTED OFFICIALS
COMMISSION ON ETHICS (101-1343)
BUDGET PAGE ELECTED-249

Mike Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained there were three major closing issues in the Commission on Ethics account.

1. New Associate Counsel Position. The Governor recommended funding for a new associate counsel position in the amount of \$253,489 over the 2013-2015 biennium, of which \$78,581 would be General Funds. Mr. Chapman noted that the Commission on Ethics budget was supported by a combination of General Funds and assessments for local governments' activities that the Commission undertook on their behalf.

Mr. Chapman said the recommended salary for the new position was \$92,159, which was equivalent to the commission counsel position in the Commission on Ethics office and a deputy attorney general. The documentation supporting the recommendation indicated that the new position would allow for a separation of duties within the Commission and improve its ability to meet its statutory reporting obligations. He recalled that the Executive Director had testified during the budget hearing that the new position would allow the commission counsel to engage as the legal advisor, while the new position would be the prosecutor before the Commission and separate that activity from the advisory role currently undertaken by commission counsel.

Mr. Chapman noted that during the 2011-2013 biennium, the Interim Finance Committee (IFC) approved a \$65,000 allocation from the IFC Contingency Fund to support a six-month contract for assistance in clearing up a two-year backlog of 54 opinions. The Director noted during the budget hearing that the backlog had been cleared, and there were only 2 opinions outstanding. Mr. Chapman noted that the allocation from the IFC Contingency Fund was 100 percent state funding, while the backlog consisted of a mix of state and local government opinions.

Mr. Chapman said the new position would start on July 1, 2013; typically new positions started on October 1. During the budget hearing, the Executive Director indicated that there would not be a problem filling the position by July 1, 2013.

Mr. Chapman asked whether the Committee wished to approve the Governor's recommendation for a new associate counsel position for the Commission on Ethics.

Assemblyman Eisen asked why the salary being proposed for the associate counsel was equal to the salary of the commission counsel.

Caren Cafferata-Jenkins, Executive Director, Commission on Ethics, replied the requested salary for the associate counsel was at the lowest level for an attorney in the Executive Branch of state government at the present time. A request for an increase in the commission counsel's unclassified salary would be included in the 2013 Session unclassified salary bill. The associate counsel would be at

a deputy attorney general level, and the commission counsel would be moved to a senior deputy attorney general level.

Chair Carlton asked for further questions from the Committee; there were none.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION FOR A NEW ASSOCIATE COUNSEL POSITION
FOR THE COMMISSION ON ETHICS.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

2. Increased Funding for Travel. Mike Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the Governor's recommended budget included increased funding of \$19,919 (\$6,175 General Fund) in each year of the biennium to support additional travel costs for commissioners and agency staff to attend eight Commission on Ethics' hearings each year.

Mr. Chapman recalled that in the budget hearing it was stated that several of the commissioners had participated in hearings through videoconferencing. The Executive Director had said that while that was an option, it was challenging for the Commission to meet via videoconferencing, and attending meetings in person allowed direct contact with the participants, witnesses, and others in the audience and easier access to meeting documents.

Mr. Chapman said the agency's supporting documentation indicated that many of the commissioners had not been reimbursed for their per-diem expenditures and/or air travel. The Governor's recommended budget also included increased travel costs for agency staff to conduct training sessions in Elko or Las Vegas twice per year. He said if the Committee approved the recommendation, Fiscal staff requested authority to make a technical adjustment to reduce in-state travel by \$1,407 each year to correct an error in the amount of base travel used to determine the increase.

Mr. Chapman asked whether the Committee wished to approve the Governor's recommendation for increased travel funding with Fiscal staff's technical adjustment to reduce the amount by \$1,407 each year, which would allow all of the commissioners to attend their third-party complaint hearings and board meetings and the agency staff to conduct training sessions.

Chair Carlton remarked that the request was reasonable, and she hoped commissioners would submit their expense claims for the reimbursement due them.

Chair Carlton asked for further questions from the Committee; hearing none, she called for a motion.

ASSEMBLYWOMAN FLORES MOVED TO APPROVE THE INCREASE IN TRAVEL FUNDS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS TO REDUCE THE AMOUNT OF TRAVEL BY \$1,407 EACH YEAR OF THE 2013-2015 BIENNIUM.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

3. Increased Court Reporting Costs. Mike Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the Governor's recommended budget included additional funding of \$5,810 each year of the 2013-2015 biennium, of which \$1,801 was General Fund, to support increased court reporting costs as projected by the Commission on Ethics.

Mr. Chapman noted that the recommendation was based upon 16 meetings at a cost of \$2,000 per meeting and an additional \$4,000 for other types of meetings, which would include panels, subcommittees, and telephonic advisory hearings. He recalled that during the budget hearing, the Executive Director had indicated that audio recordings of proceedings were conducted, and if the proceeding required deliberation or an opinion, the audio recordings had to be transcribed to written form. The Executive Director had also said that the length and complexity of the Commission hearings had increased.

Mr. Chapman asked whether the Committee wished to approve the Governor's recommendation to increase funding for court reporting services by \$5,810 each year of the biennium.

Chair Carlton asked for questions from the Committee; hearing none, she called for a motion.

ASSEMBLYMAN HOGAN MOVED TO APPROVE THE INCREASED FUNDING FOR COURT REPORTING COSTS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Other Closing Items

Chair Carlton asked Committee members to review the other closing items outlined in the closing document prepared by the Fiscal Analysis Division staff.

- Decision unit Enhancement (E) 225: \$1,248 each year to pay monthly service fees for the Executive Director's iPad and cell phone.
- Decision unit E-710: \$8,355 over the 2013-2015 biennium to replace computer hardware and software.
- Decision unit Maintenance (M) 801 and decision units E-801, E-802, and E-804: technical adjustments to the Department of Administration's cost allocations.

Chair Carlton asked for questions concerning the other closing items, and hearing none, she called for a motion.

ASSEMBLYMAN EISEN MOVED TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS TO COST ALLOCATIONS.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

**COMMERCE & INDUSTRY
PUBLIC UTILITIES COMMISSION
PUBLIC UTILITIES COMMISSION (224-3920)
BUDGET PAGE PUC-11**

Mike Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said there were no major closing issues in the Public Utilities Commission (PUC) account, but he wanted to review the

recommended revenue and reserve levels and an associated budget amendment for the Committee as outlined in other closing items.

1. Mill Assessment, Revenues, and Reserves. Mr. Chapman explained the Governor's recommended budget was built upon a mill assessment rate of 2.42 mills for the 2013-2015 biennium, which was an increase from the current level of 2.28 mills. With this and other recommendations included in the Governor's budget, the agency would be left with an ending reserve balance of \$2.27 million in fiscal year (FY) 2014 and \$1.9 million in FY 2015. Mr. Chapman pointed out the reserve levels were less than the historical optimal 90-day level in the account. He noted that the PUC had statutory authority to adjust its mill assessment each year, based upon its legislatively approved budget. The agency would establish a mill assessment rate to be levied against regulated utility companies for the next fiscal year.

Mr. Chapman said a budget amendment had been received from the Budget Division that increased the mill assessment rate from 2.42 mills as recommended by the Governor to 2.53 mills, which would generate an additional \$448,104 each year of the biennium. The increase, combined with the spending levels recommended in The Executive Budget and other budget amendments, would generate a reserve level of approximately \$2.6 million in FY 2014 and \$2.8 million in FY 2015, which would provide a reserve balance to cover 86 days of operations in FY 2014 and 91 days in FY 2015. Mr. Chapman said the amendment and associated effect on the reserve appeared to be reasonable to Fiscal staff.

2. Transition from Agency-Owned Vehicles to Motor Pool Lease Vehicles. Mike Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the Public Utilities Commission's budget included a recommendation to transition seven of the agency's existing vehicle fleet to monthly motor pool leases. The seven vehicles to be replaced met the state's replacement standard of either ten years of age and/or 100,000 miles. Mr. Chapman said the recommendation appeared reasonable to Fiscal staff.

3. Expert Consultants. Mike Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the Governor recommended reserve funding of \$136,400 in fiscal year (FY) 2014 and \$111,400 in FY 2015, which when combined with base funding of \$48,600 each year, would provide authorization of \$185,000 in FY 2014 and \$160,000 in FY 2015 for expert consultants to supplement the regulatory operations staff in reviewing, analyzing, and advising the Commission in regulatory matters. Mr. Chapman said the recommendation was consistent with past

recommendations by the Governor and approved by the Legislature. The recommendation appeared reasonable to Fiscal staff.

4. Replacement Equipment. Mike Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained the Governor recommended reserve funding of \$169,672 and railway inspection fees of \$4,800 over the 2013-2015 biennium to replace computer hardware and software. He noted there was a budget amendment to remove antivirus software from each budget account as a result of the recommendation to transition to a statewide enterprise antivirus software solution. The recommendation appeared reasonable to Fiscal staff.

Mr. Chapman asked whether the Committee wished to approve the budget amendment increasing the mill assessment and associated revenues and reserves in closing item 1 and to approve closing items 2, 3, and 4 as recommended by the Governor.

Chair Carlton asked for questions from the Committee; hearing none, she called for a motion.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE THE BUDGET AMENDMENT INCREASING THE MILL ASSESSMENT AND ASSOCIATED REVENUES AND RESERVES IN CLOSING ITEM 1, TO APPROVE OTHER CLOSING ITEMS 2, 3, AND 4 IN THE PUBLIC UTILITIES COMMISSION BUDGET, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR OTHER CLOSING DECISIONS THAT WOULD IMPACT THE PUBLIC UTILITIES COMMISSION BUDGET.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Assembly Bill 449: Revises the use of certain proceeds received for purposes relating to vital statistics. (BDR 40-1139)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, recalled that Assembly Bill 449 was originally heard on April 1, 2013, and the bill deleted language in *Nevada Revised Statutes* (NRS) 440.690 that required

vital records fees to be remitted to the General Fund. The bill would permit the Health Division to retain vital records fees to support the costs of the Office of Vital Statistics (budget account 3190). She explained that the concept was approved by the 2011 Legislature in closing the budget; however, a bill was not passed to facilitate the change in funding structure. Ms. Jones said A.B. 449 would fulfill the intent of the 2011 Legislature to allow the Health Division to retain vital records fees for operations rather than revert them to the General Fund.

Ms. Jones said she and Stephanie Day, Deputy Director, Budget Division, Department of Administration, had discussed amending section 2 of the bill to change the effective date from "upon passage and approval" to July 1, 2013, to maintain a consistent funding methodology for the remainder of fiscal year 2013.

Chair Carlton asked for a motion to amend and do pass as amended.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 449.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Hambrick was not present for the vote.)

Assembly Bill 463: Revises provisions relating to stale claims and statutory contingency claims. (BDR 31-1123)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that existing law provided that certain stale claims presented by a state agency to the State Board of Examiners after the date on which it was provided by law that money appropriated to that state agency for the previous fiscal year reverted to the fund from which it was appropriated, must be paid from the Stale Claims Account in the General Fund. A state agency was authorized to pay certain claims incurred in the previous fiscal year from the appropriate budget account in the current fiscal year.

Ms. Jones explained that section 1 of A.B. 463 provided that a state agency may pay a claim for payroll expenses incurred in a previous fiscal year from the appropriate budget account in the current fiscal year.

Sections 1 and 2 of the bill authorized a person designated by the Clerk of the State Board of Examiners to perform the duties of the Clerk, including authorization of payment of a stale claim.

Ms. Jones recalled that during the April 1, 2013, Committee meeting, Assemblyman Eisen noted that existing language in the statute needed clarification. The Department of Administration had presented an amendment to clarify the language of the statute, which did not change the original intent of the bill.

Assemblyman Eisen explained that in discussion with the Department of Administration, it was determined that the confusion was in the drafting of a measure in the 2011 Legislative Session in which a sentence was put in place that disrupted the definition of a stale claim, and the conflicting language was being removed from section 1, subsection 6 of A.B. 463.

Chair Carlton asked for questions from the Committee, and hearing none, she called for a motion.

ASSEMBLYMAN KIRNER MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 463.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Hambrick was not present for the vote.)

Assembly Bill 471: Makes a supplemental appropriation to the Department of Health and Human Services for an unanticipated shortfall relating to the operation of the vital records and statistics program in Fiscal Year 2012-2013. (BDR S-1191)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that Assembly Bill 471 provided an appropriation of \$519,243 to the Department of Health and Human Services relating to the operation of the Health Division's vital records and statistics program in fiscal year 2013.

Ms. Jones explained that the 2011 Legislature had removed General Funds from the Health Division's Health Statistics and Planning budget account, which were to be replaced with vital records fees retained by the Division. To fully support the account during the transition to a fee-funded activity, money was allowed to be advanced from the General Fund. She said this appropriation would repay the General Fund advance of \$519,243 to the Division for fiscal year 2013.

Ms. Jones recalled that at its April 1, 2013, meeting, the Committee had discussed that the appropriation to take care of the accounting mechanics of the General Fund advance should be a one-shot appropriation rather than

a supplemental appropriation, and A.B. 471 needed to be amended to reflect that purpose.

Chair Carlton further explained the bill summary stated that A.B. 471 made a supplemental appropriation to the Department of Health and Human Services for an unanticipated shortfall in FY 2013, which was incorrect. Because the appropriation was a one-shot appropriation, the bill would need to be amended to strike the word supplemental in the summary and the description.

ASSEMBLYMAN HARDY MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 471.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

Chair Carlton asked for questions and testimony in favor of or in opposition to the bill.

THE MOTION PASSED. (Assemblyman Hambrick was not present for the vote.)

Assembly Bill 478: Makes supplemental appropriations to the Nevada Highway Patrol Division of the Department of Public Safety as reimbursement for unanticipated visiting dignitary protection assignments and for an unanticipated shortfall resulting from an increase in fuel costs. (BDR S-1192)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said Assembly Bill 478 was heard on April 1, 2013, and provided a supplemental appropriation to the Nevada Highway Patrol.

- Section 1 requested \$14,803 in General Funds to reimburse the Nevada Highway Patrol for unanticipated visiting dignitary protection assignments.
- Section 2 requested \$731,409 in Highway Funds for an unanticipated shortfall resulting from an increase in fuel costs. However, agency testimony indicated that the request for the fuel costs could be removed from the bill because the agency had sufficient authority in other categories in its FY 2013 budget to cover the higher-than-budgeted fuel costs through the submission of a work program to the Interim Finance Committee. Fiscal Analysis Division staff had worked with the agency and confirmed with the Budget Division that funds were available for a work program in the existing fiscal year. Therefore, the agency, the Budget Division, and

Fiscal staff had agreed that section 2 of the request could be eliminated from the bill.

Ms. Jones said that all that remained in the bill would be section 1, which was a supplemental appropriation of \$14,803 in General Funds to reimburse the Highway Patrol for unanticipated dignitary protection assignments.

Chair Carlton clarified the bill would be amended to delete section 2. She asked for questions from the Committee, and hearing none, she called for a motion.

ASSEMBLYMAN BOBZIEN MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 478.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Hambrick was not present for the vote.)

Senate Bill 510: Temporarily delays the statutory deadline for notifying certain school district employees of reemployment status. (BDR S-1207)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, noted that Senate Bill 510 was heard earlier in the meeting, and Clark County School District had proposed an amendment to be excluded from the provisions of the bill. She advised that the Committee could adopt the amendment or pass the bill in its present form and amend it on the Assembly floor if necessary.

Chair Carlton said the Committee should pass the bill because of the logistics of floor sessions and an amendment was not prepared for the Committee members' review. She preferred to pass the bill in Committee and consider the amendment on the Assembly floor after discussion with the full Assembly.

ASSEMBLYMAN BOBZIEN MOVED TO DO PASS SENATE BILL 510.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

Assemblywoman Flores asked whether the intent was to ensure that the Clark County School District would be exempt from the provisions of the bill by passing the amendment on the Assembly floor.

Assemblywoman Kirkpatrick explained that an amendment would have to be introduced and passed on the floor and delivered to the Governor's Office by Wednesday, May 1. She said she was frustrated because the school districts had

asked for the bill early in the Legislative Session knowing that the same timing problem occurred every legislative session. She said the problem should be resolved permanently, and the full Assembly should have the opportunity to discuss the solution. Assemblywoman Kirkpatrick understood Clark County School District's situation, but the same emergency situation had existed in three previous sessions. Logistically, she said the bill had to be kept moving toward passage. She would work with the Senate and the school districts to address the problem for the long term.

Assemblywoman Flores agreed that the situation should be resolved permanently.

Assemblywoman Kirkpatrick added that the problem did not exist until the state had a budget problem because sufficient state funds had always been available.

Chair Carlton said she was not comfortable with processing an amendment she had not read or discussed with the Committee. She asked for further questions from the Committee, and hearing none, she called for a vote on the motion.

THE MOTION PASSED. (Assemblyman Hambrick was not present for the vote.)

Chair Carlton said she and Assemblywoman Kirkpatrick would work on addressing the problem for the future.

Chair Carlton asked for public comment. Hearing none, she adjourned the meeting at 10:46 a.m.

RESPECTFULLY SUBMITTED:

Sherie Silva
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: April 24, 2013

Time of Meeting: 9:10 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Nicole Rourke, representing Clark County School District	Proposed Amendment to S.B. 510
	D	Allen Byers, Acting Administrator, Division of Compliance Enforcement, Department of Motor Vehicles	Proposed Amendment to A.B. 454