

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

**Seventy-Seventh Session
May 14, 2013**

The joint meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Debbie Smith at 7:15 a.m. on Tuesday, May 14, 2013, in Room 4100 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE COMMITTEE MEMBERS PRESENT:

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

ASSEMBLY COMMITTEE MEMBERS PRESENT:

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

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STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Michael Chapman, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Laura Freed, Senior Program Analyst
Jennifer Gamroth, Program Analyst
Kristen Kolbe, Program Analyst
Brody Leiser, Program Analyst
Heidi Sakelarios, Program Analyst
Teri Sulli, Program Analyst
Thomas Hutton-Potts, Committee Secretary

OTHERS PRESENT:

Keith Uriarte, AFSCME, American Federation of State, County and Municipal Employees, Local 4041
James Richardson, Nevada Faculty Alliance
Martin Bibb, Retired Public Employees of Nevada
Peggy Lear Bowen
Catherine Cortez Masto, Attorney General
Michele Johnson, Financial Guidance Center

Chair Smith:

We will open the meeting with public comment.

Keith Uriarte (AFSCME, American Federation of State, County and Municipal Employees, Local 4041):

I am here today to make public comment regarding the budget closing for the Public Employees' Benefits Program (PEBP). I have submitted our comments in writing ([Exhibit C](#)). The theme "big business versus the working poor" has emerged from this Legislative Session. I have heard it said in recent days, and in Interim Finance Committee (IFC) meetings over the past year, "departments use their budgets as ATM machines." Today I can say that PEBP has been used as an ATM machine. Yesterday, we were told that the cost projections for PEBP were done over 3 years. Yet, the actual costs are not known until the March following those 3 years. In the meantime, benefits for State workers decline. On pages 3 and

4 of [Exhibit C](#), I have listed all the Legislative actions since 1999 that have affected PEBP.

The bigger picture is changing for PEBP. At the March 21 meeting of the PEBP Board, Justin Kindy of Aon Hewitt, a human resources consulting firm, presented a report. Mr. Kindy's remarks, found on page 10 of [Exhibit C](#), describe what Governor Brian Sandoval and the PEBP Board are about to do to the PEBP Board and the benefits as we know them today. To quote Mr. Kindy:

The second piece is this is really moving from a defined benefit contribution – or sorry, defined benefit model, you know, where you have certain deductible, et cetera, to a defined contribution model. So employers ... sign up for the corporate exchange say: I'm going to pay \$500 per employee and you can go to the exchange. You can select from a bronze all the way up to a platinum plan essentially paying the difference between whatever that premium is and whatever the employer gives you.

After a hearing on [Senate Bill \(S.B.\) 34](#), James R. Wells, Executive Officer of Nevada PEBP, was asked several questions by lobbyists about the benefit contributions currently being made. Mr. Wells mentioned that the amount is over \$1,000 but that *Nevada Revised Statutes* (NRS) only requires \$733. The State is moving toward that minimum amount. Yesterday, you heard a different story from the Chair of PEBP. He said that the current rate of \$1,039 would continue.

[SENATE BILL 34 \(1st Reprint\)](#): Makes various changes relating to group health insurance provided by the Public Employees' Benefits Program. (BDR 23-377)

This serious issue has plagued State employees for some time. You heard it yesterday from State employees. Please understand that the PEBP is not an ATM to be used as a wedge between big business and State workers. There must be a balance and I hope it is reached by the end of this Legislative Session.

James Richardson (Nevada Faculty Alliance):

This is a very important budget because it contains the health plan for State employees. There have been dramatic changes in their health plan in recent years. Utilization of the plan has dropped precipitously, generating large surpluses. I am

glad that some of those surpluses have been used to improve the plan in various ways, including \$47 million in rebates to participants. Some of the temporary changes need to be made permanent. Giving more money to the Health Savings Account (HSA) and the Health Reimbursement Arrangement (HRA) serves to reduce the deductible. The deductible should be reduced permanently. Any savings generated through PEBP should be allocated to State employees in some way, either in direct improvements to the plan, or rebates to offset deficiencies in State employee compensation. State employees have suffered pay cuts, lost merit pay and gained mandatory unpaid furloughs for 4 years now. The State is losing employees and having difficulty recruiting replacements. On the university level, young new professors, who had bought homes when they came to Nevada, were greeted on the job with pay cuts. They have lost their homes. We urge you to seriously consider the PEBP budget to improve the compensation packages for State employees.

Martin Bibb (Retired Public Employees of Nevada):

Mr. Uriarte referenced the working poor. A number of retired State employees would fall into that income group because they retired when salaries were lower and benefits were less. We are concerned about the concept of directing PEBP funds to other State budget accounts. The reserves in the PEBP account have been built up over the last several years when cost projections were significantly overstated. That money is needed now to address some of the issues relating to PEBP. On May 16, the PEBP Board will be hearing a request for information relative to the "corporate exchange." Such an exchange will, in effect, privatize a portion of PEBP. Implementation of the Medicare exchange has generated many questions about funding and customer service. Those questions remain unanswered. The concept of a "corporate exchange" will be equally fraught with such issues.

The local group of "orphan" retired local government employees is shrinking in number and is expected to be gone within 5 years. These are retirees who came to PEBP under certain assumptions, who now are in danger of being considered a separate pool. Reducing the funding for this pool is a legitimate concern.

The group of pre-Medicare retirees who will eventually be moved into the Medicare exchange should be factored into the funding formula.

Peggy Lear Bowen:

In 1984, Nevada created PEBP and began self-insuring its employees and retirees. Nevada took control of its money, its hiring process and its active and retired employees. We had a State plan that did not allow anyone to borrow against it or any insurance company to profit from it. It was intended to replace the Social Security requirements of Medicare. It has been part of the contract between the State and its employees in lieu of Social Security and Medicare.

I am one of those "orphans." We continue to hear that the rates remain flat for the coming year. My rate, without a subsidy, will increase to \$1,019 per month. With the subsidy, because I worked for the State for 35 years, I can subtract about \$627 from that amount. When I retired in 2007, my rate was \$46, with the subsidy included.

We ask you to look at the kind of program you want. Do you want your retirees to receive Social Security benefits and experience the problems other recipients have experienced with that program? Or, do you want to reject privatization and investments in other locales in order to keep Nevada's monies here? By rejecting privatization, you keep more of Nevada's money in the hands of Nevadans who spend that money in Nevada.

Please return the PEBP to the State and welcome all retirees back as equal partners. We are not just numbers. The reason forecasters say that the "orphan" group will disappear within 5 years is because they expect us to either die or be priced out of the plan because we have been kept in a separate pool.

Please treat the "orphans" as equal within the retiree section of the plan and treat the retirees as if you treasure them, because I think you do.

Chair Smith:

You are right about that.

Seeing no further public comment, we will move to budget closings for the Office of The Attorney General (AG). The first budget under consideration is for the Extradition Coordinator, budget account (B/A) 101-1002.

ELECTED OFFICIALS

ATTORNEY GENERAL'S OFFICE

AG - Extradition Coordinator — Budget Page ELECTED-67 (Volume I)
Budget Account 101-1002

Teri Sulli (Program Analyst):

In the Base Budget, the Governor recommends General Fund appropriations of \$529,790 in each year of the 2013-2015 biennium, to support extradition expenditures. The Governor's recommendation is based on a 5-year average of extradition expenditures from fiscal year (FY) 2007-2008 to FY 2011-2012, which is a \$121,314 increase in each year of the 2013-2015 biennium, over the actual amount of \$408,476 expended in FY 2011-2012. As the table on page 3 of the Senate Committee on Finance and Assembly Committee On Ways and Means, Closing List #1, May 14, 2013 ([Exhibit D](#)) indicates, the number of extraditions and the costs reimbursed for extraditions have been decreasing over the last 4 years, from 760 extraditions at a cost of \$571,732 in FY 2008-2009, to 541 extraditions at a cost of \$408,476 in FY 2011-2012, which represents a 40.5 percent decrease.

With the year-over-year decline in extradition expenditures, the Agency reverted unspent General Fund appropriations of \$183,407 in FY 2010-2011 and \$147,659 in FY 2011-2012.

The Agency indicates that there have been no instances in which extraditions were not processed due to a lack of resources and no claims have been denied reimbursement due to insufficient funds being made available.

The Agency indicated it will support any amount of funding considered by the Legislature, yet cautions that funds from the Contingency Account may be required if extradition costs are underfunded. However, Fiscal Analysis Division Staff notes that the General Fund appropriations to this account are available for both years of the biennium. With the IFC's approval, General Fund appropriations may be transferred from one fiscal year to the next within the biennium. The ability to move funds within the biennium helps prevent the need for the Agency to request funds from the Contingency Account in most instances.

The Committees may wish to consider the following options relating to the Governor's recommendation to increase the General Fund appropriations and

extradition expenditure authority:

Option No. 1 would be to approve the Governor's recommendation to increase the General Fund appropriations and extradition expenditures by \$121,314 in each year of the 2013-2015 biennium, based on a 5-year average of extradition costs, for a total of \$529,790 in each year of the 2013-2015 biennium.

Option No. 2 would be to decrease the General Fund appropriations and extradition expenditures by \$121,314 in each year of the biennium to correspond with the FY 2011-2012 extradition expenditures of \$408,476 in each year of the 2013-2015 biennium.

Option No. 3 would be to decrease the General Fund appropriations and extradition expenditures by \$66,379 in each year of the biennium to reflect a 3-year average of the Agency's most recent extradition expenditures as opposed to a 5-year average, for a total of \$463,411 in each year of the 2013-2015 biennium.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE OPTION NO. 3 IN
B/A 101-1002.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Sulli:

In decision unit E-225, the Governor recommends General Fund appropriations of \$28,707 in FY 2013-2014 and \$31,433 in FY 2014-2015 to increase the status of a part-time administrative assistant III position to a full-time position. The Agency indicates it has been having difficulty managing without the program officer I position that was eliminated in FY 2009-2010. Based on the decreases in the number of extraditions and reimbursed costs, it appears that the elimination of the program officer I position has not had an adverse effect on the extradition program.

E-225 Efficient and Responsive State Government — Page ELECTED-68

The Agency indicated that they anticipated other support staff within the AG's Office would absorb some of the workload of the program officer I position. However, most recently, the job duties of that position have changed and that position is no longer able to provide support to the restitution project in the Extradition Program. The Agency further indicated that the restitution project was not fully implemented until after the elimination of the program officer I position and without the additional AG's Office support staff, extradition staff will be required to absorb the work into their existing workloads. Additionally, the Agency indicates that if S.B. 22 and S.B. 24 are approved, the extradition unit will require additional new duties. Fiscal Staff notes that the review of S.B. 22 shows that the AG's Office indicated there would be no fiscal impact on the Agency, and the AG's Office did not provide a fiscal note for S.B. 24.

SENATE BILL 22 (1st Reprint): Makes various changes relating to the Office of the Attorney General. (BDR 18-213)

SENATE BILL 24: Authorizes the establishment of a program for law enforcement personnel and prosecuting attorneys on the Vienna Convention on Consular Relations. (BDR 18-399)

SENATOR GOICOECHEA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE THE PART-TIME ADMINISTRATIVE ASSISTANT III POSITION TO A FULL-TIME POSITION IN DECISION UNIT E-225 OF B/A 101-1002.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Chair Smith:

There is one Other Closing Item in this account, decision unit E-750.

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E-750 Budget Restorations — Page ELECTED-70

ASSEMBLYMAN HORNE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO RESTORE GENERAL FUND APPROPRIATIONS FOR IN-STATE TRAVEL IN DECISION UNIT E-750 OF B/A 101-1022.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Smith:

We will now consider the budget for the Administrative Fund.

AG - Administrative Fund — Budget Page ELECTED-72 (Volume I)
Budget Account 101-1030

Ms. Sulli:

The first Major Closing Issue in this account is the AG Cost-Allocation Plan (AGCAP) in the Base Budget. The Executive Budget originally recommended Base Budget General Fund appropriations for the AG Administrative Fund of \$33.7 million over the 2013-2015 biennium, which represents a 45.9 percent increase over the \$23.1 million approved by the 2011 Legislature for the 2011-2013 biennium. The Department of Administration's Budget Division submitted multiple budget amendments that adjusted the various statewide allocations and the AGCAP. Budget Amendment No. A130011030 revised the funding mix within this account. The result is a decrease in General Fund appropriations of \$2.4 million in FY 2013-2014 and \$4.4 million in FY 2014-2015. The amended funding mix of 52 percent General Fund and 48 percent non-General Fund is comparable to the FY 2011-2012 funding mix and appears reasonable.

Fiscal Staff notes that the revised AGCAP provided by the Budget Division includes

an assessment of \$36,359 in FY 2013-2014 and \$37,214 in FY 2014-2015 for the AG National Settlement Administration account, B/A 340-1045; however, this assessment has not been included in The Executive Budget or any budget amendment submitted by the Budget Division. In order to maintain the integrity of the AGCAP and ensure all funding sources are properly assessed, Fiscal Staff recommends reducing the General Fund appropriations and increasing the Charges for Services in this account by \$36,359 in FY 2013-2014 and \$37,214 in FY 2014-2015; and provide a corresponding fund transfer from B/A 340-1045 to B/A 101-1030.

AG - National Settlement Administration — Budget Page ELECTED-124 (Volume I)
Budget Account 340-1045

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE REDUCTION IN GENERAL FUND APPROPRIATIONS TO B/A 101-1030 BY \$36,359 IN FY 2013-2014 AND \$37,214 IN FY 2014-2015 WITH A CORRESPONDING INCREASE IN CHARGES FOR SERVICES FOR THE AG NATIONAL SETTLEMENT AGCAP ASSESSMENT; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS IN B/A 101-1030 AND B/A 340-1045 ASSOCIATED WITH THE AGCAP ASSESSMENT.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

Ms. Sulli:

The second Major Closing Issue in B/A 101-1030 relates to overcharges by the AG's Office. On February 3, 2011, the IFC approved one senior deputy attorney general (DAG) and one DAG to provide legal services to the Nevada Department of Conservation and Natural Resources' Nevada Division of Environmental Protection (NDEP). The AG'S Office indicated that the NDEP would fund the positions 100 percent until the positions could be incorporated into the AGCAP and cost-allocated. As stipulated, the expenditures associated with the two positions have been included in the AGCAP. However, Fiscal Staff noted an error in the AGCAP calculations related to these positions, which resulted in the AG double

billing the NDEP for the positions. In order to correct this error, General Fund appropriations of \$134,088 in FY 2013-2014 and \$215,743 in FY 2014-2015 would be required to offset the AG assessments overcharged to the NDEP.

On October 25, 2011, the IFC approved one senior DAG to provide legal support to the Department of Business and Industry's (B&I) Real Estate Division for the Common Interest Communities program. The position was approved for 100 percent funding from the Real Estate Division until it could be incorporated into the AGCAP for allocation.

The expenditures associated with the senior DAG have been included in the AGCAP for FY 2013-2014 and FY 2014-2015 and are included in the Executive Budget. However, Fiscal Staff discovered the same error that was applied to the NDEP positions was also applied to the senior DAG position. Accordingly, in order to correct this error, General Fund appropriations of \$110,816 in FY 2014-2015 would be required to offset the AG assessment overcharged to the Real Estate Division.

ASSEMBLYWOMAN CARLTON MOVED TO PROVIDE ADDITIONAL GENERAL FUND APPROPRIATIONS TO B/A 101-1030 OF \$134,088 IN FY 2013-2014 AND \$326,559 IN FY2014-2015 WITH CORRESPONDING REDUCTIONS TO CHARGES FOR SERVICES TO OFFSET THE AG ASSESSMENT OVERCHARGED TO THE NDEP AND THE REAL ESTATE DIVISION; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS TO THE REAL ESTATE DIVISION AND NDEP ACCOUNTS WITH THE AGCAP ASSESSMENTS.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN KIRNER VOTED NO.)

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

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Ms. Sulli:

The third Major Closing Issue in B/A 101-1030 relates to the transfer of the

construction law counsel position.

E-500 Adjmt to Trnsf fr Special Fund — Page ELECTED-75

E-900 Transfer FR Special Fund to Administration ACCT — Page ELECTED-80

The Executive Budget recommends transferring the construction law counsel position and associated expenditures from the AG Special Fund to B/A 101-1030, and changing the funding source of this position from 100 percent transfer from the Department of Administration's State Public Works Division (SPWD), to a combination of General Fund appropriations, Charges for Services, and Board and Commission Billings.

AG - Special Fund — Budget Page ELECTED-83 (Volume I)
Budget Account 101-1031

The construction law counsel position was approved by the 74th Session to work exclusively in the area of construction law for the SPWD in an effort to avoid costly litigation and claims, and to build construction law expertise in the AG's Office. The AG's Office indicates that the transfer of the construction law counsel position was initiated by the Director of the Department of Administration, not the AG's Office, and the position's responsibilities would not change as a result of the transfer. The Administration explained that the decision to transfer the construction law counsel to the AG Administrative Fund and to include the construction law counsel in the AGCAP was not intended to change the dedicated services provided to the SPWD by the construction law counsel.

Fiscal Staff notes that under the current structure, the SPWD does not pay for administrative costs associated with the construction law counsel, such as work performed by AG's Office administrative staff. The Administration explained that including the construction law counsel in the AGCAP would allow for the allocation of AG's Office administrative costs to the SPWD. Fiscal Staff analyzed the FY 2011-2012 and FY 2012-2013 AGCAPs to determine if the construction law counsel had been accounted for properly over the 2011-2013 biennium and found the following issues with the AGCAP allocations.

First, the SPWD's share of the AG's Office administrative costs for B/A 101-1031 were calculated correctly in the FY 2011-2012 and FY 2012-2013 AGCAP based on a percentage of each account's personnel costs as it relates to the total

AG's Office personnel costs. However, when the Administration distributed the AGCAP results among the non-General Fund accounts, B/A 101-1031 allocations were erroneously distributed to the General Fund and not to the SPWD.

If the Committees choose not to transfer the construction law counsel position and associated operating expenditures of \$170,708 in FY 2013-2014 and \$172,613 in FY 2014-2015 from B/A 101-1031 to 101-1030, the Committees should consider providing additional fund transfers from the SPWD to B/A 101-1031 of \$16,933 in FY 2013-2014 and \$16,968 in FY 2014-2015 to cover the AG's Office administrative costs associated with the construction law counsel.

Second, the AG's Office indicates that in FY 2011-2012 it provided 1,740 legal hours to the SPWD; however, of the 1,740 hours, 1,579.4 hours were provided by the construction law counsel. As previously indicated, in FY 2011-2012 the construction law counsel payroll and operating costs were funded 100 percent by the SPWD. Accordingly, the SPWD was charged twice for the construction law counsel personnel and operating costs in FY 2011-2012 and FY 2012-2013, once in B/A 101-1031 and again in B/A 101-1560. This error appears to have also occurred in FY 2010-2011. Since the legal hours incurred in FY 2010-2011 and FY 2011-2012 are the basis for the 2013-2015 AGCAP, the error is carried forward in FY 2013-2014 and FY 2014-2015. Consequently, the Executive Budget overcharges the SPWD for AG's Office services by \$309,518 in FY 2013-2014 and \$174,488 in FY 2014-2015. To rectify this situation, General Fund appropriations would be required to replace the corresponding amount the SPWD would be overcharged in the 2013-2015 biennium.

Administration - SPWD - Facility Cond & Analysis — Budget Page ADMIN-179
(Volume I)

Budget Account 101-1560

Based on Fiscal Staff's analysis, a General Fund savings of \$61,443 would be achieved over the 2013-2015 biennium if the construction law counsel remains in B/A 101-1031 and the SPWD were assessed 100 percent of the costs related to the positions personnel, operating and AG's Office administrative costs. The table on page 9 of [Exhibit D](#) summarizes the General Fund impact if the construction law counsel remains in B/A 101-1031.

The Committees may wish to consider the following options relating to the

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Governor's recommendation to transfer the construction law counsel from B/A 101-1031 to B/A 101-1030 and changing the source of funding:

Option No. 1 would be to approve the Governor's recommendation to transfer the construction law counsel from B/A 101-1031 to B/A 101-1030 and to change the source of funding from 100 percent SPWD to General Fund appropriations of \$168,227, Charges for Services and Board and Commission Billings.

Option No. 2 would be to not approve the Governor's recommendation to transfer the construction law counsel from B/A 101-1031 to B/A 101-1030 and changing the source of funding from 100 percent SPWD to General Fund appropriations of \$168,227, Charges for Services and Board and Commission Billings.

If the Committees choose Option No. 2, it will be necessary to establish fund transfers from B/A 101-1562 and B/A 101-1031.

Administration - SPWD - Engineering and Planning — Budget Page ADMIN-170
(Volume I)
Budget Account 101-1562

ASSEMBLYWOMAN CARLTON MOVED TO NOT APPROVE THE GOVERNOR'S RECOMMENDATION TO TRANSFER THE CONSTRUCTION LAW COUNSEL FROM B/A 101-1031 TO B/A 101-1030; AND TO ESTABLISH FUND TRANSFERS FROM B/A 101-1562 AND B/A 101-1031 OF \$16,933 IN FY 2013-2014 AND \$16,968 IN FY 2014-2015 TO COVER THE AG'S ADMINISTRATIVE COSTS ASSOCIATED WITH THE CONSTRUCTION LAW COUNSEL.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

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

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Ms. Sulli:

The fourth Major Closing Issue in B/A 101-1030 relates to a source of fund change in decision unit E-502.

E-502 Adjust Revenue for Expired Contract — Page ELECTED-76

The Executive Budget recommends replacing revenue of \$59,594 from the Conference of Western Attorneys General (CWAG) with General Fund appropriations of \$32,083 and Charges for Services of \$27,511 in each year of the 2013-2015 biennium.

During its April 29, 2010, meeting, the IFC approved \$165,825 in CWAG funding pursuant to a collaborative agreement between the AG's Office and CWAG. Per the agreement, CWAG would provide reimbursement to the AG's Office for prosecutorial liaison services and associated costs for the period of February 1, 2010, through January 31. The receipts of these funds were not used to fund any specific positions within the AG's Office, since the majority of the AG Office's legal counsel positions are funded with the AGCAP. Instead, reimbursements collected from CWAG were reverted to the General Fund pursuant to Section 7 of the Authorization Bill, S.B. No. 503, of the 76th Session. Since the contract has already expired, and a new contract has not yet been negotiated, Fiscal Staff recommends the Committees not approve this decision unit and instead provide Fiscal Staff with authority to make technical adjustments to eliminate the CWAG revenue and expenditures in the Base Budget.

ASSEMBLYMAN KIRNER MOVED TO NOT APPROVE DECISION UNIT E-502 IN B/A 101-1030 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS IN CONJUNCTION WITH THE CWAG REVENUE AND EXPENDITURES IN THE BASE BUDGET.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

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

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Ms. Sulli:

The fifth Major Closing Issue in B/A 101-1030 is the elimination of two temporary aide positions in decision unit E-226.

E-226 Efficient and Responsive State Government — Page ELECTED-74

The Executive Budget recommends eliminating two quarter-time temporary aide positions used to assist the Tobacco Enforcement Unit in tobacco compliance investigations pursuant to NRS 202.2496. The temporary aide positions are required to have an investigator position supervising the compliance investigations. The AG's Office indicates the elimination of the positions is necessary due to the limited amount of time available for the two tobacco enforcement investigators, one located in Reno and one located in Las Vegas, to supervise the temporary aide positions and perform compliance checks.

If approved, the Executive Budget recommends utilizing the savings of \$28,769 in FY 2013-2014 and \$32,767 in FY 2014-2015, achieved through the elimination of the two temporary aide positions, to fund additional out-of-state travel for tobacco enforcement activities. The AG's Office indicates the additional out-of-state travel is necessary for the tobacco enforcement investigators to attend out-of-state conferences and meetings held by other states regarding tobacco distribution issues and for national tobacco arbitration. According to the AG's Office, these meetings are becoming more frequent.

As indicated in the table on page 10 of [Exhibit D](#), the Tobacco Enforcement Unit has not historically utilized all of the funding for which it was authorized, which has enabled the State Treasurer to distribute these funds to other State programs allowed within the provisions of the Master Settlement Agreement (MSA).

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE ELIMINATION OF THE TWO QUARTER-TIME TEMPORARY AIDE POSITIONS AND UTILIZE THE SAVINGS OF \$28,769 IN FY 2013-2014 AND \$32,767 IN FY 2014-2015 TO FUND ADDITIONAL OUT-OF-STATE TRAVEL FOR THE TOBACCO

ENFORCEMENT ACTIVITIES; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS TO THE TOBACCO ENFORCEMENT UNIT REVENUE AND EXPENDITURES IN CONJUNCTION WITH THE ELIMINATION OF THE TWO QUARTER-TIME TEMPORARY AIDE POSITIONS AND THE USE OF THE SAVINGS IF APPLICABLE.

SENATOR KIECKHEFER SECONDED THE MOTION.

Assemblywoman Flores:

Where will the Tobacco Enforcement Unit employees go when they travel out of Nevada?

Ms. Sulli:

Investigators travel out of State for conferences and the national tobacco arbitration hearings.

Chair Smith:

I want to clarify that the out-of-state travel is for the investigators, not the temporary aides. It would be the savings from the elimination of positions that will fund the travel.

Assemblywoman Flores:

How many people will be traveling? How many out-of-state conferences will they be attending during the biennium with the approximate \$60,000?

Catherine Cortez Masto (Attorney General):

We previously provided this information to you. In addition to attending conferences, our staff participates in a national arbitration and possible settlement from which the State has already been awarded millions of dollars. Our obligation remains to attend the ongoing proceedings.

In January 2009, the Nevada Supreme Court ordered the State of Nevada to arbitrate Nevada's dispute concerning whether Nevada diligently enforced the State law relative to the MSA. Nevada's potential liability is more than \$40 million for calendar year 2003 alone. The same risk is assessed for every subsequent year, including 2013. Nevada is participating in the nationwide arbitration, which occurs in either Chicago, Illinois, or Fort Meyers, Florida. However, we are in the process of reaching a potential settlement. Given the breadth and scope of this arbitration,

there are many additional expenditures necessary to defend and subsequently settle the case. Historically, we have had to request additional funds in Expenditure Category 21 of B/A 101-1030 due to the nationwide tobacco arbitration, which resulted in increased costs and travel expenditures.

In the past, we prepared two work programs. The first was on December 17, 2010, when we received \$138,234. The second was on May 3, 2012, when we requested \$30,000. There was only \$440 left in Category 21 at the end of FY 2011-2012 because of the travel related to the MSA and the arbitration in progress. By requesting the transfer of savings from the elimination of the two quarter-time positions to Category 21, we want to use those funds for travel associated with the nationwide arbitration and other duties for which the Tobacco Enforcement Unit is responsible. Since January 2012, the travel required as part of the ongoing nationwide arbitration and settlement negotiations has been extensive, including 4 weeks in Chicago for two DAGs, 1 week in New York for two DAGs, two trips to Chicago for 3 days for one DAG and two trips to Fort Meyers for 3 days for two DAGs. The cost of each trip averages approximately \$5,000.

Given the status of the settlement negotiations, which is expected to be protracted, we anticipate at least two or three more trips, probably to Chicago or Fort Meyers. Nevada may still be required to continue to participate in additional arbitrations in the future to fully implement the MSA. Two DAGs from the Tobacco Enforcement Unit also must travel annually to the East Coast for all-state meetings which last 3 days. The Triennial Tobacco meeting is always in October. This year it is in Madison, Wisconsin. Two DAGs will attend for 3 days. They must also travel to handle compliance checks and other nationwide litigation. The "net versus gross" dispute, another nationwide litigation, is scheduled to be heard in New York in May 2014. One DAG will attend for 3 days. All the travel of the Tobacco Enforcement Unit is conducted by DAGs in support and defense of the MSA and the monies this State receives.

There are threats by nonsettling states to sue the settling states. The frequency of litigation relating to the MSA has increased in the recent past. Consequently, more of the MSA settlement monies are being used.

Assemblyman Sprinkle:

Is there a threat to the settlement funds we now receive?

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Attorney General Cortez Masto:

There is not a threat at this time. The nonsettling states must determine how they will challenge the settling states and whether they have the legal authority to do so. We do not believe that they have that authority. Some have attempted, in their respective states, to enjoin the national arbitration-funding source from distributing the money. The courts denied those, so we received the money due at that time. We do not believe they plan to give up.

Assemblyman Kirner:

Do you need the extra money for travel? Have you budgeted for the travel for which you can plan?

Attorney General Cortez Masto:

I am asking for this labor cost savings to be used for travel. The alternative would be to request work programs through the IFC, as we have done in the past. I will guarantee that if this money is transferred to travel, it will be used for travel related to the MSA. If it is not used, I assume it would revert to the General Fund.

Ms. Sulli:

Tobacco settlement money would be redistributed to other programs.

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

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

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Ms. Sulli:

The sixth Major Closing Issue in B/A 101-1030 relates to the Tobacco Enforcement Unit funding in the Base Budget.

The funds provided for tobacco enforcement in the MSA must be used to pay the expenses incurred by the AG in discharge of his or her duties related to tobacco enforcement, including expenses related to the provision of training and the

payment of salaries and benefits of employees. Fiscal Staff conducted a revenue analysis to verify that the Tobacco Enforcement Unit within the AG's Office is appropriately funded over the 2013-2015 biennium. Fiscal Staff concluded there is a shortfall in MSA Tobacco revenue of \$106,365 in FY 2013-2014 and \$111,653 in FY 2014-2015 in the Executive Budget. As a result, MSA tobacco revenues should replace General Fund appropriations of \$106,365 in FY 2013-2014 and \$111,653 in FY 2014-2015. The table on page 11 of [Exhibit D](#) identifies the Governor's recommended MSA tobacco revenue and tobacco enforcement expenditures over the 2013-2015 biennium.

SENATOR KIECKHEFER MOVED TO AUTHORIZE FISCAL STAFF TO DECREASE GENERAL FUND APPROPRIATIONS BY \$106,365 IN FY 2013-2014 AND \$111,653 IN FY 2014-2015, WITH CORRESPONDING INCREASES TO MSA TOBACCO REVENUE TO APPROPRIATELY FUND THE TOBACCO ENFORCEMENT UNIT FOR THE 2013-2015 BIENNIUM AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

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

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

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Ms. Sulli:

There are four Other Closing Items in B/A 101-1030.

In decision unit E-813, the Executive Budget recommends the upgrade of two senior DAG positions to special counsel, a newly proposed AG Office unclassified position at a salary equal to the construction law counsel position. These positions are requested to work for the Colorado River Commission.
E-813 Position Upgrades — Page ELECTED-79

In decision units E-806 and E-807, the Executive Budget recommends salary

increases for the unclassified chief of investigations, the unclassified division administrator of personnel services and a classified information technology manager II position, the latter of which the Agency is requesting be put into the unclassified service.

The requested salary adjustments will be reviewed and established as part of the finalization of the Unclassified Pay Bill.

E-806 Unclassified Position Salary Increases — Page ELECTED-78

E-807 Classified Position Reclassifications — Page ELECTED-79

Decision units E-501 and E-901 in B/A 101-1030 recommend transferring two senior DAG positions, one legal secretary position, four investigators, and one supervising investigator, and associated operating expenditures funded by the General Fund for \$725,538 in FY 2013-2014 and \$756,726 in FY 2014-2015, from the AG's Consumer Advocate account, B/A 330-1038 to the AG Administration Fund, B/A 101-1030, in decision unit E-901.

E-501 Adjust Revenue for Consumer Protect Trans — Page ELECTED-75

E-901 Transfer Fr Consumer Protect to Administration Acc — Page ELECTED-80

AG - Consumer Advocate — Budget Page ELECTED-103 (Volume I)
Budget Account 330-1038

E-901 Transfer Fr Consumer Protect to Administration Acc — Page ELECTED-106

The Agency indicates this transfer is necessary to separate the mortgage fraud criminal functions from the mortgage fraud civil functions within the AG's Office. The mortgage fraud civil functions will remain in B/A 330-1038. The Executive Budget also recommends that if the transfer from B/A 330-1033 to B/A 101-1030 were approved, the payroll and operating expenditures for the eight positions transferred would be included in the AGCAP, resulting in General Fund savings of \$243,775 in FY 2013-2014 and \$359,847 in FY 2014-2015.

The Governor recommends replacement of computers in accordance with the Department of Administration's Division of Enterprise Information Technology Services (EITS) replacement schedule in decision unit E-710 of B/A 101-1030.

E-710 Equipment Replacement — Page ELECTED-77

SENATOR GOICOECHEA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATIONS IN DECISION UNITS E-813, E-806, E-807, E-501, E-901 AND E-710 IN B/A 101-1030; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

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

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

BUDGET CLOSED.

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Ms. Sulli:

The next budget account is B/A 101-1031.

There are no Major Closing Issues with this account. There is one Other Closing Item, decision unit E-900.

E-900 Transfer FR Special Fund to Administration ACCT — Page ELECTED-86

The Governor recommends transferring the construction law counsel position and associated expenses from this account to B/A 101-1030.

ASSEMBLYWOMAN CARLTON MOVED TO CLOSE B/A 101-1031 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR GOICOECHEA SECONDED THE MOTION.

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

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

BUDGET CLOSED.

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Ms. Sulli:

The next budget for the Committees' consideration is B/A 101-1033.

AG - Workers' Comp Fraud — Budget Page ELECTED-88 (Volume I)
Budget Account 101-1033

The Major Closing Issue in this account relates to excess Workers' Compensation Fraud Unit (WCFU) revenue. The Governor recommends a revenue transfer from the Division of Industrial Relations (DIR) of approximately \$3 million in FY 2013-2014 and \$3.2 million in FY 2014-2015, to fund 27 full-time equivalent (FTE) positions and the associated operating expenditures for the WCFU.

Fiscal Staff conducted a revenue analysis which indicates that the WCFU has excess revenue from the DIR of \$177,668 in FY 2013-2014 and \$268,229 in FY 2014-2015. As a result, the FY 2013-2014 reserve and the FY 2014-2015 balance forward and reserve are overstated. The table on page 17 of [Exhibit D](#) identifies the Governor's recommended WCFU revenue and expenditures over the 2013-2015 biennium.

ASSEMBLYMAN HARDY MOVED TO APPROVE THE REDUCTION OF REVENUE TRANSFERRED FROM THE DIR BY \$177,668 IN FY 2013-2014 AND \$268,229 IN FY 2014-2015 AND TECHNICAL ADJUSTMENTS TO THE BALANCE FORWARD AND RESERVE TO BALANCE THE WCFU PROGRAM REVENUE TO THE GOVERNOR'S RECOMMENDED WCFU EXPENDITURES.

SENATOR GOICOECHEA SECONDED THE MOTION.

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

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

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Ms. Sulli:

There is one Other Closing Item in B/A 101-1033. It relates to a fund transfer from the Insurance Division in decision unit E-226.

E-226 Efficient and Responsive State Government — Page ELECTED-90

The Executive Budget recommends additional fund transfers from the Insurance Division of \$156,825 in each year of the 2013-2015 biennium to account for the collection of additional insurance assessments collected by the Insurance Division. Assembly Bill (A.B.) 435 would authorize the Commissioner to collect an annual assessment from each insurer authorized to transact insurance in the State, which the B&I's Insurance Division indicates would generate the additional funds for transfer to the AG's Office for support of the Insurance Fraud Unit.

ASSEMBLY BILL 435 (1st Reprint): Revises provisions governing insurance. (BDR-57-1171)

SENATOR GOICOECHEA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E-226 OF B/A 101-1033 CONTINGENT UPON THE PASSAGE OF A.B. 435, AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

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

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

BUDGET CLOSED.

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Ms. Sulli:

The next budget account for consideration is the crime prevention account, B/A 101-1036.

AG - Crime Prevention — Budget Page ELECTED-93 (Volume I)
Budget Account 101-1036

There are no Major Closing Issues for this account. There are two Other Closing Items, E-710 and E-720.

E-710 Equipment Replacement — Page ELECTED-95

E-720 New Equipment — Page ELECTED-96

The first item is to upgrade the software of two computers with Microsoft Office Suite Pro, in accordance with the EITS replacement schedule. The second item is for a new motor pool vehicle for the children's advocate position and the investigators. Both requests appear reasonable.

ASSEMBLYMAN EISEN MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNITS E-710 AND E-720 OF B/A 101-1036 AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMEN CARLTON AND KIRKPATRICK WERE ABSENT FOR THE VOTE.)

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

BUDGET CLOSED.

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Ms. Sulli:

The next account for consideration is the Medicaid Fraud account, B/A101-1037.

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AG - Medicaid Fraud — Budget Page ELECTED-97 (Volume I)
Budget Account 101-1037

There are no Major Closing Issues in this account. There are two Other Closing Items for this account, E-710 and E-720.

E-710 Equipment Replacement — Page ELECTED-100
E-720 New Equipment — Page ELECTED-100

Decision unit E-710 is for replacement of computer hardware and software in accordance with the EITS replacement schedule. Decision unit E-720 is for two high-capacity scanners and warranties. Both recommendations appear reasonable.

SENATOR PARKS MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNITS E-710 AND E-720 OF B/A 101-1037 AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMEN CARLTON AND KIRKPATRICK WERE ABSENT FOR THE VOTE.)

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

BUDGET CLOSED.

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Ms. Sulli:

The next account for consideration is the account for the Consumer Advocate, B/A 330-1038.

AG - Consumer Advocate — Budget Page ELECTED-103 (Volume I)
Budget Account 330-1038

The first Major Closing Issue is the Governor's recommendation that General Fund appropriations of \$809,882 in FY 2013-2014 and \$849,930 in FY 2014-2015 to fund five existing positions and the associated operating expenditures for the telemarketing, consumer fraud, deceptive trade and security fraud activity of the Bureau of Consumer Protection.

In order to ensure the regulatory assessments were being used appropriately, Fiscal Staff conducted a revenue analysis to verify that each unit within the Bureau of Consumer Protection is appropriately funded over the 2013-2015 biennium. Fiscal Staff concluded that the Executive Budget includes excess General Fund appropriations of \$194,944 in FY 2013-2014 and \$223,800 in FY 2014-2015 due to errors in the fund mapping. As a result, the FY 2013-2014 regulatory assessment reserve and the FY 2014-2015 balance forward and regulatory assessment reserve are overstated.

SENATOR GOICOECHEA MOVED TO APPROVE THE REDUCTION OF GENERAL FUND APPROPRIATIONS OF \$194,944 IN FY 2013-2014 AND \$223,800 IN FY 2014-2015 WITH CORRESPONDING REDUCTIONS TO RESERVES, AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS TO BALANCE THE REVENUE AND EXPENDITURES IN B/A 330-1038.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

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

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

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Ms. Sulli:

The next item relates to mill assessments. The Legislature has established a statutory limit of 0.75 on mill assessments charged to regulated utilities on their total revenue, which is used to fund the utility-related functions of the Bureau of Consumer Affairs' Consumer Advocate's office. The Consumer Advocate sets the mill assessment rate based on the anticipated gross operating revenues of the

Public Utilities Commission of Nevada.

The Executive Budget recommends increasing the assessment from 0.55 mills to 0.70 mills. This increase would generate revenue of approximately \$2.9 million in each year of the 2013-2015 biennium, which is a 20.8 percent increase from the \$2.4 million received in FY 2011-2012. Concurrently, the increase in revenue increases the regulatory reserve in this account to approximately \$1.8 million by the end of FY 2014-2015, which would cover the utility Consumer Advocate's total operating expenditures for 244 days. The final mill assessment will be established once the total revenue collection and utility expenditure projections are complete.

Follow-up information provided by the Agency after the February 28 joint hearing of the Senate Committee on Finance and the Assembly Committee on Ways and Means indicates that a projected reserve of approximately \$951,000 at the end of FY 2014-2015 appears to be sufficient to cover the needs of the Utility Consumer Advocate unit. Fiscal Staff notes that a regulatory reserve of \$951,000 would cover the Utility Consumer Advocate unit operating expenditures for approximately 128 days. A revised reserve of \$951,000 at the end of FY 2014-2015 appears reasonable to Fiscal Staff at this time.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE A REGULATORY ASSESSMENT RESERVE OF \$951,000 AT THE END OF FY 2014-2015 AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS TO THE REGULATORY ASSESSMENT REVENUE AND RESERVE BASED ON THE FINAL PROJECTION PROVIDED BY THE BUREAU OF CONSUMER PROTECTION.

SENATOR GOICOECHEA SECONDED THE MOTION.

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

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

Ms. Sulli:

In decision unit E-805, the Governor recommends General Fund appropriations to

reclassify one criminal investigator II position to a criminal investigator supervisor position and one criminal investigator I position to a criminal investigator II position.

E-805 Classified Position Reclassifications — Page ELECTED-106

During the 76th Session, all law enforcement investigator positions in the AG's Office were moved into the classified service, under a new class description of AG criminal investigator. The Department of Administration's Division of Human Resources Management (DHRM) determined the grade level and title of each position based on information provided by the Agency and the qualifications of the incumbent in the position.

During their budget hearing, the Committees expressed concerns with the proposed reclassifications since information had not been provided to clarify what changes occurred in the positions since they were originally classified by the DHRM. The Committees asked the Agency if recent desk audits were performed on the positions. The Agency responded they were uncertain and would follow-up. As of May 2, no further information has been received from the Agency regarding desk audits for these positions.

Fiscal Staff notes that based on information obtained from the Human Resources Data Warehouse, the current incumbent in the criminal investigator II position has held a criminal investigator II position with the AG's Office since October 2009 and was part of the initial reviews conducted by the DHRM. The incumbent in the criminal investigator I position has held the position since February 28, 2011, and was part of the initial review by the DHRM.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE GENERAL FUND APPROPRIATIONS OF \$11,309 IN FY 2013-2014 AND \$11,745 IN FY 2014-2015 TO FUND THE RECLASSIFICATIONS OF THE CRIMINAL INVESTIGATOR II AND CRIMINAL INVESTIGATOR I POSITIONS, AS RECOMMENDED BY THE GOVERNOR, IN DECISION UNIT E-805 OF B/A 330-1038 AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN KIRKPATRICK

WAS ABSENT FOR THE VOTE.)

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

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Ms. Sulli:

The only Other Closing Item in this account, E-901, was referred to in B/A 101-1030.

E-901 Transfer Fr Consumer Protect to Administration Acc — Page ELECTED-106

ASSEMBLYWOMAN CARLTON MOVED TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS IF NECESSARY, IN CONJUNCTION WITH THE COMMITTEES CLOSING ACTION IN B/A 101-1030, REGARDING THE RECOMMENDATION TO TRANSFER EIGHT POSITIONS AND ASSOCIATED OPERATING EXPENDITURES TO THAT ACCOUNT.

SENATOR DENIS SECONDED THE MOTION.

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

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

BUDGET CLOSED.

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Ms. Sulli:

The next account for consideration is the Violence Against Women Grants account, B/A 101-1040.

AG - Violence Against Women Grants — Budget Page ELECTED-109 (Volume I)
Budget Account 101-1040

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There are no Major Closing issues for this account. There is one Other Closing Item, decision unit E-710, that relates to replacement of computer hardware and software in accordance with the EITS replacement schedule. This recommendation appears reasonable.

E-710 Equipment Replacement — Page ELECTED-112

ASSEMBLYWOMAN CARLTON MOVED TO CLOSE B/A 101-1040 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON AND ASSEMBLYWOMAN KIRKPATRICK WERE ABSENT FOR THE VOTE.)

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

BUDGET CLOSED.

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Ms. Sulli:

The next account for consideration is the account for the Council for Prosecuting Attorneys, B/A 101-1041.

AG - Council for Prosecuting Attorneys — Budget Page ELECTED-114 (Volume I)
Budget Account 101-1041

There are no Major Closing Issues and one Other Closing Item for this account. In decision unit E-710, the Governor recommends reserve funding of \$322 in FY 2013-2014 for replacement of computer software, in accordance with the EITS replacement schedule. This recommendation appears reasonable.

E-710 Equipment Replacement — Page ELECTED-117

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ASSEMBLYMAN KIRNER MOVED TO APPROVE B/A 101-1041 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN ANDERSON AND ASSEMBLYWOMAN KIRKPATRICK WERE ABSENT FOR THE VOTE.)

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

BUDGET CLOSED.

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Ms. Sulli:

The next account for consideration is the Victims of Domestic Violence, B/A 101-1042.

AG - Victims of Domestic Violence — Budget Page ELECTED-119 (Volume I)
Budget Account 101-1042

There is one Major Closing Issue and one Other Closing Item, decision unit E-710, for this account.

E-710 Equipment Replacement — Page ELECTED-122

On April 16, the Budget Division submitted Budget Amendment No. A13A0103, which adds General Fund appropriations of \$35,000 in each year of the 2013-2015 biennium to the AG's Office for the Nevada Department of Corrections (NDOC) portion of the annual maintenance contract for the Nevada Statewide Victim Information and Notification Everyday (VINE) system. Senate Bill 26 creates a VINE system with the AG's Office, and, to the extent of available funding, each sheriff and chief of police, the NDOC, the Department of Public Safety and the State Board of Parole Commissioners shall cooperate with the AG to establish and maintain the VINE system

SENATE BILL 26: Creates a statewide automated victim information and notification system within the Office of the Attorney General. (BDR 18-214)

There are currently no General Fund appropriations provided in this account. In order to maintain these funds in a General Funded account, and to ensure these funds are properly accounted for as the NDOC's share of the VINE maintenance, Fiscal Staff recommends appropriating these funds to the NDOC Director's Office budget, B/A 101-3710, and to provide a corresponding fund transfer from the NDOC Director's Office to the AG's Office.

NDOC - Director's Office — Budget Page CORRECTIONS-14 (Volume III)
Budget Account 101-3710

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE GENERAL FUND APPROPRIATIONS OF \$35,000 IN EACH YEAR OF THE BIENNIUM FOR THE NDOC'S SHARE OF THE MAINTENANCE COSTS FOR THE VINE SYSTEM AND APPROPRIATE THESE FUNDS TO THE NDOC'S DIRECTOR'S OFFICE WITH A CORRESPONDING TRANSFER TO THE AG'S OFFICE, CONTINGENT UPON THE PASSAGE OF S.B. 26.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

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

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ASSEMBLYMAN HORNE MOVED TO AUTHORIZE FISCAL STAFF TO PROVIDE TECHNICAL ADJUSTMENTS TO B/A 101-1042; TO ACCEPT THE TRANSFER OF FUNDS FROM THE LOCAL ENTITIES AND NDOC FOR PAYMENT OF \$188,850 IN EACH YEAR OF THE 2013-2015 BIENNIUM; TO SUPPORT THE VINE MAINTENANCE CONTRACT; TO APPROVE DECISION UNIT E-710; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY

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SENATOR GOICOECHEA SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED. (SENATOR ROBERSON WAS ABSENT FOR THE VOTE.)
BUDGET CLOSED.

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Ms. Sulli:

The next budget for consideration is the National Settlement Administration account, B/A 340-1045.

AG - National Settlement Administration — Budget Page ELECTED-124 (Volume I)
Budget Account 340-1045

The first Major Closing Issue is the transfer of funds for the B&I programs. As of May 8, \$87.6 million in National Mortgage Settlement (NMS) funds has been received by the AG's Office.

During its August 23, 2012, meeting, the IFC approved the distribution of \$11.8 million of the NMS funds for the AG's Office administration of the settlement funds. On May 8, the Joint Subcommittee on General Government approved the Governor's recommendation to transfer NMS funds of \$51.2 million in FY 2013-2014 and \$2 million in FY 2014-2015, to support the B&I programs approved by the AG to ameliorate the effects of the mortgage and foreclosure crisis in Nevada. The Subcommittee's approval included Budget Amendment No. A130023910 submitted by the Budget Division on April 13 and which reduced NMS funds by \$184,765 in FY 2013-2014 and \$55,166 in FY 2014-2015 as a result of decreased operating and equipment costs identified for the B&I's Division of Mortgage Lending fraud enforcement program. The Subcommittee approved reallocation of NMS funds in the amount of \$239,931 to the B&I Real Estate Division Administration account to offset General Fund appropriations of \$119,966 in FY 2013-2014 and \$119,965 in FY 2014-2015. Additionally, the Subcommittee recommended issuing a letter of intent requesting that the B&I report to the IFC on a quarterly basis regarding the status of the Nevada home

retention program implementation, management and success.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE GENERAL GOVERNMENT JOINT SUBCOMMITTEE'S RECOMMENDATION TO OFFSET THE B&I REAL ESTATE DIVISION'S GENERAL FUND APPROPRIATIONS OF \$119,966 IN FY 2013-2014 AND \$119,965 IN FY 2014-2015 WITH MORTGAGE SETTLEMENT FUNDS; TO TRANSFER MORTGAGE SETTLEMENT FUNDS OF \$51.1 MILLION IN FY 2013-2014 AND \$2.1 MILLION IN FY 2014-2015 TO SUPPORT THE B&I PROGRAMS IDENTIFIED IN THE TABLE ON PAGE 34 OF [EXHIBIT D](#); AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS IN CONJUNCTION WITH THE COMMITTEE'S CLOSING ACTIONS RELATED TO THE B&I ACCOUNTS IDENTIFIED IN THE TABLE ON PAGE 34 OF [EXHIBIT D](#).

SENATOR PARKS SECONDED THE MOTION.

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

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

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Ms. Sulli:

The second Major Closing Issue in this account is to continue funding for the administration of the NMS Funds. The Executive Budget includes NMS funds of \$10.7 million in FY 2013-2014 and \$10.8 million in FY 2014-2015 in the Base Budget to continue funding the AG's Office expenditures related to their operating expenses for three positions, their contracted call center, their contracted financial guidance center and their contracted legal services.

During their meeting on August 23, 2012, the IFC expressed concerns with funding these programs and expenditures beyond FY 2012-2013, and directed the Agency to seek approval from the full Legislature in the 77th Session for the continuation of these programs and expenditures.

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Chair Smith:

Do we have a regular reporting requirement in the NMS agreement?

Ms. Sulli:

An independent audit report is provided by the AG's Office.

Chair Smith:

I would like to see a quarterly report from the AG on how the program is operating.

Senator Kieckhefer:

How long have these operations been up and running since IFC approval?

Ms. Sulli:

The independent auditor started issuing reports on all of the services provided by the NMS funds on March 1, 2012. I do not know the actual dates that the programs started.

Attorney General Cortez Masto:

The programs started operating on January 7. As of April 30, a total of 9,223 calls have come into the call center.

Senator Kieckhefer:

Of those 9,223 calls, how many have had a positive resolution?

Attorney General Cortez Masto:

The process for mortgage modifications takes some time, so we do not have complete data.

Michele Johnson (Financial Guidance Center):

Since January 7, 2,098 households have received counseling. Of those, 63.7 percent avoided foreclosure through a variety of means including short sales, loan modifications, deed in lieu of foreclosure and the U.S. Department of Housing and Urban Development's (HUD) Federal Housing Administration's Hardest Hit program. The remaining 36.1 percent are pending cases. Less than 2 percent of the households that received counseling actually lost their homes through foreclosure.

Senator Kieckhefer:

Is the goal to keep people out of foreclosure or to find a way to help them keep

their homes?

Ms. Johnson:

It is a combination. We want to avoid foreclosure. It may not be possible for a homeowner to keep his or her home. There are orderly ways to transition, with the homeowner being in control of that process. The goal is to help homeowners evaluate all the available resources and programs, find the one that best meets their needs so that he or she can control the transition if they leave the home, or retain the home with a mortgage that can be maintained.

Senator Kieckhefer:

What accounts for the gap between the number of calls received and the number of households that received counseling?

Ms. Johnson:

As with any new program, in the beginning, there was a huge upsurge. Some families are not able to receive their assistance as quickly as we would like. All of the different HUD agencies in the State have now increased their capacity so we are able to provide timely service. Those numbers will increase in the next few months.

Senator Kieckhefer:

What percentage of the 2,098 people who received counseling actually kept their homes?

Ms. Johnson:

Of the 1,336 households that avoided foreclosure, 12.2 percent left their homes. The remaining 88 percent kept their homes through one of four different programs.

Assemblyman Kirner:

It appears from the table on page 35 of [Exhibit D](#) that the Financial Guidance Center is being budgeted for approximately \$8.7 million in each year of the biennium. It would make sense that, as we move into 2015 and an improved economy, the need for services would decrease. Is it possible that some part of the appropriation for 2015 could be reallocated to a different use in 2015?

Attorney General Cortez Masto:

Yes. We had a rough estimate. I am hopeful that the calls to the hotline will taper

off. If that is the case, the Legislature will decide how the surplus funds are to be used. The budget request is to build our capacity to serve. That includes hiring and training counselors. Although distressed homeowners are calling in who need assistance, the Financial Guidance Center provides many more services besides mortgage modification assistance.

We will provide the IFC with quarterly reports. Based on data we provide, the IFC can make decisions on the utilization of funds. The consortium we have created is unique in the Country. It provides free services to individuals in addition to the distressed homeowner mortgage modification assistance.

Assemblyman Kirner

Assuming that things will improve, if we approve this budget request, will unused funds revert back to the General Fund?

Chair Smith:

These are mortgage settlement dollars, so they will stay in that category.

Ms. Johnson:

If the funds are not used within the Financial Guidance Center, they would remain in the AG's Office and the AG's Office would be required to come before the IFC to ask for any redistribution.

Assemblyman Kirner:

I am optimistic about conditions improving. I am hopeful that the quarterly reports will show that so we can then redistribute unused funds

Attorney General Cortez Masto:

The report you received was from the independent monitor, Joseph Smith, who was hired to monitor the five banks and their compliance with the settlement. Under the terms of the settlement, he is required to issue certain compliance reports. You have seen his preliminary reports. The first official report will be issued in June and will show the extent to which the banks have complied with the terms of the settlement. The term of the settlement agreement is 3 years. The monitor will be monitoring whether the banks have complied with the monetary relief in the terms of the settlement and determining whether the banks are complying with the servicing conduct changes they were required to implement. We also have an independent monitoring committee representing states and the

federal government. Nevada is on that independent monitoring committee. We will share the information we get from those monitoring activities with the IFC. On a separate basis, I am willing to compile a quarterly report on Nevada's unique Home Again Program and provide it to the IFC members, or all Legislators.

ASSEMBLYMAN KIRNER MOVED TO APPROVE CONTINUED FUNDING OF THE HOUSING CALL CENTER, FINANCIAL GUIDANCE CENTER, LEGAL SERVICES AND THE THREE POSITIONS IN THE AG'S OFFICE AND OPERATING COSTS OF \$10.7 MILLION IN FY 2013-2014 AND \$10.8 MILLION IN FY 2014-2015; AND TO ISSUE A LETTER OF INTENT FOR A QUARTERLY UPDATE TO THE IFC ON THE CALL CENTER.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

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

* * * * *

Ms. Sulli:

The third Major Closing Issue is for a new unclassified financial analyst position, in decision unit E-227.

E-227 Efficient and Responsive State Government — Page ELECTED-126

The Governor recommends reserve funding of \$103,264 in FY 2013-2014 and \$104,542 in FY 2014-2015 for the addition of a new unclassified financial analyst position. The financial analyst would replace positions currently working on similar tasks under a contract with the AG's Office, which expires on September 30. The Agency indicates that employing a full-time financial analyst within the AG's Office would provide for better oversight and control of the priorities and work performance of the position. The Agency states that the position would be eliminated once the mortgage settlement funds are exhausted, if other funding is not provided. Fiscal Staff notes that if this decision unit is approved, the requested salary will be reviewed and established as part of the finalization of the Unclassified

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Pay Bill.

SENATOR KIECKHEFER MOVED TO APPROVE THE ADDITION OF A NEW UNCLASSIFIED FINANCIAL ANALYST POSITION IN DECISION UNIT E-227 DURING THE 2013-2015 BIENNIUM.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN HORNE AND KIRNER WERE ABSENT FOR THE VOTE.)

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

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ASSEMBLYWOMAN CARLTON MOVED TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS IN B/A 340-1045 BASED ON THE COMMITTEES' CLOSING ACTIONS IN B/A 101-1030.

SENATOR WOODHOUSE SECONDED THE MOTION

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN HORNE AND KIRNER WERE ABSENT FOR THE VOTE.)

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

BUDGET CLOSED.

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Ms. Sulli:

The next account for consideration is the AG's Tort Claim Fund, B/A 715-1348.

AG - Attorney General Tort Claim Fund — Budget Page ELECTED-129 (Volume I)
Budget Account 715-1348

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There are no Major Closing Issues for this account. There are two Other Closing Items, decision units E-230 and E-710.

E-230 Efficient and Responsive State Government — Page ELECTED-131
E-710 Equipment Replacement — Page ELECTED-132

The Governor recommends Treasurer's interest earnings of \$13,414 in FY 2013-2014 and \$14,831 in FY 2014-2015. Senate Bill 473 has been submitted, which would allow internal service funds to realize interest earnings on the principal balance in respective accounts. According to the Budget Division, this adjustment would make the State's accounting of internal funds consistent with federal guidelines.

SENATE BILL 473: Revises provisions relating to the State Administrative Manual.
(BDR 18-1128)

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E-230, CONTINGENT UPON THE PASSAGE OF S.B. 473; TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E-710 OF B/A 715-1348; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.

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

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

BUDGET CLOSED.

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Laura Freed (Senior Program Analyst):

The next account for consideration is the PEBP main operating account, B/A 625-1338.

SPECIAL PURPOSE AGENCIES

PUBLIC EMPLOYEES' BENEFITS PROGRAM

PEBP - Public Employees' Benefits Program — Budget Page PEBP-10 (Volume III) Budget Account 625-1338

The total cost of employee and retiree health insurance depends, in large part, on three factors: inflation and utilization, decision units M-101 and M-103; demographic changes in the participant pool, decision unit M-200; and changes in the actuarially projected reserve levels, decision unit M-102.

M-101 Agency Specific Inflation — Page PEBP-12

M-102 Agency Specific Inflation — Page PEBP-12

M-103 Agency Specific Inflation — Page PEBP-13

M-200 Demographics/Caseload Changes — Page PEBP-13

The chart on page 39 of [Exhibit D](#) displays the trend percentages used in decision unit M-101 as compared to the percentages provided at the Joint Subcommittee budget hearing, as well as the revised percentages approved by the PEBP Board for FY 2013-2014. These percentages pertain to State employees and State non-Medicare retirees only. The trend has changed since the Executive Budget was released. In February, when this budget was heard by the Subcommittee on General Government, the Executive Budget's high-deductible health plan (HDHP) inflation for medical was 9 percent, 4.5 percent for dental and 9 percent for prescriptions. At the budget hearing, the PEBP staff informed the Subcommittee that the trend would probably go down, and it did. The amount approved by the PEBP Board for FY 2013-2014 was a negative 8.6 percent for medical, a negative 38.1 percent for prescriptions and a negative 6.1 percent for dental compared with inflation for FY 2012-2013. The approved increase for the health maintenance organization (HMO) was 7 percent, as opposed to 8 percent in the Executive Budget. For FY 2014-2015, the revised budget assumption is an increase of 8 percent for the high-deductible plan and 9.5 percent for the HMO. This has generated savings with respect to a reduced subsidy dollar need.

Decision unit M-103 shows that for both years of the upcoming biennium, \$2 million is recommended to account for projected increases in the cost of Medicare Supplement, Medicare Advantage, and Medicare prescription drug plans.

This inflationary increase in Medicare coverage is recommended to be covered by contributing an additional subsidy of \$1 per month per year of service to the current rate of \$10 per month per year of service.

In plan year 2013, certain amounts of excess reserves were rebated to active and non-Medicare participants. Because of the way the PEBP's rates bill was drafted and approved in 2011, the same could not be done in plan year 2013 for the Medicare retirees. Decision unit E-275 gives Medicare retirees a one-time contribution of \$2 per month, per year of service to their HRA in FY 2013-2014.

E-275 Educated and Healthy Citizenry — Page PEBP-16

If decision units M-103 and E-275 were both approved, the total contribution made by PEBP to Medicare retirees' HRAs would be \$13 per month per year of service in FY 2013-2014.

Although decision unit M-200 is a net decrease of \$10.2 million in FY 2013-2014 and \$16 million in FY 2014-2015, within that total are certain increases and decreases in claims costs. For instance, self-insured medical costs are budgeted to drop by \$15.7 million in the first year and \$20.7 million in the second year. This suggests retiree movement from PEBP coverage to the Medicare Exchange, since the HRA contributions made to Medicare retirees are budgeted to increase by \$6.6 million in FY 2013-2014 and \$7.1 million in FY 2014-2015.

The chart on the top of page 41 of [Exhibit D](#) shows how the reserve levels have changed between FY 2011-2012 and the amended projection for FY 2013-2014 and FY 2014-2015.

When the PEBP Board met on March 21 to set the rates for plan year 2014, the Board was informed that the Agency would have \$47 million in excess reserves to begin FY 2013-2014. Most of this is due to the FY 2012-2013 rates being set higher than necessary for the utilization that actually occurred. The utilization of the HDHP was significantly lower than the actuary's experience with large employers. In addition, PEBP projects surpluses in both the Active Employees Group Insurance (AEGIS) budget, B/A 666-1390, of \$19.8 million, and the Retiree Employee Group Insurance (REGI) budget, B/A 680-1368, of \$2.7 million.

Budget Account 666-1390

PEBP - Retired Employee Group Insurance — Budget Page PEBP-20 (Volume III)
Budget Account 680-1368

The chart at the bottom of page 41 of [Exhibit D](#) shows how the PEBP Board chose to spend down the excess reserves and utilize the surpluses in the AEGIS and REGI budget over the upcoming biennium. They provided for the premium incentives for the wellness program in both years of the biennium, covered the Medicare Part B premium credits, and kept the HDHP rates for State participants. This generated \$6.8 million in savings, which was then rebated to State actives and non-Medicare retirees as a one-time contribution to their HSA or HRA of \$297 per primary participant, and \$115 per dependent, to a maximum of three dependents. There was also a one-time bump to the HSAs and HRAs for State and non-State HDHP participants of \$400 per primary participant, and \$100 per dependent, to a maximum of three dependents.

In the second year of the biennium, \$4 million was used to provide another \$2 per month, per year of service to the Medicare retirees. The base contribution rate would be \$11 and decision unit E-275 would add another \$2 per month, per year of service in the first year of the biennium. The \$4 million would be used to provide an additional \$2 per month, per year of service.

Finally, some of the reserves will be used to soften the rates in FY 2014-2015.

Though the HMO vendors did not provide flat or decreased rate tables for FY 2013-2014, the Board voted to keep the participant contribution flat for HMO participants as well. This means that the State's share of the HMO rates will increase, though the participant's share will not. This decision will cost an additional \$2.2 million in subsidy dollars. The excess reserves were not used for the HMO rate flattening because HMO participants do not contribute to the reserves. Finally, the Fiscal Division notes that these are one-time savings. If the PEBP's actuaries correctly project the trend and the claims experience, the plan should not have large excess reserves.

As a result of the significant decrease in trend from what was originally recommended in the Executive Budget, as well as the use of excess reserves to fund expenditures contained in the budget, the Department of Administration

submitted Budget Amendment No. A13A0029 totaling a net reduction of \$14.1 million in FY 2013-2014 and \$5.2 million in FY 2014-2015. The revised recommendation for the PEBP budget contains total funding of \$446.5 million in FY 2013-2014, as compared to \$460.6 million in the Executive Budget, and \$473.8 million, as compared to \$478.9 million in the Executive Budget.

The purpose of Budget Amendment No. A13A0029, as well as its companion budget amendments, is twofold. First, the amendments reduce the State subsidy dollars needed due to the significant decrease in trend; second, they account for the PEBP Board's decision on how to utilize the excess reserves generated in Plan Year 2013.

The budget amendments contain technical errors. The State subsidy revenue recommended in FY 2014-2015 would be \$277.7 million according to the budget amendments. However, the actual State subsidy needed in FY 2014-2015 is \$251.6 million, for a difference of \$26.1 million. In addition, the actual excess reserve in FY 2013-2014 is \$29.9 million, according to PEBP calculations, but the excess reserve pursuant to Budget Amendment No. A13A0029 is \$3.8 million. The reason this amendment is incorrect is the excess reserve that should have been included in Budget Amendment No. A13A0029 was actually included in a global rate change amendment, Budget Amendment No. A1300211338. As a result, the Department of Administration has balanced Budget Amendment No. A13A0029 with excessive State subsidy revenue.

The Executive Budget contains the following assessment on filled positions to support active employees' group insurance: \$679.41 per person, per month in FY 2013-2014; and \$826.52 per person, per month in FY 2014-2015.

As a result of budget amendments, the AEGIS assessment is now recommended at \$694.10 per person, per month in FY 2013-2014, and \$703.36 per person, per month in FY 2014-2015. The effect was to smooth the AEGIS assessment.

The difference between the originally recommended amount and the budget amendment is that the Department of Administration chose to utilize \$5.8 million of the surplus existing in the AEGIS account during FY 2013-2014 and reserve the other \$14 million for use in FY 2014-2015. The Committees may choose to utilize all of the AEGIS surplus in either the first year of the biennium, or the second year of the biennium, or may choose to utilize some of the surplus in each year in order to reduce the amount needed in the AEGIS budget account,

B/A 666-1390. For example, if the Committees chose to split the AEGIS surplus equally between fiscal years, the AEGIS subsidies for the upcoming biennium would be as follows: \$678.47 per person, per month in FY 2013-2014 and \$717.94 per person, per month in FY 2014-2015.

The AEGIS account's budget amendment does not match the spreadsheets provided by PEBP that were submitted as backup information for Budget Amendment No. A13A0034. The amendment should reflect the utilization of \$14 million of the AEGIS surplus in FY 2014-2015 to reduce the needed active employee subsidies. Since it does not, the subsidy dollars to be transferred to the main PEBP account from the AEGIS account in FY 2014-2015 are overstated by \$14 million. However, the amended assessment provided by the Department of Administration does correctly reflect the intent of the amendment.

With respect to retiree group insurance, the State's subsidy is assessed on each budget account containing personnel, and is a set percentage of gross salaries. The Executive Budget contains the following REGI percentages: 2.53 percent in FY 2013-2014 and 2.79 percent in FY 2014-2015. As a result of the budget amendments, the REGI percentage decreased to 2.5 percent in FY 2013-2014 and 2.7 percent in FY 2014-2015. The REGI account had a surplus of \$2.6 million.

Page 44 of [Exhibit D](#) contains a discussion of the subsidy percentage of the total premium for plan year 2014. The Executive Budget was built on the assumption that 89 percent of the premium would be covered by the subsidy for the HDHP, participant-only coverage tier. As a result of the decrease in trend, on March 21 the PEBP Board voted to maintain the subsidy percentage for active employees at 93 percent. For the HMO participants, the plan year 2013 subsidy percentage was 78 percent of the total premium. However, after the Board's decision to flatten the participant contribution for the HMO participants, at a total subsidy cost of \$2.2 million, the percentage of participant subsidy for primary HMO participants will be 79.9 percent of the total premium, a 1.9 percent increase over the current plan year. The approved subsidy percentage by tier for both the HDHP and the HMO options is shown on page 44 of [Exhibit D](#).

The projected out-of-pocket costs for participants are shown on the chart that begins on the bottom of page 44 of [Exhibit D](#).

Due to the technical errors in the budget amendments, Fiscal Staff recommends

that Budget Amendment Nos. A13A0029, A13A0034, and A13A0036 not be accepted, and the portion of Budget Amendment No. A1300211338 that contains a balance forward of \$26 million in excess reserves, also not be accepted by the Committees. Instead, the Committees may wish to accept the budget amendments from a conceptual standpoint, and permit Fiscal Staff the authority to adjust both the PEBP operating budget, as well as the AEGIS and REGI pass-through budgets, to implement the Committees' decisions.

If the Committees choose not to accept the budget amendments presented by the Department of Administration, they could endorse the ideas behind the budget amendments by approving sufficient revenue and expenditure authority to implement the PEBP Board's March 21 decisions regarding subsidy level and use of excess reserves.

Alternatively, the Committees could change the funding of any of those decision units, or the Base Budget, to effect a plan design change or provide instruction to the PEBP Board. For instance, the Committees could choose to remove the funding included in the Base Budget for the wellness program, which would save \$14.45 million in both subsidy savings and excess reserves over the biennium. The Committees could utilize that savings to increase direct participant benefit, e.g., additional funding for participants' HSAs or HRAs, or increasing the subsidy percentage, which would be a more implicit benefit to participants. Statutorily, the Legislature retains the right to set the subsidy, while the PEBP Board is specifically responsible for plan design. However, in exercising its prerogative to set fiscal policy, the Legislature may also instruct the PEBP Board as to its intent.

Assemblywoman Carlton:

If we increase the subsidy percentage, would that be like making a contribution? Would that, in effect, lower the participants' contribution automatically, or would we have to give direction for that?

Ms. Freed:

In making a motion to take such action, you would have to specify how it should be done because, as a Legislature, you would be exercising your authority to set fiscal policy. Under NRS 287.043, the PEBP Board is responsible for effecting a plan of health insurance. They are responsible for the plan design. For example, if it is the intent of the Committees to drop the percent of total premium subsidized

for primary participant from 93 percent to 90 percent, the motion should be specific enough to be clear about the Committees' intent.

Assemblywoman Carlton:

Monies have been taken from reserves and put into participants' HSAs and HRAs. Subsidies have been used to smooth the HMO rates. I agree that if participants' contributions have created reserves, money should be given back to them. But, we have not given the same relief to the HMO participants, through the State's contributions, as we have given to the HDHP participants. If the State increased its contribution rate, would that be a more effective way to impact the plan? Or, would it be more appropriate for us, without setting a precedent, to lower the premiums paid by participants in the HMOs? Which is the best way for us to address a premium change for HMO participants?

Ms. Freed:

The easiest way for the money committees to express such an intent would be to specify a given amount to set aside. For example, if the intent were to further decrease the HMO participant contribution, the maker of the motion would specify that a certain amount of subsidy dollars be placed in the HMO expenditure category for a specified intent.

Assemblywoman Carlton:

Would my original concept of increasing the State's contributions, with proper direction, cause some relief for employees?

Ms. Freed.

Yes. We are currently in the open enrollment period for plan year 2014. If there are going to be plan design changes, they should be effective in plan year 2015. Participants are making their plan choices for 2014 now based on current information already sent to them.

Assemblywoman Carlton:

My intent would be to effectuate changes for relief after 2014.

Senator Kieckhefer:

I am trying to understand the reserve adjustment referred to in Budget Amendment No. A13A0029. On the top of page 43 of [Exhibit D](#), you say that while the amendment, as it was submitted to you, would result in a reserve of \$3.8 million,

the actual reserve, if we approve the amendment, would be \$29.9 million. If we do not approve the amendment, we would have nearly \$30 million available to us to process a reinvestment plan. Is that correct?

Ms. Freed:
Yes.

Senator Kieckhefer:
Is the recommendation of Fiscal Staff, on page 45 of [Exhibit D](#), to reject the amendments due to the technical errors they contain?

Ms. Freed:
Yes.

Assemblyman Kirner:
The PEBP Board has reviewed these plans diligently and has established these numbers and I have confidence in the Board. The HMO is a different plan than the HDHP. What we need to look at is the total out-of-pocket expense for the participant. The HMO has a co-payment. Once a participant reaches a certain level in the HDHP, there is no co-payment. We need to use caution if we are going to designate subsidy levels.

All the budgets seem to indicate that the State will be hiring many new employees. Do the per person, per month rates set by the PEBP Board take that into consideration?

Ms. Freed:
If rate-setting is done correctly, and if you have the correct subsidy to cover the cost projected for the plan, it does not matter.

Assemblyman Kirner:
I hear many comments about the wellness program. I have had a personal bias that it is not as functional as we would like it to be.

Ms. Freed:
Mr. Wells has told me that the largest number of complaints he receives center on the wellness program. During the budget hearing in February, there was discussion on the return on investment (ROI) from the program. The wellness program was

approved by the IFC in April 2010. At that time, the IFC was promised a certain level of savings on claims over a 3-year period. Three years have passed. It is difficult to draw a line between a wellness program and future claim savings.

Assemblyman Kirner:

The functionality of the program remains a question in my mind.

Chair Smith:

I remember the discussion about the ROI and the utilization of the wellness program in the budget hearing. It does not appear that the program has worked as expected.

Assemblyman Kirner:

I was there when the program was approved. As chair at the time, I did not vote on the issue. Since then, I have remained current on the issue of wellness programs in general. Nationally, there have been questions about the functionality of wellness programs. The literature seems to suggest that wellness programs are panaceas, but they do not necessarily work.

Chair Smith:

I know Fiscal Staff does not recommend removing the funding from the Base Budget for the wellness program until 2015, but if we were to do that, are there any restrictions on how those funds could be used?

Ms. Freed:

The budgetary and excess reserve savings would be \$14.45 million over the biennium. That is composed of \$3.1 million in contract costs that would not be paid to PEBP's wellness vendor and \$9.25 million in FY 2014-2015 premium incentives that would not be necessary. This is shown on the chart on page 41 of [Exhibit D](#). The remaining savings, \$2.1 million, would come from participant wellness testing and assessments in the spring of 2014.

The \$9.25 million is excess reserves. It would be very difficult to sweep those monies back to the fund of origin. That money should remain with PEBP to be used for plan design. It could be used as an HRA or HSA contribution or rate softening. The unused subsidy dollars would be reflected as a decrease to the AEGIS and REGI rates. That portion of the total savings could be eliminated and used either in the program or those potential dollars would go back to the fund of origin because

they were potential dollars that were never spent.

Assemblyman Sprinkle:

On page 45 of [Exhibit D](#), in Fiscal Staff's summary, what do you mean by "accepting the amendments from a conceptual standpoint?"

Ms. Freed:

The Committees have already taken action on base subsidy numbers. From that action, Fiscal Staff inferred that there was some agreement with the ideas behind the amendments. Some of the numbers in the amendments are incorrect. If the Committees, in fact, agree with the way the PEBP Board utilized the excess reserves and \$2.2 million to flatten the HMO contribution for participants, Fiscal Staff would like to change the budget document to balance correctly.

If you are asking if the Committees can reject the budget amendments completely and do something altogether different with the money, the answer is affirmative. However, that requires more consideration and time to recalculate the numbers, depending on the options to be considered.

Assemblyman Sprinkle:

If we were to divert from the ideas behind the amendments, and present to you new concepts for use of the funds, would Fiscal Staff be able to look at the actual numbers associated with the new concepts?

Ms. Freed:

Yes.

Assemblyman Kirner:

If we were to approve the concept that has been presented, would it disrupt the current open enrollment process and the information presented to participants to assist them in making choices?

Ms. Freed:

Fiscal Staff does not recommend doing anything that would affect plan year 2014.

Assemblywoman Carlton:

I agree with that recommendation. In addition, the decisions we make today should be communicated to participants well before the next open enrollment period so

that we can educate them on their options and they can better plan for 2015.

Chair Smith:

Based on this conversation, it would be helpful if Ms. Freed would walk us through what the approval of the concepts behind the amendments leaves us with, in terms of reserves and subsidies. I want the Committees to have a clear understanding of our opportunities and options.

Ms. Freed:

If the Committees approve the concepts behind the budget amendments, the result will be an increase in the excess reserves; that is, carrying forward through the biennium, the excess reserves generated in plan years 2012 and 2013, and using them for one-time rebates to participants. It also means a reduction of about \$25 million, in the subsidy dollars needed, that are collected in the AEGIS and REGI budgets and are transferred to the main PEBP operating budget.

Assemblywoman Kirkpatrick:

Is that a reduction on the participant portion or the State portion?

Ms. Freed:

It is a reduction in both. The excess reserves were used to keep the employee and retiree portions flat and the subsidy-dollar reduction is a reduction in the potential amount the State would pay from each budget account into PEBP.

Senator Kieckhefer:

I do not hear opposition to the basis or the actuarial assumptions by which these amendments were submitted. I do not hear opposition to the utilization rate changes. Due to technical errors, we would not want to approve the amendments as presented, yet the concepts behind them are sound. We do not need to subsidize to the extent included in the Executive Budget. We may need a discussion about how we reallocate those savings.

SENATOR KIECKHEFER MOVED TO NOT ACCEPT BUDGET AMENDMENT NOS. A13A0029, A13A0034, A13A0036, AND THE PORTION OF BUDGET AMENDMENT NO. A1300211338 THAT CONTAINS A BALANCE FORWARD OF \$26 MILLION IN EXCESS RESERVES; TO ACCEPT THE CONCEPTS THAT ARE IN THOSE BUDGET AMENDMENTS; AND TO AUTHORIZE FISCAL STAFF TO ADJUST BOTH THE PEBP OPERATING BUDGET, AS WELL AS

THE AEGIS AND REGI PASS-THROUGH BUDGETS, TO IMPLEMENT THE COMMITTEES' DECISIONS.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

The Committees must now take related action on decision units beginning with M-101.

M-101 Agency Specific Inflation — Page PEBP-12

Assemblywoman Carlton:

The previous action does not pertain to our discussion of the wellness program. Will we continue that discussion?

Ms. Freed:

For the sake of clarity, any action regarding the wellness program should be separate from action on the maintenance and enhancement units because the wellness program is contained in the Base Budget.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE DECISION UNIT M-101, INFLATION FOR ACTIVE EMPLOYEES AND NON-MEDICARE RETIREES, TO ACCORD WITH THE PEBP BOARD'S APPROVAL OF THE FY-2013-2014 MEDICAL/RX/DENTAL TREND, AND PROJECTED FY 2014-2015 TREND OF 8 PERCENT FOR MEDICAL/RX AND 3.5 PERCENT FOR DENTAL; AND TO APPROVE THE PERCENTAGE OF SUBSIDY PROVIDED TO ACTIVE EMPLOYEES AND NON-MEDICARE RETIREES AND THEIR DEPENDENTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Assemblyman Kirner:

Assemblyman Aizley introduced A.B. 303, which gives the PEBP Board flexibility in how they subsidize retiree benefits. We had a problem in the current biennium when the PEBP Board set the rates for FY 2011-2012 with a dollar-per-year-of-service figure, and Medicare increased their rates substantially. The result was that the retirees were short changed. I support the dollars under consideration now, but they may not be enough, depending on what Medicare does. I hope that A.B. 303 will give us the flexibility to adjust these numbers if we need to do that.

ASSEMBLY BILL 303 (1st Reprint): Revises provisions relating to the subsidy for coverage of certain retired persons under the Public Employees' Benefits Program. (BDR 23-681)

Assemblyman Aizley:

The surplus dollars, the \$2 figure, are addressed in A.B. 303. It does not pertain to the \$1 increase. The \$2 from excess reserves is a one-shot appropriation for next year.

ASSEMBLYMAN KIRNER MOVED TO APPROVE DECISION UNIT M-103 TO IMPLEMENT AN INFLATION ADJUSTMENT FOR MEDICARE RETIREES BY CONTRIBUTING AN ADDITIONAL \$1 PER MONTH, PER YEAR OF SERVICE TO THE \$10 PER MONTH, PER YEAR OF SERVICE REQUIRED BY CURRENT LAW; AND TO APPROVE DECISION UNIT E-275 TO IMPLEMENT AN ADDITIONAL ONE-TIME CONTRIBUTION OF \$2 PER MONTH, PER YEAR OF SERVICE FOR MEDICARE RETIREES IN FY 2013-2014.

SENATOR KIECKHEFER SECONDED THE MOTION.

Assemblywoman Kirkpatrick:

I want the record to be clear on legislative intent. Mr. Aizley's bill is moving forward. When the Interim Retirement and Benefits Committee begins meeting again, it should be clear that we are setting the minimum the PEBP Board must do and they have the flexibility to do more, if they so choose. That committee should

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resume meeting as soon as possible.

Assemblyman Kirner:

That is my intent.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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SENATOR KIECKHEFER MOVED TO APPROVE DECISION UNIT M-200 TO IMPLEMENT REVENUE AND EXPENSE ADJUSTMENTS THAT REFLECT DEMOGRAPHIC CHANGES TO THE PARTICIPANT GROUP.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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Assemblywoman Carlton:

Did other expenditures approved by the PEBP Board include the smoothing of the HMO rates statewide and keeping them static?

Ms. Freed:

No. The HMO participants received subsidy dollars, not excess reserves. The other expenditures are shown on page 41 of [Exhibit D](#). They include the premium incentives for health and wellness; Medicare Part D premium credits; flattening of the HDHP rates for State participants; the rebates for the State actives and non-Medicare retirees; the one-time rebates for State and non-State HDHP participants and retention of funds to mitigate plan year 2015 increases in rates and inflation.

Assemblywoman Carlton:

I want to approve the others, but, knowing where we are headed on the wellness program, the action on decision unit M-102 will probably take care of that. In essence, we will approve it, with a block of decision items. Then we will set it aside. I want to ensure that we take clear action.

Ms. Freed:

If that is the intent, one would move to approve decision unit M-102 to accord with the PEBP Board's decisions on March 21, with the exception of eliminating the \$9.25 million for health and wellness in the second year of the biennium, and use it for another purpose.

Assemblywoman Carlton:

My intent would be to remove the \$9.25 million in FY 2014-2015 for the wellness program.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE DECISION UNIT M-102 TO ADJUST VARIOUS RESERVE LEVELS THAT ACCORD WITH THE PEBP BOARD'S DECISIONS ON MARCH 21, TO UTILIZE EXCESS RESERVES FOR ADDITIONAL ONE-TIME CONTRIBUTIONS TO PARTICIPANTS' HEALTH SAVINGS ACCOUNTS AND HEALTH REIMBURSEMENT ARRANGEMENTS AS WELL AS OTHER EXPENDITURES APPROVED BY THE BOARD, WITH THE EXCEPTION OF THE DECISION TO SPEND \$9.25 MILLION IN FY 2014-2015 ON THE WELLNESS PROGRAM.

SENATOR WOODHOUSE SECONDED THE MOTION.

Assemblyman Kirner:

We still have not addressed the non-State group.

Chair Smith:

We can have that discussion later in the meeting.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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ASSEMBLYWOMAN CARLTON MOVED TO DEFUND THE WELLNESS PROGRAM IN 2015 IN THE BASE BUDGET.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Freed:

The \$9.25 million comes from excess reserves. That amount needs to stay in the program. The Base Budget funding would come out as reduced subsidy dollar needs. It is dollars that never needed to be spent so it goes back whence it came. I suggest that the discussion should be about your intent for usage of that \$9.25 million.

Assemblywoman Carlton:

The Senate Committee on Finance will be hearing S.B. 34 tomorrow. We should not delve too deeply into the discussion on those dollars until the committee that has jurisdiction over that bill has had a chance to discuss it. We have heard from the people who will be impacted by our decisions regarding usage of the reserves.

SENATE BILL 34 (1st Reprint): Makes various changes relating to group health insurance provided by the Public Employees' Benefits Program. (BDR 23-377)

Chair Smith:

I agree with that approach.

Assemblyman Kirner:

Is there a quick summary of S.B. 34?

Chair Smith:

The bill, as originally submitted, is quite different from the amended bill.

Ms. Freed:

This bill was requested by PEBP. As introduced, it would have permitted the non-State actives, numbering approximately 10, and the non-State retirees to be pooled with the State actives and State retirees in the PEBP pool. Non-State retirees whose actives do not also participate in PEBP would be rated separately. That is consistent with current law. The non-State pool is rated by itself.

The bill was amended to bring only the non-State retirees into the PEBP pool. There is a significant fiscal impact of approximately \$8 million over the biennium. That is an ongoing cost.

Assemblyman Kirner:

Is the ongoing cost for participants in the 50- to 65-year old range? If so, some of those participants will transition to Medicare and the subsidy would change. So the ongoing cost would diminish over time.

Ms. Freed:

Yes, the ongoing cost pertains to that age range. Nobody knows how many of those participants qualify for both Part A and Part B of Medicare, so we cannot predict how the cost will diminish. We have State retirees who started so long ago that they will never qualify for Part A. Most of the non-State retiree pool is composed of retired teachers from Washoe and Clark Counties.

Senator Kieckhefer:

For whom do the ten non-State actives work?

Ms. Freed:

We have 8,257 non-State participants. Earlier this year we had approximately 30 non-State actives and some have left. The remaining participants work for small entities such as general improvement districts, mosquito abatement districts and the like.

Chair Smith:

It appears that the consensus of the Committees is to hold the discussion on usage of the reserves at a later date.

Ms. Freed:

The five Other Closing Items for B/A 625-1338 are decision units M-501, E-225,

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E-227, E-710 and E-804. They all appear reasonable.

M-501 Mandates — Page PEBP-14

E-225 Efficient and Responsive State Government — Page PEBP -15

E-227 Efficient and Responsive State Government — Page PEBP -15

E-710 Equipment Replacement — Page PEBP-17

E-804 Cost Allocation — Page PEBP-17

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT M-501; TO AUTHORIZE FISCAL STAFF TO ADJUST THE AMOUNT OF THE PATIENT CENTERED OUTCOMES RESEARCH INSTITUTE FEE IN CONSULTATION WITH PEBP STAFF, BASED ON DECISIONS MADE IN THE MAJOR CLOSING ISSUE; TO APPROVE THE GOVERNOR'S RECOMMENDATIONS IN DECISION UNITS E-225, E-227, E-710 AND E-804; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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Mark Krmpotic (Senate Fiscal Analyst):

On May 4, the Subcommittee approved subsidy rates in its motion to approve the statewide M-300 decision unit. With the closing actions of today, those rate levels will change. It is important for the full Committees to affirmatively approve the exact rates for the upcoming biennium because those rates will be codified in a bill for the upcoming biennium. Following the budget closings today, Ms. Freed will recalculate rates in consultation with Mr. Wells and bring those rates back to the full Committees. At that time, Fiscal Staff will probably advise the full Committees to rescind the motions made on May 4 and reconsider the newly calculated rates.

M-300 Adjustments to Fringe Benefits Rates — Page PEBP-14

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Ms. Freed:

The next budget account for consideration is B/A 680-1368.

PEBP - Retired Employee Group Insurance — Budget Page PEBP-20 (Volume III)
Budget Account 680-1368

There are no Major Closing Issues for this account. There is one Other Closing Item, which is a discussion of the monthly base subsidy amount. The chart on page 49 of [Exhibit D](#) identifies the monthly base subsidy amounts since FY 2006-2007 and the Governor's amended recommendations for the coming biennium. Based on the Committees' actions today, the latter will change slightly.

ASSEMBLYMAN KIRNER MOVED TO CLOSE B/A 680-1368 AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS TO ADJUST THIS BUDGET ACCOUNT'S REVENUES AND EXPENDITURES AS NECESSARY, IN ORDER TO MATCH THE COMMITTEE'S DECISIONS MADE IN CLOSING THE MAIN PEBP ACCOUNT, B/A 625-1338.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

BUDGET CLOSED.

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Ms. Freed:

The last budget account is B/A 666-1390.

PEBP - Active Employees Group Insurance — Budget Page PEBP-24 (Volume III)
Budget Account 666-1390

There are no Major Closing Issues and two Other Closing Items, described on page 51 of [Exhibit D](#).

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A vacancy factor of minus 0.8 percent is applied to the AEGIS assessment. Fiscal Staff suggests that the rate be increased to minus 0.9 percent.

ASSEMBLYMAN KIRNER MOVED TO CLOSE B/A 666-1390 IN ACCORDANCE WITH THE COMMITTEES' CLOSING ACTIONS FOR B/A 625-1338; TO AUTHORIZE FISCAL STAFF TO ADJUST REVENUES AND EXPENDITURES IN THIS ACCOUNT; AND TO MAKE OTHER TECHNICAL ADJUSTMENTS; AND TO ADJUST THE VACANCY FACTOR USED FOR THE AEGIS ASSESSMENT TO MINUS 0.9 PERCENT.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

BUDGET CLOSED.

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Assemblyman Aizley:

It appears that the Medicare retiree and similarly situated non-Medicare retirees are treated differently. This is an unfair distinction. I have never heard an adequate explanation why we do that.

Chair Smith:

We will now hear reports from Subcommittees for the purpose of closing budgets.

Brody Leiser (Program Analyst):

The Joint Subcommittee on General Government has completed its review of the Department of Tourism and Cultural Affairs' budget accounts and has made the following recommendations for the Department's 2013-2015 biennium budget.

In B/A 225-1522, the Subcommittee approved the Governor's recommendation to increase travel, marketing and advertising, and the Commission's grant program expenditures, with an adjustment of \$5,040 each year to remove the out-of-state travel increase. The Subcommittee also approved the Governor's recommendation

for a new management analyst I position in this account for the purpose of supporting financial functions of the Department. The Subcommittee authorized Fiscal Staff to adjust the room tax revenues in this account, based on revised projections completed during the first week of May, including corresponding adjustments to the reserve in this account. Additionally, the Subcommittee approved room tax transfers to the Nevada Arts Council of \$150,000 in each fiscal year for the purpose of supporting grant awards. This is a \$25,000 per fiscal year increase over the amount recommended by the Governor.

COMMERCE AND INDUSTRY

TOURISM AND CULTURAL AFFAIRS

Tourism - Tourism Development Fund — Budget Page TOURISM-12 (Volume II) Budget Account 225 -1522

In B/A 530-1530, the Subcommittee approved the publication of a sesquicentennial book by *Nevada Magazine*, including adjustments to remove the original revenue sharing proposal with an outside vendor, and have the magazine produce the publication in-house. The Subcommittee approved the Governor's recommendation for *Nevada Magazine* to expand its promotional efforts to increase the magazine's subscription base, with adjustments to reduce printing and postage costs to reflect an estimated increase of 2,500 print subscriptions. The Subcommittee eliminated the recommendation to produce a Chinese Travel Guide, as *Nevada Magazine* no longer intends on producing this publication. Additionally, the Subcommittee approved the removal of circulation services costs for an external vendor from the Base Budget, as the magazine will be performing those services in-house beginning July 1.

Tourism - Nevada Magazine — Budget Page TOURISM-22 (Volume II) Budget Account 530 -1530

In B/A 101-2600, the Subcommittee accepted a budget amendment, which recommended the addition of a new program officer II position in this account, funded with 75 percent General Fund and 25 percent room tax transfers, for the main purpose of coordinating and implementing the establishment of the Stewart Indian Cultural Center.

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Tourism - Indian Commission — Budget Page TOURISM-29 (Volume II)
Budget Account 101-2600

In B/A 101-2894, the Subcommittee approved the Nevada Humanities budget account with General Fund appropriations of \$50,000 in each year of the 2013-2015 biennium, an annual increase of \$10,000 over the Governor's recommended budget.

Tourism - Nevada Humanities — Budget Page TOURISM-35 (Volume II)
Budget Account 101-2894

In B/A 101-2940, the Subcommittee approved the Governor's recommendation to restore 18 staff in this account from 0.8 FTE to 1 FTE positions, or from 32 hours per week to 40 hours per week for the Nevada State Museum in Carson City. The Subcommittee also approved the Governor's recommendation for a new part-time security officer position in this account. The Subcommittee approved the Governor's recommendation to fund an exhibit preparator and two curator positions with General Fund and room tax revenues, thus eliminating the Museum Dedicated Trust Fund support for the three positions. This approval aligns the funding of these three positions to be consistent with similar positions throughout the State's museum system.

Tourism - Museums & Hist - Nevada State Museum CC — Budget Page
TOURISM-64 (Volume II)
Budget Account 101-2940

In B/A 101-1350, the Subcommittee approved the Governor's recommendation to restore six staff in this account from 0.8 FTE to 1 FTE positions, or from 32 hours per week to 40 hours per week at the Lost City Museum.

Tourism - Museums & Hist - Lost City Museum — Budget Page TOURISM-51
(Volume II)
Budget Account 101-1350

In B/A 101-2870, the Subcommittee approved the Governor's recommendation to restore six staff in this account from 0.8 FTE to 1 FTE positions, or from 32 hours per week to 40 hours per week for the Nevada Historical Society.

Tourism - Museums & Hist-Nevada Historical Society — Budget Page TOURISM-58
(Volume II)
Budget Account 101-2870

In B/A 101-2943, the Subcommittee approved the Governor's recommendation to restore 17 staff in this account from 0.8 FTE to 1 FTE positions, or from 32 hours per week to 40 hours per week at the Nevada State Museum in Las Vegas, with adjustments to replace the recommended increase in admission charge revenue with equal amounts of General Fund and room tax revenues.

Tourism - Museums & Hist - Nevada State Museum LV — Budget Page
TOURISM-73 (Volume II)
Budget Account 101-2943

In B/A 101-4216, the Subcommittee approved the Governor's recommendation to restore 14 staff in this account from 0.8 FTE to 1 FTE positions, or from 32 hours per week to 40 hours per week at the State Railroad Museums. The Subcommittee also approved the Governor's recommendation for a new part-time museum attendant position at the East Ely Railroad Depot. The Subcommittee approved a technical adjustment to move expenditure adjustments from the Boulder City Operating category to the Boulder City Locomotive Maintenance category. These adjustments are necessary, as train ride revenues are not budgeted to increase or decrease from the base year in the upcoming biennium at the museum in Boulder City.

Tourism - Museums & Hist - State Railroad Museums — Budget Page TOURISM-80
(Volume II)
Budget Account 101-4216

In B/A 101-2979, the Subcommittee approved room tax transfers to the Nevada Arts Council of \$150,000 in each fiscal year in decision unit E-150 for the purpose of supporting grant awards, thereby increasing the amount transferred to the Nevada Arts Council by \$25,000 in each year over the Governor's recommendation.

Tourism - Nevada Arts Council — Budget Page TOURISM-93 (Volume II)
Budget Account 101-2979

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E-150 Sustainable and Growing Economy — Page TOURISM-95

The Subcommittee recommends closing the following Department of Tourism and Cultural Affairs accounts as recommended in the Executive Budget, with minor or technical adjustments by Fiscal Staff.

Tourism - Tourism Development — Budget Page TOURISM-20 (Volume II)
Budget Account 225 -1523

Tourism - Museums & History — Budget Page TOURISM-46 (Volume II)
Budget Account 101-2941

Chair Smith:

How much have we cut from the Nevada Arts Council funding over the last 2 biennia?

Mr. Leiser:

When you consider all funding sources going back to 2007, and considering the one-shot appropriation of \$425,000 authorized by S.B. No. 579 of the 74th Session, General Fund cuts, increases from other revenue sources, including the approval of room-tax funding and fluctuations in federal grant awards, Fiscal Staff calculates that the reduction from FY 2007-2008 through FY 2010-2011 to be about 30 percent.

Chair Smith:

Is funding for the Nevada Arts Council now from 100 percent room tax?

Mr. Leiser:

The Nevada Arts Council receives federal grants from the National Endowment for the Arts. They also receive a mix of General Fund appropriations and room tax transfers from the Nevada Commission on Tourism (NCOT).

Chair Smith:

We should do more in this area. This is an area that has been substantially cut in the last two budget cycles. Their money grows exponentially with the grants they receive. We receive a lot of feedback regarding how it is used. We know the Council reaches out to rural and urban Nevada. I appreciate that the Subcommittee recommended some additional funding; however, I think we should do more. Is

there enough room tax reserve available to do that?

Mr. Leiser:

The NCOT provided Fiscal Staff with revised room tax revenue projections on May 10. The revisions are slightly less than the projections in the Executive Budget. The revisions are \$18.08 million for FY 2013-2014 and \$18.62 million for FY 2014-2015. The total is approximately \$104,000 less than the Governor's recommendation. Those reductions would also have to be made to the reserve in this account.

An analysis of the reserve, based on the recommendations of the Subcommittee and including the actions on the Statewide budget amendments approved on May 4, shows the reserve at 60 days, which aligns with the NCOT's policy. Depending on how FY 2012-2013 closes, and the amount of room tax carried forward to FY 2013-2014, there may be an impact on the reserve in this account. Any additional room tax expenditures, whether approved in B/A 225-1522, or transferred to one of the other agencies that currently receives room tax revenues, would drop the reserve in B/A 225-1522 below the 60-day mark. The alternative would be to reduce expenditures in other categories in B/A 225-1522.

Tourism - Tourism Development Fund — Budget Page TOURISM-12 (Volume II)
Budget Account 225-1522

Chair Smith:

The relatively small amount I might propose would not affect the 60-day reserve level. For example, if I propose \$100,000 additional over the biennium, it would be a small portion of the reserve.

Mr. Leiser:

The amount of \$50,000 per fiscal year would equate to approximately 1 day of reserve.

SENATOR KIECKHEFER MOVED TO ADD \$50,000 IN EACH YEAR OF THE BIENNIUM FOR THE NEVADA ARTS COUNCIL GRANTS PROGRAM FROM ROOM TAX RESERVES.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

Senator Woodhouse:

I strongly support this action. The Nevada Arts Council has endured budget cuts over the years. It is the one organization for which we have received more letters and emails about the high value of their grants in Nevada schools and communities and the numbers of teachers and students who have benefitted from their programs. I encourage the Committees' members to support this motion.

Chair Smith:

There are so many areas where, if it were not for these grant opportunities, many of Nevada's children would not be exposed to art programs in our schools, especially in rural areas.

Assemblywoman Kirkpatrick:

I support this action because the Nevada Arts Council is the one statewide organization that sends thank-you letters to legislators and keeps us constantly informed of their wide variety of programs. I wish Nevada had more organizations like it doing such valuable work.

Assemblyman Anderson:

The Subcommittee added an additional \$25,000 per fiscal year to the Governor's recommendation. Is this motion in addition to that increase? Will this motion reduce the reserve to 58 days?

Mr. Leiser:

The \$150,000 in the Subcommittee's report included the action they took to increase the amount that the Governor recommended. My comments on the reserve also considered those. The reserve in FY 2014-2015 would drop to 58 or 59 days.

Senator Denis:

I have always supported the arts. The return on investment in this area is great because it impacts all ages and economic levels. I support this action and I am grateful for the opportunity to increase this funding.

Senator Kieckhefer:

I see this as a low-cost investment in our communities, for our at-risk youth and for our collective soul.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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ASSEMBLYWOMAN CARLTON MOVED TO ACCEPT ALL OTHER CLOSING ITEMS for B/A 225-1522, B/A 530-1530, B/A 101-2600, B/A 101-2894, B/A 101-2940, B/A 101-1350, B/A 101-2870, B/A 101-2943, B/A 101-4216, B/A 101-2979, B/A 225-1523 AND B/A 101-2941 AS RECOMMENDED BY THE SUBCOMMITTEE.

SENATOR WOODHOUSE SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGETS CLOSED.

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Heidi Sakelarios (Program Analyst):

The next report is from the Senate Committee on Finance Subcommittee on Public Safety, Military and Veterans' Services and Assembly Committee on Ways and Means Subcommittee on Public Safety, Natural Resources and Transportation regarding the Office of Veterans' Services.

In closing the budget for the Commissioner for Veterans' Affairs, B/A 101-2560, the Subcommittee approved the Governor's recommendation for personnel, operating, and in-state travel expenditures for two additional veterans' services representative I positions, effective October 1. The positions will be assigned to the Reno area to assist veterans, service members, and their families in accessing veterans' benefits. The Subcommittee also approved a budget amendment, which provides General Fund appropriations totaling \$3,674 in each year of the 2013-2015 biennium for training for the two new positions.

The Subcommittee approved the Governor's recommendation to establish call-back pay and holiday pay for employees assigned to the veterans' cemeteries as Base Budget expenditures, totaling \$6,308 over the biennium, including \$3,289 in General Fund monies.

The Subcommittee approved the Governor's recommendation for veterans' services representatives to attain and maintain annual accreditation through the American Legion and to participate in three regional meetings planned for Nevada's Veterans' Services Program in each year of the 2013-2015 biennium. The Subcommittee approved a budget amendment, which included General Fund appropriations totaling \$5,923 in each year of the 2013-2015 biennium to adequately fund the Governor's recommendation.

SPECIAL PURPOSE AGENCIES

VETERANS' SERVICES

NCVA - Commissioner for Veterans' Affairs — Budget Page VETERANS-8 (Volume III)

Budget Account 101-2560

In B/A 101-2561, the Subcommittee approved budget amendments, with technical adjustments, to correct the projected revenue and reserve amounts included in the Base Budget for the 2013-2015 biennium, reducing the reserve by \$367,102 at the end of FY 2014-2015.

The Subcommittee did not approve the Governor's recommendation for overtime expenditures included in the Base Budget during the 2013-2015 biennium. Instead, the Subcommittee voted to reduce the expenditure authority for overtime to \$269,189 in each year of the 2013-2015 biennium, which is equal to the amount recommended by the Governor and approved by the 76th Session for the 2011-2013 biennium.

NCVA - Veterans' Home Account — Budget Page VETERANS-19 (Volume III) Budget Account 101-2561

Chair Smith:

We are going to consider some options that we have previously discussed regarding this Office.

Mr. Krmpotic:

In April, the Senate Committee on Finance considered the Governor's recommendation for a new Office of Veteran's Policy Coordination staffed with three positions to create and promote the interagency coordination of veterans' education, employment and wellness benefits. In the budget closing on this recommendation by the Governor, the Committee supported the concepts presented, but chose to not support the creation of a new office. As requested by the Committee, Fiscal Staff reviewed the possibility of adding two positions to the Office of Veterans' Affairs to achieve the same goals. Fiscal Staff suggests adding those two positions as classified positions to that Office. One position would be an education and information officer, rather than a policy advisor as recommended by the Governor. The second position would be an administrative assistant position, as recommended by the Governor. In lieu of creating a new Office of Veteran's Policy Coordination, Fiscal Staff recommends adding these two positions to the Office of Veterans' Affairs, with a total General Fund appropriation of \$114,567 in FY 2013-2014 and \$142,876 in FY 2014-2015. Correspondingly, the Committees may wish to consider adding a liaison position to the Office of the Governor for veterans' issues. Fiscal Staff reviewed this possibility and identified a policy advisor position that would be a veterans' liaison to serve and coordinate, to convene State and local veterans' services providers and stakeholders to gather information, build partnerships in order to leverage resources and better serve veterans and their families. If this position were added to the budget of the Office of the Governor, the cost would be \$85,975 in FY 2013-2014 and \$111,224 in FY 2014-2015.

Assemblyman Kirner:

The Assembly Committee on Ways and Means also had a discussion on this issue.

Assemblywoman Carlton:

The discussions were identical.

SENATOR KIECKHEFER MOVED TO APPROVE B/A 101-2560 AND B/A 101-2561 AS RECOMMENDED BY THE SUBCOMMITTEE WITH THE ADDITIONAL RECOMMENDATIONS OUTLINED BY MR. KRMPOTIC.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

Senator Kieckhefer:

It is also important to affirm that it is the intent of the Full Committees to add the position of policy advisor to the Office of the Governor's budget when that budget is closed. The intent is to provide the highest level of coordination, which was the intent of the Governor's recommendation for a new office.

Chair Smith:

We have already closed the budget for the Office of the Governor. We will reopen it at a future meeting in order to add that position.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY,

BUDGETS CLOSED.

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Assemblyman Kirner:

I was concerned about the overtime issue in the Veterans' Home account. We have reduced the expenditure authority for overtime, yet they have exceeded their expenditure authority for several years. What makes us believe that they will be held to the decreased level?

Ms. Sakelarios:

During the budget hearing, the Agency indicated that the occupancy rate at the Veterans' Home has increased, which has increased their need for staffing. They are confident that, as the occupancy rates approach 100 percent, they will become more efficient in the implementation of their staffing plan. They have also been working with the DHRM to expedite the hiring process, especially for nursing positions, and to expedite the approval of accelerated pay when they hire nursing staff. The Agency also indicates that they have developed other strategies that would accommodate vacation, family leave, sick leave and furlough. Based on the information from the Agency and a proposal developed by the facility administrator, it appears that the overtime issues would be addressed and they would be able to eliminate their need for overtime and their reliance on contractors.

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Chair Smith:

Since Assemblyman Kirner had a question and received new information subsequent to the vote on the motion, I will ask for a new vote.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGETS CLOSED.

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Jennifer Gamroth (Program Analyst):

The Joint Subcommittee on General Government has completed its review of the various budgets for the B&I. The closing recommendations resulted in a General Fund savings of \$173,747 in FY 2013-2014 and \$173,759 in FY 2014-2015. During its budget review, the Joint Subcommittee addressed the major closing issues and proposes the following recommendations for the Committees' consideration.

In B/A 101-4681, the Governor recommended, and the Subcommittee approved, using NMS funds of approximately \$53 million transferred from the AG's Office to fund various decision units in the B&I's Administration, Real Estate Administration and Mortgage Lending budgets. The decision units funded, and the adjustments approved by the Subcommittee will be discussed in this closing report by the specific budget affected.

COMMERCE AND INDUSTRY

BUSINESS AND INDUSTRY

B&I - Business and Industry Administration — Budget Page B&I-8 (Volume II)
Budget Account 101-4681

The Subcommittee approved using NMS funds in the amount of \$197,618 in each fiscal year of the 2013-2015 biennium to continue the contract with the University of Nevada, Las Vegas LIED Institute for Real Estate Studies for research,

development and publication of a real estate and housing index. The initial funding for the 3-year project was approved by the IFC in January.

In the Administration budget, the Subcommittee approved using NMS funds in the amount of approximately \$747,000 over the 2013-2015 biennium to create a four-position Consumer Affairs Unit, to address consumer related issues and complaints within the Mortgage Lending, Real Estate and Financial Institution divisions. The Subcommittee approved the four positions to provide a means for consumer protection within these areas and under the guidelines of the NMS. The approved funding provides for technology services and new software to support the core business processes of the new unit. An alternative source of funding will need to be identified to support this function beyond the 2013-2015 biennium.

In B/A 101-4679, the Subcommittee approved the Governor's recommendation to use NMS funds in the amount of \$49 million to establish the Nevada Home Retention program. The goal of the Nevada Home Retention program is to stabilize home ownership and neighborhoods and return home mortgages to current market value. The Department developed a targeted business plan that anticipates using NMS funds in addition to a \$100 million allocation from the U.S. Treasury for a total of \$149 million to help address the shadow market of underwater and delinquent home mortgages susceptible to foreclosure in Nevada. The business plan anticipates acquiring nearly 4,600 mortgages over a 7-year period with a goal of retaining 50 percent of the individuals holding these mortgages in their homes. Briefly, the Program will be administered by a nonprofit organization, under the direction of an appointed board. The private sector will play a major role with all aspects of the program. The program will acquire underwater Federal Housing Administration backed mortgages at significantly discounted pricing. The mortgages acquired will be modified, refinanced or sold. The program will work with homeowners, enabling them to be eligible for loan reductions and includes incentives for homeowners to improve their credit profile to qualify for these reductions. Homeowners who do not qualify will be offered transitional assistance and the residence will be rehabilitated, if necessary, and sold. The Program is intended to be self-sustaining by selling 75 percent to 80 percent of the repackaged and seasoned loans to hedge funds and financial institutions. The program is designed to end by June 2021, with the last purchases being completed by June 2020. Any proceeds of the sales remaining from the Program will be returned to the General Fund after all obligations are paid.

The Subcommittee also approved the issuance of a letter of intent directing the Director's Office of the B&I to report to the IFC on a quarterly basis regarding the status of the program implementation and the ongoing management and success of the program.

Nevada Home Retention Program — Budget Page B&I -16 (Volume II)
Budget Account 101-4679

In B/A 504-3813, the Insurance Regulation account, the Joint Subcommittee approved the Governor's recommendation to increase fraud assessment fee revenue totaling \$184,500 in each year of the 2013-2015 biennium, pending approval of A. B. 435, which would add clarifying language to statute, requiring that all companies pay the annual assessment, regardless of the amount of policy written in a calendar year.

B&I - Insurance Regulation — Budget Page B&I-28 (Volume II)
Budget Account 504-3813

ASSEMBLY BILL 435: Revises provisions governing insurance. (BDR 57-1171)

The Subcommittee approved the Governor's recommendation for fee revenue totaling \$500,000 in each year of the 2013-2015 biennium for costs associated with the certification of network adequacy, in accordance with the provisions of the Affordable Care Act. Assembly Bill 435 would transfer the responsibility for certification of HMO network adequacy from the Department of Health and Human Services' State Board of Health to the B&I's Division of Insurance.

The Subcommittee also approved technical adjustments to the cost allocation within the Division of Insurance, resulting in an increase in FY 2013-2014 totaling \$28,961 and a reduction in FY 2014-2015 totaling \$389,482.

In B/A 504-3817, the Subcommittee approved the Governor's recommendation to extend the Insurance Premium Tax Desk Audit program and two insurance examiner positions during the 2013-2015 biennium with technical adjustments, increasing the proposed Desk Audit Fee revenue to \$244,808 in FY 2013-2014 and \$232,219 in FY 2014-2015, based on the projected number of billable hours per desk audit.

B&I - Insurance Examiners — Budget Page B&I-35 (Volume II)
Budget Account 504-3817

The Subcommittee also approved technical adjustments to the cost allocation within the Division of Insurance, resulting in an increase in the transfer to the B/A 504-3813 totaling \$86,961 in FY 2013-2014 and a decrease in FY 2014-2015 totaling \$109,447.

The Subcommittee approved technical adjustments to the cost allocation within the Division of Insurance, resulting in an increase in the transfer to B/A 504-3818 totaling \$72,933 in FY 2013-2014 and a decrease totaling \$146,012 in FY 2014-2015.

B&I - Captive Insurers — Budget Page B&I-40 (Volume II)
Budget Account 504-3818

In B/A 504-3824, the Subcommittee approved revenue and expenditures totaling \$72,020 in FY 2013-2014 and \$606,705 in FY 2014-2015, which is less than the amount included in the Governor's recommended budget and based on the projected revenue available for transfer during the 2013-2015 biennium. The Subcommittee took this action as a result of the Division's practice of transferring revenue from the Insurance Recovery account, B/A 504-3821, to this account during the fiscal year, rather than waiting until the end of the fiscal year in accordance with NRS 679B.305.

B&I - Insurance Education & Research — Budget Page B&I-46 (Volume II)
Budget Account 504-3824

B&I - Insurance Recovery — Budget Page B&I-45 (Volume II)
Budget Account 504-3821

Based on the projected reserve in B/A 504-3833, at the end of FY 2012-2013, the Subcommittee approved Property and Casualty Assessment revenue totaling \$24,570 in FY 2013-2014 and \$75,653 in FY 2014-2015, which is less than the amount included in the Governor's recommended budget. Additionally the Subcommittee approved fine revenue of \$10,000 per fiscal year, based on a historical average, and eliminated the cost-allocation transfer to the Insurance Regulation account, B/A 504-3813.

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B&I - Insurance Cost Stabilization — Budget Page B&I-53 (Volume II)
Budget Account 504-3833

In B/A 210-4680, the Subcommittee concurred with the Governor's recommendation for an allocation from the Workers' Compensation and Safety Fund in the amount of \$269,000 in FY 2013-2014 for a vendor to study Nevada's Medical Fee Schedule.

B&I - Industrial Relations — Budget Page B&I-75 (Volume II)
Budget Account 210-4680

In B/A 210-4682, the Subcommittee approved an allocation from the Workers' Compensation and Safety Fund totaling \$497,326 in FY 2013-2014 and \$505,159 in FY 2014-2015 to increase salaries by approximately 10 percent, or equivalent to a two-grade adjustment, for 57 classified safety specialists, 15 classified industrial hygienists, and 13 supervisor positions, as recommended by the Governor to improve the recruitment and retention of more qualified personnel.

B&I - Occupational Safety & Health Enforcement — Budget Page B&I-83
(Volume II)
Budget Account 210-4682

The Subcommittee also approved the Governor's recommendation for an allocation from the Workers' Compensation and Safety Fund of \$79,725 in FY 2013-2014 and \$102,043 in FY 2014-2015 to fund a new unclassified chief administrative officer position to oversee the Mechanical Unit to improve operating efficiency.

Additionally, the Subcommittee concurred with the Governor's recommendation of \$231,000 over the 2013-2015 biennium for the Workers' Compensation and Safety Fund to replace the existing permit/licensing software, the Versa System, for the Mechanical Unit. Due to prior issues concerning the manner in which the existing permit/licensing software for the Mechanical Unit was implemented, the Subcommittee also approved issuing a letter of intent for the DIR to report semiannually to the IFC concerning its progress on the implementation of the new database system.

In B/A 210-4685, the Subcommittee approved an allocation from the Workers' Compensation and Safety Fund totaling \$142,078 in FY 2013-2014 and \$144,760

in FY 2014-2015 to increase salaries by approximately 10 percent, or equivalent to a two-grade adjustment, for 17 classified safety specialists, 3 classified industrial hygienists, and 4 supervisor positions, as recommended by the Governor to help to attract and retain more qualified personnel.

B&I - Safety Consultation and Training — Budget Page B&I-91 (Volume II)
Budget Account 210-4685

In B/A 210-4686, the Subcommittee approved an allocation from the Workers' Compensation and Safety Fund totaling \$67,405 in FY 2013-2014 and \$67,638 in FY 2014-2015 to increase salaries by approximately 10 percent, or equivalent to a two-grade adjustment, for eight classified safety specialists, two classified industrial hygienists, and one supervisor position, as recommended by the Governor to help to attract and retain more qualified personnel.

B&I - Mine Safety & Training — Budget Page B&I-97 (Volume II)
Budget Account 210-4686

In B/A 101-3823, the Subcommittee approved using NMS funds in the amount of approximately \$648,000 over the 2013-2015 biennium to restore seven positions, which include five administrative assistants and two compliance/audit investigators, and to increase a part-time position to full-time. Staffing in the Real Estate Administration budget was reduced by 14.8 positions as a budget reduction measure by the 76th Session. As a result, work backlogs and processing times have increased significantly for the licensing, compliance and projects sections of the Division. The position restoration was approved to reduce the current backlog of cases under investigation, alleviate the backlog of timeshare filing for amendments and renewals and reduce the average processing time for license applications.

B&I - Real Estate Administration — Budget Page B&I-143 (Volume II)
Budget Account 101-3823

The Subcommittee also approved issuing a letter of intent requesting the Real Estate Division to develop a business plan, which includes a funding structure that funds the ongoing staffing needs, and support costs for the Division since NMS funds will not be available to continue funding the positions after the

2013-2015 biennium. The business plan must be submitted to the IFC no later than July 1, 2014.

Finally, the Subcommittee approved redirecting NMS funds in the amount of \$239,931 from the Mortgage Lending budget, and reducing General Funds in B/A 101-3823 in a like amount. The NMS funds are available for redirection because of savings identified in the Mortgage Lending budget, and can be used within the guidelines of the NMS agreement as a one-time offset of General Funds in B/A 101-3823 for the 2013-2015 biennium.

In B/A 101-3820, the Subcommittee approved a total of four new positions, which include two compliance/audit investigator positions, one administrative assistant and one legal secretary funded from reserves in the amount of \$378,703 over the 2013-2015 biennium. The additional compliance/audit investigator positions are needed to reduce the caseload per investigator to conduct investigations resulting from complaints filed by unit owners in community associations, licensees or other governmental agencies. The administrative assistant will provide support to the two new investigator positions. The legal secretary will provide support to both the Real Estate Division staff and the senior deputy attorney general that is assigned to the Common Interest Community program.

B&I - Common Interest Communities — Budget Page B&I-156 (Volume II)
Budget Account 101-3820

The Subcommittee also approved funding from reserves totaling \$150,000 for each fiscal year of the 2013-2015 biennium to fund an Impartial Referee Program in the Ombudsman's Office for Common-Interest Communities. This program will be an alternative to the existing arbitration program in NRS 38, which can result in significant costs to unit owners who file a matter against their association.

In response to concerns identified by the Subcommittee regarding the lack of resources available for the Taxicab Authority, B/A 245-4130, to adequately perform their mission, the Administration submitted a budget amendment that significantly modified the Taxicab Authority's budget to address these concerns. The Subcommittee approved funding from reserves totaling approximately \$1.1 million in FY 2013-2014 and \$455,600 in FY 2014-2015 for the additional needs identified by the Taxicab Authority. Based on the budget amendment, the Subcommittee approved seven new positions, which include an unclassified

deputy administrator, one compliance/enforcement investigator, two taxicab vehicle inspectors, two administrative assistants and a dispatcher. The new positions were approved to provide the Taxicab Authority additional resources to address the increase in compliance, inspection and investigative workload and issues associated with growth in the industry over the past 10 years; the increase in the volume of walk-in customers that the Taxicab Authority tests, permits and licenses; and administrative support to assist the administrator with managing and overseeing the organization.

B&I - Taxicab Authority — Budget Page B&I-182 (Volume II)
Budget Account 245-4130

The Subcommittee approved reserve funding of \$622,860 to purchase 23 replacement vehicles. All 23 vehicles that will be replaced have in excess of 100,000 miles on the odometer and are older than 7 years. Fifteen of the replacement vehicles are designated as law enforcement vehicles used by the compliance enforcement investigators and will include a law enforcement equipment package.

Additionally, the Subcommittee approved \$312,135 in FY 2013-2014 and \$72,274 in FY 2014-2015 to allow the Taxicab Authority to relocate to a new location. The funding approved will allow the Taxicab Authority to move to a larger and more secure facility near the McCarran International Airport. Relocating near the airport will allow the Taxicab Authority to be more responsive to taxicab drivers, as well as consumers and provide site security.

Finally, the Subcommittee approved approximately \$595,000 in each fiscal year of the 2013-2015 biennium to fully fund and support the Senior Ride Program administered by the DHHS' Aging and Disability Services Division.

In B/A 101-3910, the Subcommittee approved the Governor's recommendation to fund a four-position Mortgage Fraud Enforcement Unit using NMS funds in the amount of approximately \$976,600 over the 2013-2015 biennium. The Unit will allow the Division to concentrate on and develop an expertise in mortgage fraud cases and to review and scrutinize mortgage transactions to identify instances of fraud, deceit and misrepresentation. In addition to the four new positions, the approved funding will support a contract with the Nevada Broadcasters Association to develop public service announcements and for printing newsletters and

brochures designed to make the general public more aware of the potential for mortgage fraud. Additionally, funding is included for specialized training and investigative tools that will support the unit's investigative and research efforts to identify fraudulent activities and trends in the mortgage industry.

B&I - Mortgage Lending — Budget Page B&I-279 (Volume II)
Budget Account 101-3910

As a result of questions from the Subcommittee, the Administration submitted a budget amendment that reduced many of the operational costs for the Mortgage Fraud Unit by \$239,931 over the 2013-2015 biennium. The Subcommittee approved redirecting the savings to the Real Estate Administration budget, which, as noted earlier, was used to reduce General Fund appropriations in a like amount.

Additionally, the Subcommittee approved the Governor's recommendation to change the source of funding for eight existing positions currently funded with fees and assessments to NMS funds. The eight positions include six mortgage lending examiners and two compliance/auditor investigators. Fee revenues that support the Mortgage Lending budget have steadily declined since FY 2007-2008. To remain within budget, a total of 23 positions have been eliminated since FY 2008-2009, and budget reserves have been used to cover normal operating expenditures. The Subcommittee approved use of NMS funds for these positions to allow the Division time for the economy and the collection of fee revenues that support the Division to stabilize, and to rebuild budget reserves, which would be used in future biennia.

Finally, the Subcommittee approved issuing a letter of intent requesting the Mortgage Lending Division to develop a business plan that includes a fee structure that appropriately funds the ongoing staffing needs and support costs for the Division. The business plan must be submitted to the IFC no later than July 1, 2014.

As part of a statewide consolidation of food and nutrition programs within the Department of Agriculture, the Subcommittee approved the Governor's recommendation to transfer the Dairy Commission, in B/A 233-4470, and ten positions from the B&I to the Department of Agriculture. The Subcommittee also approved the Governor's recommendation to eliminate the division administrator position. The Subcommittee approved the Governor's

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recommendation of \$12,283 in FY 2013-2014 and \$11,323 in FY 2014-2015 for a new Healthy Nevada Dairy Products program.

AGRI - Dairy Commission — Budget Page AGRICULTURE-29 (Volume I)
Budget Account 233-4470

The following budgets were closed by the Subcommittee as recommended and amended by the Governor with authority for Fiscal staff to make technical adjustments as necessary:

B&I - Industrial Development Bonds — Budget Page B&I-14 (Volume II)
Budget Account 101-4683

B&I - Captive Insurers — Budget Page B&I-40 (Volume II)
Budget Account 504-3818

B&I - Insurance Recovery — Budget Page B&I-45 (Volume II)
Budget Account 504-3821

B&I - Nat. Assoc. of Insurance Commissioners — Budget Page B&I -46 (Volume II)
Budget Account 504-3828

B&I - Self Insured - Workers Compensation — Budget Page B&I -58 (Volume II)
Budget Account 210-4684

B&I - Housing Division — Budget Page B&I -110 (Volume II)
Budget Account 503-3841

B&I - Special Housing Assistance — Budget Page B&I -116 (Volume II)
Budget Account 101-3839

B&I - Low Income Housing Trust Fund — Budget Page B&I -118 (Volume II)
Budget Account 101-3838

B&I - Weatherization — Budget Page B&I-123 (Volume II)
Budget Account 101-4865

B&I - Employee Management Relations Board — Budget Page B&I-132 (Volume II)

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Budget Account 101-1374

B&I - Real Estate Education and Research — Budget Page B&I-149 (Volume II)
Budget Account 216-3826

B&I - Real Estate Recovery Account — Budget Page B&I-155 (Volume II)
Budget Account 216-3827

B&I - Athletic Commission — Budget Page B&I-168 (Volume II)
Budget Account 101-3952

B&I - Transportation Authority — Budget Page B&I-196 (Volume II)
Budget Account 101-3922

B&I - Transportation Authority Admin Fines — Budget Page B&I-202 (Volume II)
Budget Account 101-3923

B&I - Labor Commissioner — Budget Page B&I-211 (Volume II)
Budget Account 101-3900

B&I - NV Attorney for Injured Workers — Budget Page B&I-220 (Volume II)
Budget Account 101-1013

B&I - Manufactured Housing — Budget Page B&I-233 (Volume II)
Budget Account 271-3814

B&I - Mobile Home Lot Rent Subsidy — Budget Page B&I-240 (Volume II)
Budget Account 630-3842

B&I - Mobile Home Parks — Budget Page B&I-245 (Volume II)
Budget Account 271-3843

B&I - Mfg Housing Education/Recovery — Budget Page B&I-250 (Volume II)
Budget Account 271-3847

B&I - Financial Institutions — Budget Page B&I-261 (Volume II)
Budget Account 101-3835

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B&I - Financial Institutions Investigations — Budget Page B&I-268 (Volume II)
Budget Account 101-3805

B&I - Financial Institutions Audit — Budget Page B&I-270 (Volume II)
Budget Account 101-3882

SENATOR WOODHOUSE MOVED TO CLOSE ALL BUDGET ACCOUNTS FOR THE DEPARTMENT OF BUSINESS AND INDUSTRY AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN HICKEY AND ASSEMBLYWOMAN KIRKPATRICK WERE ABSENT FOR THE VOTE.)

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

BUDGETS CLOSED.

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Kristen Kolbe (Program Analyst):

The next report is from the Senate Committee on Finance Subcommittee on Public Safety, Military and Veterans' Services and the Assembly Committee on Ways and Means Subcommittee on Public Safety, Natural Resources and Transportation for the Commission on Peace Officers Standards and Training (POST).

The Subcommittee has completed its review of the budget for POST, B/A 101-3774.

Peace Officers Standards & Training Commission — Budget Page POST-7
(Volume III)

Budget Account 101-3774

The Subcommittee approved Budget Amendment No. A13A0044 to correct a calculation error and adjust the pay for six unclassified positions, resulting in an increase to court assessments of \$134,980 over the 2013-2015 biennium. The

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Subcommittee also approved Budget Amendment No. A13A0082 to increase administrative court assessments of \$149,207 in FY 2014 to restore and maintain adequate reserve levels in the account.

The Subcommittee approved the remainder of the budget account as recommended by the Governor.

ASSEMBLYWOMAN CARLTON MOVED TO CLOSE B/A 101-3774 AS RECOMMENDED BY THE SUBCOMMITTEE.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN HICKEY AND HOGAN AND ASSEMBLYWOMAN KIRKPATRICK WERE ABSENT FOR THE VOTE.)

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

BUDGET CLOSED.

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Ms. Kolbe:

The Joint Subcommittee on General Government has completed its review of the Judicial Branch budget request for the 2013-2015 biennium. The closing recommendations of the Subcommittee resulted in net General Fund savings of \$218,492 in FY 2013-2014 and \$361,760 in FY 2014-2015.

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

There are issues affecting multiple budget accounts. Based on revised projections, the Subcommittee approved the Judicial Branch's administrative court assessment revenue projections, which represents an 11 percent decrease over the 2013-2015 biennium, as compared to the amounts approved over the 2011-2013 biennium. Because the Supreme Court and the Senior Justice and

Senior Judge Program utilize General Funds for expenditures in excess of administrative assessment collections, this recommendation increases combined General Fund appropriations for these two accounts by \$555,473 over the 2013-2015 biennium. The revised administrative court assessment projections also result in decreased reserves of \$523,116 over the 2013-2015 biennium.

To be consistent with the salary reductions approved for Executive and Legislative Branch employees, the Subcommittee recommends the inclusion of the salary reductions, suspension of merit pay increases, and the suspension of longevity payments for all Judicial Branch employees, except Supreme Court Justices and District Court Judges. These recommendations result in General Fund reductions of \$817,182 over the 2013-2015 biennium. The Subcommittee deferred action on the Base Budget adjustment by the Judicial Branch to reclassify its unclassified positions to nonclassified status to the Full Committees.

In B/A 101-1494, the Subcommittee approved General Fund appropriations of \$431,239 over the 2013-2015 biennium to add 2.5 new positions, including operating costs, to provide dedicated security for the Supreme Court and Administrative Office of the Courts buildings in Carson City. The Subcommittee also approved General Fund appropriations of \$503,375 over the 2013-2015 biennium for two new attorney positions for the Las Vegas Civil Division to address caseload increases.

Supreme Court — Budget Page JUDICIAL-13 (Volume I)
Budget Account 101-1494

In B/A 101-1492, the Subcommittee did not approve General Funds of \$202,727 in FY 2014-2015 as recommended in the Executive Budget for the Foreclosure Mediation Program (FMP) due to revised notice of default fees and projected balances anticipated through the end of the 2013-2015 biennium to support the continuation of the FMP. The Subcommittee also approved all Other Closing Items as recommended in the Executive Budget with authority for Fiscal staff to make technical adjustments.

Foreclosure Mediation Program — Budget Page JUDICIAL-50 (Volume I)
Budget Account 101-1492

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

State Judicial Elected Officials — Budget Page JUDICIAL-18 (Volume I)
Budget Account 101-1490

Judicial Retirement System State Share — Budget Page JUDICIAL-20 (Volume I)
Budget Account 101-1491

Judicial Selection — Budget Page JUDICIAL-21 (Volume I)
Budget Account 101-1498

Senior Justice & Senior Judge Program — Budget Page JUDICIAL-23 (Volume I)
Budget Account 101-1496

Law Library — Budget Page JUDICIAL-25 (Volume I)
Budget Account 101-2889

Administrative Office of the Courts — Budget Page JUDICIAL-28 (Volume I)
Budget Account 101-1483

Judicial Programs and Services Division — Budget Page JUDICIAL-32 (Volume I)
Budget Account 101-1484

Uniform System of Judicial Records — Budget Page JUDICIAL-36 (Volume I)
Budget Account 101-1486

Judicial Education — Budget Page JUDICIAL-40 (Volume I)
Budget Account 101-1487

Specialty Court — Budget Page JUDICIAL-44 (Volume I)
Budget Account 101-1495

Judicial Support, Governance and Special Events — Budget Page JUDICIAL-46
(Volume I)
Budget Account 101-1493

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Senator Kieckhefer:

Which positions has the Court requested be reclassified from unclassified to nonclassified? What is the Court's justification for the request?

Ms. Kolbe:

There are 57 positions in question. The majority of them are staff attorneys or supervising staff attorney positions. The Judicial Branch indicated that they had difficulty recruiting and retaining people to fill those positions. They also indicated that they have made internal adjustments to eliminate steps in the pay scales to make them more comparable to positions in the AG's Office. Since they took that action, they have seen an improvement in their ability to recruit and retain.

Senator Kieckhefer:

How many of the 57 positions are attorneys?

Ms. Kolbe:

There are 23 attorneys and 8 supervisory attorneys. The other positions are chief clerk, chief assistant clerk, chief deputy clerk, court administrator, deputy court administrator, law librarian, legal counsel, reporter of judicial decisions and senior law clerk.

Assemblywoman Carlton:

I am comfortable in keeping those positions in unclassified service.

ASSEMBLYWOMAN CARLTON MOVED TO NOT APPROVE THE REQUEST TO RECLASSIFY THE UNCLASSIFIED POSITIONS TO NONCLASSIFIED STATUS.

SENATOR WOODHOUSE SECONDED THE MOTION.

Senator Kieckhefer:

I disagree. We are looking at the professional staff that works within the Judicial Branch. The nonclassified service allows for easier management. I will vote in the negative.

Assemblywoman Carlton:

My motion would keep them in the unclassified service so it keeps them at that professional level. It would not take them to the next level of nonclassified service

but there is still flexibility in the unclassified service. Part of my reasoning is that we are talking about more than just attorneys. Perhaps we need to have a separate discussion about the attorney positions.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN GRADY, HAMBRICK AND HARDY VOTED NO. ASSEMBLYMAN HICKEY AND ASSEMBLYWOMAN KIRKPATRICK WERE ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR KIECKHEFER VOTED NO. SENATOR ROBERSON WAS ABSENT FOR THE VOTE.)

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ASSEMBLYWOMAN CARLTON MOVED TO CLOSE THE JUDICIAL BUDGETS AS RECOMMENDED BY THE SUBCOMMITTEE.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN HICKEY AND ASSEMBLYWOMAN KIRKPATRICK WERE ABSENT FOR THE VOTE.)

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

BUDGETS CLOSED.

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Chair Smith:

Due to time constraints, the remaining Subcommittee reports will be presented at a future meeting. This meeting is adjourned at 11:16 a.m.

RESPECTFULLY SUBMITTED:

Leslie Sexton
Committee Secretary

APPROVED BY:

Senator Debbie Smith, Chair

DATE: _____

Assemblywoman Maggie Carlton, Chair

DATE: _____

<u>EXHIBITS</u>				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	7		Attendance Roster
	C	21	Keith Uriarte / AFSCME	Statement on PEBP
	D	51	Fiscal Analysis Division	Senate Committee on Finance and Assembly Committee On Ways and Means Closing List #1 May 14, 2013