

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

**Seventy-Seventh Session
May 17, 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 7:23 a.m. on Friday, May 17, 2013, in Room 4100 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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 Cresent Hardy
Assemblyman Pat Hickey
Assemblywoman Marilyn Kirkpatrick
Assemblyman Randy Kirner
Assemblyman Michael Sprinkle

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LEGISLATORS ABSENT:

Assemblyman Joseph M. Hogan (Excused)

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Catherine Crocket, Program Analyst
Joi Davis, Senior Fiscal Analyst
Adam Drost, Program Analyst
Laura Freed, Senior Program Analyst
Jennifer Gamroth, Program Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Wayne Thorley, Program Analyst
Julie Waller, Senior Program Analyst
Mark Winebarger, Program Analyst
Annette Teixeira, Committee Secretary

Chair Smith:

We will start today by finishing the closing of the Public Employees' Benefit Program (PEBP) budget accounts (B/A) 625-1338, 680-1368, 666-1390.

SPECIAL PURPOSE AGENCIES

PUBLIC EMPLOYEES BENEFITS PROGRAM

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

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

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

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Laura Freed (Senior Program Analyst):

Based on the closing actions taken on May 14, Fiscal Analysis Division Staff had to remove some of the wellness benefits money from the budget and perform a recalculation. I will present the updated Active Employees Group Insurance Subsidy (AEGIS) as well as the Retired Employees Group Insurance Subsidy (REGIS) for the non-Medicare retirees, entitled "Closing List #1, May 14, 2013," ([Exhibit C](#)).

Budget Amendment Nos. A13A0029, A13A0034, A13A0036 and A1300211338 were discussed on May 14 by the Committees. The AEGIS per person, per month assessment in fiscal year (FY) 2013-2014 was \$694.10. However, after recalculating and conferring with PEBP, the base AEGIS subsidy for FY 2013-2014 would be \$688.37. For FY 2014-2015, after the budget amendments discussed on May 14, it was \$703.36. After the Committees' closing, it would be \$695.35.

On the non-Medicare retiree side, per the budget amendments discussed on May 14, the amount for FY 2013-2014 was \$456.20 and \$467.44 for FY 2014-2015. However, after the recalculation the non-Medicare base subsidy is \$452.26 for FY 2013-2014 and \$462.20 for FY 2014-2015.

The base contribution for the Medicare retirees would be \$11 per month, per year of service, with a \$2 increase in both FY 2013-2014 and FY 2014-2015 which has already been approved.

I would recommend that the Committees rescind their May 4 approval of base subsidies and approve the revised numbers based on the recalculation.

Senator Kieckhefer:

Is this all revenue neutral, based on the previous actions?

Ms. Freed:

Because the Committees approved the budget amendments in concept, the savings to all those other budgets out there that pay into PEBP are close to what the Committees heard previously. In this sense, it is revenue neutral. We are not adding anything to the budget today outside of what we discussed earlier.

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Assemblyman Kirner:

What we have done with the numbers is taken out the wellness money. That was in their budget so that money stays in their budget.

Ms. Freed:

Yes. You are referring to the difference between subsidy revenue and excess reserves. The excess reserves are in the budget and will remain there until they are utilized by the PEBP Board. The subsidy dollars were returned to where they originally came from.

ASSEMBLYMAN KIRNER MOVED TO RESCIND THE ACTION OF THE COMMITTEES ON MAY 4 FOR THE AEGIS AND REGIS BASE FUNDING LEVELS FOR EACH YEAR OF THE 2013-2015 BIENNIUM.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

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

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Chair Smith:

I will also entertain a motion to approve the rates as outlined by Fiscal Staff.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE UPDATED BASE FUNDING LEVELS, B/A 680-1368 AND B/A 666-1390 FOR AEGIS AND REGIS AS SET FORTH BY FISCAL STAFF.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

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

BUDGET CLOSED.

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Chair Smith:

Assemblyman Kirner raised the issue of the wellness money that is available from the Committees' action on May 14. I will call on Assemblywoman Carlton to make a suggestion on this issue.

Assemblywoman Carlton:

The manner in which we address those extra dollars in wellness money to ensure that restrictions and equitability are addressed is complicated. The projections that we have had in the past have not been where we would like them to be. I would recommend that we set aside the \$9 million in reserve and work on different options to achieve a comfort level for the rates in the future. We still need to obtain more information to make a decision.

Chair Smith:

Should action be taken at this time on the reserved funds?

Assemblywoman Carlton:

No action is necessary at this time. The action we take must be thoughtful and deliberate, making sure that people understand that there has been discussion about why we raised premiums. When we had our discussion about that wellness money, I do not recall anyone talking about raising premiums. We were talking about the wellness dollars as a policy issue. In these tough times, with funds as restricted as they are, and the high cost of health care there may be a better use for those funds. I have been criticized for raising premiums and if you know me, you know this is not true.

Assemblyman Kirner:

One thing that we know about medical insurance premiums is that they tend to go up every year simply because medical inflation increases them. If our expectation is that we are going to hold things flat for 2 years, I am not sure that this is a fair expectation. I know that PEBP has been criticized for having an excess reserve and they are trying to use that excess reserve to benefit the people and hold the rates down.

Assemblywoman Carlton:

I am not sure where we will be in 1 week, 2 weeks or 6 months from now. I will not commit to anything other than at this moment in time when we are discussing this issue. I do not feel that I have enough information to be able to deal with the funds in the appropriate way.

Julie Waller (Senior Program Analyst):

I will discuss the itemized summary of B/A 101-2610, the Distributive School Account (DSA), which is on page 13 of Closing List #4 ([Exhibit D](#)). This summary has been updated to include Budget Amendment No. A130022610, which Fiscal Staff received on April 5, as well as updated revenue projections including the Local School Support Tax (LSST), property tax and other revenues that support the kindergarten through Grade 12 (K-12) system. The DSA is a budget from which the State distributes direct financial aid to local school districts. State General Fund appropriations provide the major revenue to the DSA from which the State share of financial aid to school districts is distributed.

EDUCATION

K-12 EDUCATION

NDE - Distributive School Account — Budget Page K-12 EDUCATION-17
(Volume I)
Budget Account 101-2610

The first Major Closing Item is the adjustment for the fringe benefit rate in decision unit M-300. Fringe benefits have been adjusted in the DSA for the increase in the retirement rate from 23.75 percent to 25.75 percent, with a corresponding reduction in salary costs of approximately 50 percent of the amount from the employee portion of the increase. Additionally, the Executive Budget, as originally recommended, increases funding for group health insurance for school personnel by 0.61 percent in FY 2013-2014 and 7.5 percent in FY 2014-2015. The combined General Fund appropriations recommended for these fringe benefit rate increases is \$15.1 million in FY 2013-2014 and \$35.56 million in FY 2014-2015.

M-300 Adjustments to Fringe Benefits Rates — Page K-12 EDUCATION-18

On April 5, the Department of Administration Budget Division submitted Budget Amendment No. A130022610 to reduce the recommended funding increase for the group insurance for school personnel because of an adjustment of the PEBP subsidy costs in FY 2013-2014 and FY 2014-2015. As a result, the Executive Budget, as amended, recommended General Fund appropriations totaling \$13.5 million in FY 2013-2014 and \$23.4 million in FY 2014-2015 for the revised fringe benefit rate increase in the DSA budget account. This is a reduction of approximately \$1.6 million in FY 2013-2014 and \$12.2 million in FY 2014-2015. The revised group insurance cost per employee is recommended at \$6,976 in FY 2013-2014. This represents no change from FY 2011-2012. The cost per employee in FY 2014-2015 is \$7,227, a 3.6 percent increase over the amount recommended in FY 2013-2014.

SENATOR KIECKHEFER MOVED TO APPROVE A GENERAL FUND APPROPRIATION OF \$13.5 MILLION IN FY 2013-2014 AND \$23.4 MILLION IN FY 2014-2015 FOR THE REVISED FRINGE BENEFIT RATE INCREASES IN B/A 101-2610 INCLUSIVE OF BUDGET AMENDMENT NO. A130022610.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

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

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

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Ms. Waller:

The second Major Closing Item is the updated revenue projections. The DSA summary on page 13 of [Exhibit D](#) has been updated to reflect the Economic Forum's and other reprojections of revenue sources including the LSST. The LSST revenues are projected to remain flat in FY 2013-2014, at \$1.095 billion and increase by approximately \$16.7 million in FY 2014-2015 to \$1.272 billion from the \$1.255 billion originally projected in the Executive Budget.

The updated property tax revenue projections, which impact both the calculations of basic support and the amount of the State share of the support, are approximately \$20.3 million less than the amount included in the Executive Budget for FY 2013-2014 and approximately \$6 million less than the amount included for FY 2014-2015. This is reflected in the table on page 4 of [Exhibit D](#). Various other resources that support the DSA include the Permanent School Fund interest, that went down slightly based on interest rates in the portfolio. The Initiative Petition No. 1 of the 75th Session (I.P. 1) room tax revenue transfer decreased slightly from the amount originally recommended in the Executive Budget. The decrease is approximately \$1.3 million in each fiscal year based on updated forecasts. Overall, the recommended projection for the I.P. 1 room tax is an increase from the amount projected for FY 2012-2013. It is approximately a \$4 million increase in FY 2013-2014, and about a \$9 million increase in FY 2014-2015 over FY 2012-2013. The revenues are increasing but the projection is slightly higher in the original recommended budget.

Based on these updated revenue projections, the required General Fund support increases by \$23.5 million in FY 2013-2014 and decreases by \$7.2 million for FY 2014-2015. This is related to the updated revenue reprojections, and does not include the result of the change from the budget amendment that we previously discussed. The total required General Fund support in the amended Executive Budget increases to \$2.2444 billion from the \$2.2428 billion originally recommended.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE THE UPDATED REVENUE PROJECTIONS FOR THE NON-GENERAL FUND REVENUE SOURCES INCLUDED IN B/A 101-2610 AS OUTLINED IN THE TABLE ON PAGE 4 OF [EXHIBIT D](#).

SENATOR PARKS SECONDED THE MOTION.

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

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

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Ms. Waller:

In decision unit E-905, the transfer of the Adult High School Diploma (AHSD) program funding is determined by the Legislature for the general public in 14 school districts and for the 4 school districts that operate programs within correctional facilities.

E-905 Transfer from DSA to Other State Education Program — Page K-12
EDUCATION-20

With Budget Amendment No. A130022610, the Executive Budget revised the recommended funding for the AHSD down slightly to \$17.84 million in FY 2013-2014 and \$18.26 million in FY 2014-2015. Based on concerns over the methodology used by Nevada's Department of Education (NDE), the money committees of the 2011 Legislative Session issued a Letter of Intent to the NDE to conduct a review of its funding-allocation methodology. In the Letter of Intent, the NDE presented a four-tiered approach to funding the AHSD. This approach utilizes performance as an indicator of success. The implementation of this formula, according to the Department, began in FY 2012-2013. In the first 2 years, the distribution will be based on enrollment. Subsequently, beginning in the third year of implementation which is FY 2014-2015, 90 percent of the funding will be based on enrollment and 10 percent will be based on performance. Finally, in the fourth year of implementation, FY 2015-2016, the funding will be disbursed based upon 80 percent enrollment and 20 percent performance.

The Department testified at the budget hearing that the performance-based funding component would provide incentive for school districts to increase enrollment to provide effective and efficient education to adult high school students and to reward the top performing adult high school programs.

During the budget hearing, the Committees' members expressed concern about moving forward without having the performance measures in place. The Department stated that although specific criteria has not been finalized, members from all school districts and correctional programs are working to develop these performance measures. The Department confirmed that there would be separate performance measures developed for programs in the correctional facilities. The Executive Budget includes the transfer of the AHSD

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funding from the DSA as a line item categorical funding to the Other State Education Programs budget account, B/A 101-2699.

NDE - Other State Education Programs — Budget Page K-12 EDUCATION-22
(Volume I)
Budget Account 101-2699

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE TRANSFER OF AHSD FUNDING OF \$17.8 MILLION IN FY 2013-2014 AND \$18.3 MILLION IN FY 2014-2015 FROM B/A 101-2610 TO B/A 101-2699 WITH NO CHANGE IN PURPOSE, AS REVISED AND RECOMMENDED BY THE GOVERNOR, ALONG WITH THE NEW FUNDING FORMULA THAT UTILIZES PERFORMANCE AS AN INDICATOR OF SUCCESS.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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Ms. Waller:

The final Major Closing Item is the transfer of the early childhood education (ECE) program funding from the DSA to the Other State Education Programs budget account as outlined in decision unit E-905. The Executive Budget recommends General Fund appropriations of approximately \$3.34 million for each year of the 2013-2015 biennium representing no change from the Legislatively approved funding for the current biennium. The transfer of the ECE program funding is recommended for accounting purposes, and would not have an impact on any programs.

On April 3, the Department submitted the FY 2011-2012 evaluation report for the State-funded ECE program. As noted in the report, ten school districts and one community-based organization operated State-funded ECE programs in FY 2011-2012. Approximately 1,267 families, 1,352 adults and 1,288 children,

including 50 percent of children learning English as a second language, were served. Based on the average daily child count of 1,120 children and the total grant amount of \$3.34 million, the average cost per child was \$2,981. The report states that the children in the ECE program have maintained significant learning gains they achieved since preschool through elementary school, which is consistent with the national research results on long-term cognitive effects.

Fiscal Staff questioned the Department about the evaluation process of the ECE program since all of the ECE funding is done with pass-through program funding and there is no administrative funding authorized or allocated for a contract evaluation. The NDE stated Washoe County School District (WCSD) is party to the contract with the evaluator, Pacific Research Associates, and acts as the fiscal agent for the contract. The school districts receiving ECE program funding sign an agreement to have up to 4 percent of their grant funding withheld for evaluation costs and the funding withheld is paid to the WCSD. The WCSD solicits requests for proposals, but has used the same evaluator since 2003. The Department advises that a contracted evaluator is utilized versus Department staff because the evaluation requires research and a skill set that the NDE staff does not currently have. For FY 2011-2012 the total evaluation costs were \$91,485 which represents approximately 2.74 percent of the total grant awarded.

Fiscal Staff would note that the use of pass-through program funding for administrative purposes has not been formally authorized by the Committees. Should the Committees formally approve this administrative funding to be utilized to contract for an evaluation of the ECE program in order to improve transparency?

Fiscal Staff would recommend that the administrative funding designated for an outside evaluation be transferred to an operating account within the NDE. The NDE should oversee and be a party to the evaluation contract instead of WCSD which is a recipient of the early childhood education grant funding. Fiscal Staff has discussed this issue with the NDE and the NDE advises it would be agreeable to having the administrative funds transferred to a NDE budget and the NDE would use the State's contracting process to enter into the evaluation contract directly.

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This evaluation process is currently required on an annual basis in Senate Bill (S.B.) 522. However, the Committees may wish to consider whether to continue an annual evaluation or approve funding only at the end of the biennium to conduct an evaluation.

SENATE BILL 522: Ensures sufficient funding for K-12 public education for the 2013-2015 biennium. (BDR S-1244)

Chair Smith:

We require more reporting on this \$3.4 million item than we do for a \$300 million class-size reduction (CSR) budget. Where has the money spent on this reporting taken us? Could we scale back on the amount of evaluation and reporting that is required and save funds, so that money can be spent on the ECE programs?

Ms. Waller:

Should the Committees decide to modify the reporting requirements that are included in S.B. 522, the cost of the evaluation, in the amount of \$91,485, could be approved for only 1 year of the biennium, saving the other \$91,485 to be used for the ECE programs.

Chair Smith:

It is alarming that we are spending almost \$91,485 a year to evaluate a \$3.4 million program. I would prefer to put this money toward programming.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO TRANSFER \$3.34 MILLION IN EACH YEAR OF THE 2013-2015 BIENNIUM FROM B/A 101-2610 TO B/A 101-2699; AND TO APPROVE A ONE-TIME AMOUNT OF \$91,485 FOR EVALUATION AND REPORTING IN FY 2013-2014.

SENATOR DENIS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Waller:

The first Other Closing Item is a technical adjustment to operating expenditures. The basis for determining the statewide average basic support per pupil for the upcoming biennium begins with the combined General Fund and Special Education base-year-operating expenditures for the 17 school districts and charter schools. As required by *Nevada Revised Statutes* (NRS) 387.303, each school district and charter school must report its annual revenue and expenditures to the NDE. The annual report is known as the NRS 387.303 Report. During the review of the FY 2011-2012 NRS 387.303 Report, Fiscal Staff discovered that fund transfers into the school districts' and charter schools' General Fund accounts, totaling approximately \$37.9 million from various other special use funds, were not removed from the base year as one-time expenditures. Of the \$37.9 million transferred in, \$30.6 million was from the CSR fund, \$3.8 million was from a graphic art fund, and \$3 million was from a gift and donation fund, along with various other smaller transfers. As a result, base expenditures were overstated by \$37.9 million in each fiscal year of the 2013-2015 biennium.

Removing these one-time expenditures from the base-year operating expenditures would have the effect of reducing the basic support per pupil by \$87 in each fiscal year. This would result in a revised basic support per pupil of \$5,503 in FY 2013-2014, \$5,589 in FY 2014-2015, and a General Fund savings of approximately \$37.9 million in each fiscal year. If the Committees approve the technical adjustment to eliminate one-time operating expenditures of approximately \$37.9 million in each fiscal year, the Committees could redirect the General Fund savings to fund other high-priority educational initiatives.

Do the Committees wish to approve a technical adjustment to eliminate approximately \$37.9 million of one-time operating expenditures in each fiscal year of the 2013-2015 biennium which would result in a General Fund savings of approximately \$37.9 million in FY 2013-2014 and in FY 2014-2015?

Senator Kieckhefer:

If we are going to back out the \$30.6 million from the CSR Fund and the \$3.8 million from the graphic art fund, would we eventually put the revenue back into the those funds?

Ms. Waller:

The graphic art fund is from the Clark County School District (CCSD) and is an enterprise fund. Their reserves are high, so they used funds from their enterprise fund and transferred them into the General Fund. This is a one-time expenditure. Had they left the funds in the enterprise fund, they would have been expended and not replenished. The funds should have been removed from the General Fund. The CSR fund has approximately three school districts that we identified. The Executive Budget reflects the full-funding level based on enrollment and the number of teachers needed for Grades 1 through 3. It may seem to make sense that we are transferring funding in and then transferring it back out, but, essentially, it has already been transferred back out and replenished into the CSR fund. It was an oversight that it was not removed from the DSA.

Assemblywoman Carlton:

These are the same dollars. They will end up accomplishing the same purpose. It is just a matter of how we account for them, transfer them and put them to work.

Ms. Waller:

Yes, that is correct. The Committees could choose where these General Fund dollars could be utilized for educational purposes within the DSA which is an unrestricted use account. The Committees could choose to redirect the funding to another education account such as full-day kindergarten (FDK) or English-language learner (ELL). Removing the funding from the DSA is a decision that the Committees would need to make. How to allocate the funding on education would be another decision.

Assemblywoman Carlton:

Because of the way the monies were added into the Base Budget, this is a cleanup of the accounting.

Ms. Waller:

By including it in the Base Budget, it is an enhancement in the DSA and it will be carried forward in future biennia, as we build the Base Budgets. The DSA workbook that we used to build the budgets are based on actual expenditures. That funding would be available to the school districts to spend and be built into the budget going forward.

Assemblyman Kirner:

This is a two-step process. The first step is to correct the accounting. The money should come out now so we do not perpetuate it. The second step is to decide what to do with the money once it comes out of the budget.

Ms. Waller:

The decision is to correct the one-time expenditure by removing it from the Base Budget and then the Committees can decide to leave it in the DSA as an enhancement or pull it out and use it for another education purpose in one of the other budget accounts.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE TECHNICAL ADJUSTMENT IN B/A 101-2610 TO ELIMINATE APPROXIMATELY \$37.9 MILLION OF ONE-TIME OPERATING EXPENDITURES IN EACH FISCAL YEAR OF THE 2013-2015 BIENNIUM RESULTING IN A SAVINGS TO THE GENERAL FUND AS OUTLINED BY FISCAL STAFF.

SENATOR GOICOECHEA SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Waller:

Fiscal Staff will remove the \$37.9 million from the DSA budget in each year of the upcoming biennium. The Committees are not obligated at this time to make a decision on where to direct that funding.

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Chair Smith:

I would prefer that we wait on making a decision on the use of the funds.

Ms. Waller:

Decision unit M-200 outlines the enrollment growth in K-12. Governor Brian Sandoval recommends a combined General Fund total of \$15.8 million in FY 2013-2014 and \$25.7 million in FY 2014-2015 to provide for the projected enrollment growth for K-12 pupils, the CSR program and gifted and talented technology funding. As represented in the chart on Page 8 of [Exhibit D](#), it will result in a slight increase in each year.

M-200 Demographics/Caseload Changes — Page K-12 EDUCATION-18

SENATOR PARKS MOVED TO APPROVE A COMBINED GENERAL FUND APPROPRIATION OF \$15.8 MILLION IN FY 2013-2014 AND \$25.7 MILLION IN FY 2014-2015 AS OUTLINED IN DECISION UNIT M-200 IN B/A 101-2610 TO PROVIDE FOR THE PROJECTED ENROLLMENT GROWTH FOR K-12 PUPILS, THE CSR PROGRAM AND GIFTED AND TALENTED TECHNOLOGY FUNDING AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Chair Smith:

I will now ask Fiscal Staff to discuss the Other Closing Item Nos. 3 through 9 of [Exhibit D](#) and take one motion.

Ms. Waller:

In Other Closing Item No. 3, the I.P. 1 room tax revenues have been projected for the upcoming biennium. Based on updated revenue forecasts, the I.P. 1 room tax revenues, inclusive of interest earnings, have been projected at

\$132 million for FY 2013-2014, and \$136.7 million for FY 2014-2015, a decrease of \$2.5 million when compared to the \$271.2 million of I.P. 1 room tax revenue and interest earnings included in the Executive Budget. The transfer of I.P. 1 room tax revenues to the DSA was scheduled to sunset on June 30, per the 2011 Legislature.

Senate Bill 475 submitted on behalf of the Department of Administration, extends the period for which the proceeds would be distributed to school districts as originally intended through June 30, 2015. Additional General Fund appropriations totaling \$268.6 million would be required to support the Governor's recommended funding level in the DSA for the 2013-2015 biennium. This proposal is contingent upon the approval of decision unit E-130 in the State Supplemental School Support Account.

NDE - State Supplemental School Support Fund — Budget Page K-12
EDUCATION-29 (Volume I)
Budget Account 101-2617

E-130 Sustainable and Growing Economy — Page K-12 EDUCATION-19

[SENATE BILL 475](#): Makes various changes concerning governmental financial administration. (BDR 32-1124)

Other Closing Item No. 4, on basic support for per-pupil funding, is for informational purposes only.

Other Closing Item No. 5 of [Exhibit D](#) is funding for special education. For FY 2012-2013, the State is funding 3,049 special education units at \$39,768 each, totaling \$121.25 million. The budget amendment to adjust fringe benefit rates, which was previously discussed, revised funding recommended for special education units to 3,049 units in each fiscal year at \$41,608 in FY 2013-2014 and \$42,745 in FY 2014-2015, for a total of \$126.9 million and \$130.3 million in FY 2013-2014 and FY 2014-2015, respectively.

The Executive Budget recommends total funding for gifted and talented pupils of \$169,712 in FY 2013-2014 and \$174,969 for FY 2014-2015. Because of the budget amendment to adjust fringe benefit rates which was previously discussed, revised funding recommended for gifted and talented pupils is

\$169,616 in FY 2013-2014 and \$174,243 in FY 2014-2015, a decrease of \$96 and \$726, respectively, from the amounts originally recommended by the Governor.

In Other Closing Item No. 6, the Executive Budget provides funding for 2,180 CSR teachers in FY 2013-2014 and 2,194 in FY 2014-2015. This includes 23.5 teachers in selected high-risk kindergarten classrooms. The funding recommended is \$161.9 million for FY 2013-2014 and \$167.3 million for FY 2014-2015. Based on the flexibility waiver that was approved by the 2011 Legislature, the Department of Administration has submitted S.B. 481 which was heard in the Senate Committee on Finance on May 13. This bill would extend the waiver to increase the class-size expenditure requirements through the 2013-2015 biennium.

SENATE BILL 481: Extends the temporary waiver from certain minimum expenditure requirements for textbooks for school districts and the temporary allowance for an increase in class sizes for grades 1 through 3. (BDR S-1132)

As a follow-up to the March 1 Full Joint Committee budget hearing, Fiscal Staff questioned the NDE as to whether they had any plans to conduct a longitudinal evaluation to determine the effectiveness of the CSR on student achievement. The Department stated that it does not currently have any plans for a specific study, although it is working to develop a structure in which this type of research could occur. The chart on page 10 of Exhibit D is based on the Committee's request for information regarding what the average class size should look like for Grades 4 through 12 under the waiver provisions.

The NDE solicited information from school districts. Several of the districts did not report information, while a few of the districts reported incorrectly. It is evident that the CCSD sizes are among the highest at more than 30 students across the board in Grades 4 through 12. During testimony at the March 1 budget hearing, the superintendent of the CCSD was asked whether the large class sizes were primarily the result of budget reductions or management decisions. The superintendent indicated that it was due to both factors. Although they had tried to increase the teacher allocations, because of budget reductions they had to decrease those allocations. The superintendent discussed how there was a certain amount of licensed instructional personnel

that were not assigned to classrooms and that was a management decision. The District had been trying to prepare for the Common Core State Standards. Based on class sizes the superintendent did not believe that the CCSD would be able to keep these teachers out of the classrooms.

Fiscal Staff requested information from the CCSD and the WCSD on the number of instructional personnel that are not in the classrooms. That information is provided on page 11 of [Exhibit D](#).

In Other Closing Item No. 7, the Executive Budget recommends funding in the DSA for textbooks, instructional supplies, instructional hardware and instructional software of \$75.8 million in FY 2013-2014 and \$76.1 million in FY 2014-2015. The total actual expenditures incurred for these items by school districts and charter schools in FY 2011-2012 increased from projected enrollment growth.

To allow school districts and charter schools flexibility in addressing budget shortfalls during the 2011-2013 biennium, the 2011 Legislature approved a temporary waiver under A.B. No. 493 of the 76th Session from the minimum expenditure requirements for textbooks, instructional supplies, instructional hardware and software. Senate Bill 481, heard in the Senate Committee on Finance on May 13, extends the waiver of the minimum expenditure requirements through the 2013-2015 biennium.

In Other Closing Item No. 8 on page 11 of [Exhibit D](#), the Governor recommends approximately \$10.6 million in each fiscal year of the 2013-2015 biennium for equipment replacement in decision unit E-710.

E-710 Equipment Replacement — Page K-12 EDUCATION-20

In Other Closing Item No. 9, in addition to the transfer of funding for the AHSD and the ECE programs discussed above, the Governor recommends the transfer of \$18,798 for the library media specialists in each fiscal year of the 2013-2015 biennium and \$850,000 for special elementary counseling in each fiscal year for 2013-2015 biennium.

Assemblyman Kirner:

I would like to talk about Closing Item No. 6. Are all the CCSD-licensed

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personnel affected by the collective bargaining agreement, or is it just the library media specialists?

Ms. Waller:

The collective bargaining agreement encompasses elementary art, music, physical education and library media specialists only.

Assemblyman Kirner:

Are there many personnel that are licensed that are not in the CCSD classrooms?

Chair Smith:

While I have concerns about how those positions are counted in the CSR, the issue is addressed in Assembly Bill (A.B.) 162.

[ASSEMBLY BILL 162 \(1st Reprint\)](#): Revises provisions governing class-size reduction. (BDR 34-724)

Senator Woodhouse:

I was teaching when the collective bargaining agreements were put in place. It gave an opportunity for teachers, particularly in the CCSD, to provide instruction to groups of students during the school day. The curriculum is crucial to the students as they progress through K-12.

Assemblywoman Flores:

The Legislature has been asking for accountability standards, for the adoption of these various policy items that we think are important for education. However, even today, we have heard from the CCSD superintendent that because of large class sizes and the adoption of Common Core Standards, the CCSD does not believe it will be able to continue having these teachers as coaches outside the classroom. We are creating a system that is becoming unsustainable because we keep asking for more, and yet we are giving the districts less.

Assemblywoman Carlton:

There are many ways that these classes affect the children.

Chair Smith:

We have all seen data indicating that the students do well with a curriculum

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that includes programs like music and physical education. The students' overall achievement and attendance are improved. We need to reach a common understanding on how this information is reported. As policy makers, we can use the information in the best way possible. I do not believe that we are at that point yet. We have never fully funded the CSR. We need to know what our expectations are and how we are going to fund and report our findings. If the policy makers and the public see what the actual numbers are, that will assist us in making these decisions.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE ALL OTHER CLOSING ITEM NOS. 3 THROUGH 9 IN B/A 101-2610 AS RECOMMENDED BY THE GOVERNOR AND AMENDED BY BUDGET AMENDMENT NO. A130022610; AND TO PROVIDE FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS NECESSARY DUE TO THE APPROVAL OF LEGISLATION RELATED TO K-12 EDUCATION PROGRAMS.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Ms. Waller:

The Other State Education Programs, B/A 101-2699, is designed to accommodate grants and other programs funded by the State specifically for pass-through to school districts, charter schools and other educational entities. There are no positions in this account.

The Governor recommends a General Fund appropriation in decision unit E-275 of \$750,000 in each year of the 2013-2015 biennium to continue and to expand the Jobs for America's Graduates (JAG) program in Nevada. The

JAG program is a state-based, national, nonprofit organization that is dedicated to preventing dropout among high school students who are at risk of not graduating. The goal of the program is to help participating students stay in school through graduation, to pursue postsecondary education and to secure quality entry-level jobs leading to career advancement opportunities.

E-275 Educated and Healthy Citizenry — Page K-12 EDUCATION-22

For the current school year, the Department of Employment, Training and Rehabilitation (DETR) is funding a pilot JAG program in Nevada through a combination of federal Workforce Investment Act (WIA) funds and Career Enhancement Program (CEP) funds at seven Nevada high schools in three districts. They include Bonanza High School, Cimarron-Memorial High School, Desert Pines High School, Valley High School, Dayton High School, Galena High School and Washoe Innovations High School. The Community Services Agency (CSA), a Reno-based 501(c)(3) nonprofit organization, administers the pilot JAG program in Nevada for \$589,749 which is funded with CEP funds. The second contract is funded with \$150,000 of federal WIA Title I of the Elementary and Secondary Education Act youth funds through Nevadaworks and the northern Nevada Workforce Investment Board. These contracts expire at the end of FY 2012-2013.

The NDE estimates the cost of the JAG program to be in the range of \$50,000 to \$60,000 annually at each individual school. The Governor's recommended funding of \$750,000 in each year of the 2013-2015 biennium would be sufficient for approximately 12 high schools in each year.

During the April 25 Joint Full Committee Work Session hearing, the NDE testified that it could administer the JAG program within the NDE and that the Department was not necessarily committed to continuing the use of a nonprofit entity to administer the JAG program. Fiscal Staff also obtained clarification that if the NDE administers the State funding for the JAG program, the Department would not charge indirect costs on the grant funding pursuant to restrictions contained in the Department's approved federal indirect cost plan.

The NDE indicates it would collaborate with the districts to determine the schools to be funded based upon factors such as dropout rate and poverty level. It is anticipated that the selected schools would continue to participate through

the end of the 2013-2015 biennium. The Department also clarified that school districts would select, hire and evaluate the JAG Specialists, who would be either a licensed teacher or counselor.

In response to questions from Fiscal Staff, DETR confirms it will not provide any long-term ongoing funding for the JAG program. To address concerns expressed by school districts that funding for the pilot program was ending abruptly on June 30, DETR agreed to provide an additional \$261,657 of CEP funds through September 30, so that the school districts could continue to operate the existing pilot JAG program and prepare for the start of the new school year. The NDE reports that continued funding from the local workforce investment boards is also being pursued. In response to the Committees' concerns about ensuring that these programs are in schools where the culture of the school and the principal will embrace these programs, the Department indicates that they definitely envision working with schools that desire to implement the program and also that they will be selected based on the highest need. The Department envisions working with schools that have received a one-star or two-star designation under the State's new performance framework and will ensure that the JAG program is only offered to schools that desire to implement the program.

Information obtained from the Department since the April 25 Work Session hearing indicates that the State plan for implementing the JAG program involves continuing the contract arrangement with the CSA for several months into FY 2013-2014, followed by the State forming its own nonprofit entity called JAG Nevada. The nonprofit will have a board consisting of membership from, but not limited to, the NDE, DETR, the Nevada System of Higher Education, school districts, charter schools and representatives from the Legislature and business community. To sustain current JAG programs implemented in FY 2012-2013, the NDE reports various funding is being pursued from the WIA youth funds which are subject to local WIA board approval, private funding and school districts contributing their own funds to assist in funding the program.

The NDE reaffirms its intent to expand the program in the current biennium with the new State dollars included in the Executive Budget; however, according to the Department, its highest priority will be ensuring the sustainability of the existing JAG programs.

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Additionally, the NDE reports that it has met with the Department of Administration's Division of Human Resources Management (DHRM) to discuss the potential of the State becoming a potential employer for students in the JAG program. The Department states that DHRM is interested in the opportunity and believes it will provide a benefit to State agencies as well as to the students in the JAG program.

Chair Smith:

The administration of the JAG program is still uncertain. I would suggest that we approve the funding today and continue to work with the NDE to come up with some of the details on the administration side.

SENATOR WOODHOUSE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR DECISION UNIT E-275 IN B/A 101-2699 FOR GENERAL FUND APPROPRIATIONS OF \$750,000 IN EACH FISCAL YEAR OF THE 2013-2015 BIENNIUM TO EXPAND THE JAG PROGRAM IN NEVADA; AND TO AUTHORIZE FISCAL STAFF TO WORK WITH THE NDE ON THE ADMINISTRATION OF THE FUNDING.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Waller:

In decision unit E-276, the ELL grant program, the Governor recommends General Fund appropriations of \$3.9 million in FY 2013-2014 and \$9.9 million in FY 2014-2015 for a grant-based ELL program for school districts. The NDE indicates that the program would be geared toward students in Grades K through 4 (K-4) with an emphasis on helping ELL students to master reading in English. There are currently 71,254 ELL students statewide, with approximately 48,095 of those students in Grades K-4.

The NDE indicates that grant applications required to be submitted by school districts would need to include a needs assessment, project plan, anticipated outcomes and program evaluation criteria.

On page 18 of [Exhibit D](#), the table represents the Department's original proposal on how to distribute the funding. This initially included an annual base funding of \$10,000 to all districts for ELL students, along with a per-pupil funding amount. The NDE indicates that priority would be given to districts with large proportions of ELL students. During the budget hearing on March 1, the Committees had concerns about the proposed methodology for distributing the ELL funding. Based on this concern, the Department has provided an alternate methodology which is described on page 20 of [Exhibit D](#). This alternative methodology considers federal Title III of the Higher Education Act funding that is received by school districts. Under the federal grant award, there is a threshold that is determined annually. If a school district does not meet that threshold, then they are not eligible to receive these Title III federal funds. At the top of page 20 of [Exhibit D](#), the table identifies the Title III English language acquisition funding distribution. There are smaller districts that may still have a few of the ELL students.

Under the alternative allocation methodology developed by the NDE, base funding of \$10,000 per fiscal year would be provided to the smaller school districts that do not qualify for federal Title III funding, but have a K-4 ELL enrollment between 1 and 43 students. No per-pupil funding would be provided to these school districts. School districts with a K-4 ELL enrollment between 44 and 66 students would receive an allocation of \$14,000 in FY 2013-2014, in addition to the per-pupil funding amount. School districts with K-4 ELL enrollments over 61 students would only receive the per-pupil allocation. It should be noted that these figures are estimates based on \$300,000 that would be set aside for technical assistance as outlined in [S.B. 455](#).

[SENATE BILL 455](#): Establishes a pilot program for school districts to establish or expand programs for children who are English language learners.
(BDR S-1131)

The [Executive Budget](#), as amended in Budget Amendment No. A130022699, recommended General Fund monies to support two new ELL positions in the NDE budget account. The NDE indicated that the primary duties for these new

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positions were to be responsible for providing technical assistance to school districts and charter schools should their grant applications not meet the necessary criteria for approval. With the two additional ELL positions, it is not clear why an additional \$300,000 needs to be set aside in S.B. 455.

The Committees have expressed reservations about the different proposed methodologies for distributing the ELL program. Fiscal Staff would note that the recommendation currently for the Executive Budget is in B/A 101-2699. However, should the Committees approve the funding recommended by the Governor for ELL students, you may wish to approve the funding in the School Remediation Trust Fund, B/A 101-2615, as opposed to B/A 101-2699.

NDE - School Remediation Trust Fund — Budget Page K-12 EDUCATION-27
(Volume I)
Budget Account 101-2615

Funding in B/A 101-2615 does not revert at the end of a fiscal year, per statute. This means that unutilized funding in one fiscal year could be carried forward to be utilized in the next fiscal year. Unless back language is added to S.B. 504 in this budget account the funding will revert to the General Fund at the end of each fiscal year.

[SENATE BILL 504 \(1st Reprint\)](#): Enacts provisions providing English Language Learning for Our Students. (BDR 34-1099)

Three options for consideration by the Committees are listed on page 21 of [Exhibit D](#).

Chair Smith:

We have had a lot of discussion in these Committees about ELL funding.

Senator Denis:

Senate Bill 504 looks at how we can do specific things for ELL today. I would like to approve the funding and then continue to work on the programs.

Assemblyman Kirner:

Two-thirds of ELL students are in K-4. This leaves a large group to be addressed. In the long term, we are benefited by focusing on the K-4 students.

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Chair Smith:

I suggest we approve the funding as recommended by the Governor today, but add the Fiscal Staff recommendation to put it in the School Remediation Trust Account. We can work on how this is going to be distributed. Hopefully, we will be able to add additional money to ELL as we begin to close other budgets.

ASSEMBLYMAN EISEN MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION IN B/A 101-2699, INCLUSIVE OF BUDGET AMENDMENT NO. A130022699, TO ADD GENERAL FUND APPROPRIATIONS TOTALING APPROXIMATELY \$11.3 MILLION IN FY 2013-2014 AND \$17.3 MILLION IN FY 2014-2015 TO IMPLEMENT A GRANTS-BASED ELL PROGRAM; AND TO TRANSFER THE FUNDS TO B/A 101-2615.

SENATOR DENIS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Waller:

The Governor recommends a General Fund appropriation of \$1 million in each year of the 2013-2015 biennium to support the Teach For America (TFA) program in decision unit E-292. Teach For America is a national nonprofit organization that recruits recent college graduates and professionals to teach in Grades K-12 for a minimum of 2 years in urban and rural communities throughout the Country. Program participants do not have to be licensed educators; however, unlicensed participants who are accepted into the program must complete alternative certification through coursework taken while completing the program. Currently, the TFA program in Nevada only operates in the CCSD.

According to the NDE, the \$1 million annual General Fund appropriation recommended in the Executive Budget would be granted directly to the TFA organization in southern Nevada. The Department notes the \$1 million per year specifically covers the programmatic costs associated with the recruitment, training and support of 50 additional teachers annually in the CCSD's qualifying Title I schools and in the critical-need subject areas.

During the Committee's April 25 Work Session hearing, there was considerable discussion of the Governor's recommended annual General Fund appropriation of \$1 million to the nonprofit TFA organization. The Committee's members questioned why the funding was recommended in the Executive Budget as ongoing funding instead of being recommended in a one-shot bill as other recommendations for funding to non-State agencies are typically processed. The Committee's members discussed whether it would be better to invest the recommended funding in the professional development of permanent teachers in lieu of teachers that may leave after their 2-year commitment expires. The Committees' action regarding the annual \$1 million General Fund appropriation to the TFA will not impact the CCSD from continuing to partner with the TFA.

There are three options for consideration for the TFA funding:

Option A, approve the Governor's recommended \$1 million General Fund appropriation in each year of the 2013-2015 biennium to expand the TFA program in the CCSD.

Option B, approve the Governor's recommended \$1 million General Fund appropriation in each year of the 2013-2015 biennium to expand the TFA program in the CCSD, and recommend a bill draft request (BDR) for a one-shot appropriation.

Option C, do not approve the Governor's recommended \$1 million General Fund appropriation in each year of the 2013-2015 biennium to expand the TFA program in the CCSD. If this option is selected, \$1 million of General Funds in each fiscal year could be redirected to support other high-priority education initiatives.

Chair Smith:

Is it appropriate to put this funding in the Executive Budget? It is a new idea to do this, especially since this Program is not statewide. I would prefer to handle this funding in a BDR, not in the budget.

Senator Denis:

I am supportive of the Program, but I also have the concern about funding in the budget instead of a BDR.

Assemblywoman Flores:

What is the process if the funding for the TFA went to a BDR? In option C, we are approving the allocation of the money but in a BDR. What is the process?

Chair Smith:

The BDR would have to pass legislation. We need to discuss the mechanics of this based on a motion today.

Ms. Waller:

The Committees could choose to approve the \$1 million General Fund appropriation in each year of the 2013-2015 biennium that the Governor has earmarked for the TFA program for that purpose and request that the funding come forward in a BDR as a one-shot appropriation. Alternatively, the Committees do not have to approve the funding and still could choose to bring forward a BDR with that appropriation amount. The decision in the Executive Budget is whether to approve this funding in the budget. In a BDR the Committees can choose to designate whatever funding level the Committees choose to include.

Chair Smith:

If we approved option B, for example, it would still have to pass. If the bill did not pass, then \$2 million would be unappropriated.

Ms. Waller:

If the BDR does not pass, the Legislature would have that funding available to redirect it to whatever purpose it deems necessary.

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Assemblywoman Carlton:

I would like to see a BDR. It could come either from the Senate or the Assembly. This BDR should be independent from these Committees.

Ms. Waller:

If the Committees do not want to approve either the dollar amount or the purpose of the General Fund, then option C would not approve the Governor's recommendation to include a General Fund appropriation in this budget account. Either Chair of these Committees can bring forth a BDR.

Assemblyman Sprinkle:

I still have issues with this funding. It is best handled in a committee where we can discuss the policy further and look at the money.

Senator Roberson:

It is important that these Committees allocate this money and set it aside for the TFA program. This is an important program. We need to approve the funding in these Committees or through a separate bill.

Assemblyman Hickey:

We need to look for consistency. We just passed the JAG program. I have heard from the school districts that it has been impacted. We need to be taking a holistic approach. We do not need to make this a political football.

Assemblywoman Carlton:

This is not a political football. This is about teachers in our districts and it is about the CCSD. This is a discussion about where the funding should come from.

Assemblyman Anderson:

I am comfortable using a BDR to allocate the funds in either option A or B. The retention of the teachers versus the value that we receive here is great.

Senator Denis:

My understanding on JAG is that we approved the money to do it, but we are going to discuss and implement the language to support this program. The JAG program is also a statewide program versus the TFA program which is only

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in the CCSD. The question is whether we want to put it in the budget or whether we want to fund it. There is a difference in how we do that.

Chair Smith:

It appears that we are in consensus that we do not want the funding in the budget, but want to handle it through a BDR. The difference we have is do we want to close with recommending the \$2 million appropriated funds?

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDED \$1 MILLION GENERAL FUND APPROPRIATION IN EACH YEAR OF THE 2013-2015 BIENNIUM IN DECISION UNIT E-292 OF B/A 101-2699 TO EXPAND THE TFA PROGRAM IN THE CCSD; AND TO RECOMMEND A BILL DRAFT REQUEST FOR A ONE-SHOT APPROPRIATION.

Chair Smith:

There is a motion from Senator Kieckhefer to approve option B.

Assemblywoman Kirkpatrick:

I want to understand the motion first. I would like to support the TFA program, but it should not be a line item in the budget. If this is a one-shot appropriation bill, what happens if the bill does not pass?

Chair Smith:

If the bill does not pass, the funds are there to spend on other things.

Assemblywoman Kirkpatrick:

What if we do not close this item today?

Chair Smith:

We need to close this because it is part of this particular budget.

Assemblyman Horne:

This is different from the JAG program because the TFA is only for southern Nevada. The State will be administering the JAG program and not the TFA program. We need to remain consistent.

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ASSEMBLYMAN HARDY SECONDED THE MOTION.

ASSEMBLY: THE MOTION FAILED. (ASSEMBLYWOMEN CARLTON, FLORES AND KIRKPATRICK AND ASSEMBLYMEN BOBZIEN, EISEN, HAMBRICK, HORNE AND SPRINKLE VOTED NO. ASSEMBLYMAN AIZLEY WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION FAILED. (SENATORS DENIS, PARKS, SMITH AND WOODHOUSE VOTED NO.)

* * * * *

Chair Smith:

Are there any other motions?

Ms. Waller:

The decision for the Committees would be to take a vote on option C. You are not approving the appropriation in this budget account and separately bringing forward a BDR.

Senator Roberson:

I would like a motion to approve option A.

Chair Smith:

I will not take this motion at this time. The previous motion failed with the same language.

Assemblyman Bobzien:

I would like to see a grant program for the TFA.

ASSEMBLYMAN BOBZIEN MOVED TO NOT APPROVE THE \$1 MILLION IN EACH FISCAL YEAR OF THE 2013-2015 BIENNIUM TO BE FUNDED IN B/A 101-2699; AND TO DEVELOP A BDR WITH AN APPROPRIATION FOR THE TFA.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN ANDERSON,

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GRADY, HAMBRICK, HARDY, HICKEY AND KIRNER VOTED NO.)

SENATE: THE MOTION CARRIED. (SENATORS GOICOECHEA,
KIECKHEFER AND ROBERSON VOTED NO.)

* * * * *

Ms. Waller:

In Closing Item No. 4 of [Exhibit D](#), the transfer of aid-to-school funding for administrative purposes is outlined in decision units E-901 and E-902. The Governor recommends transferring \$200,000 of career and technical education (CTE) funding in each year of the 2013-2015 biennium from B/A 101-2699 to the Career and Technical Education account, B/A 101-2676. This will be used for administrative expenses and transferring grant proposal evaluation contract expenses of \$75,000 in each year of the biennium from the educational technology aid-to-schools line item in B/A 101-2699 to the Education State Programs account, B/A 101-2673.

E-901 Transfer From 2699 to 2676 — Page K-12 EDUCATION-24

E-902 Transfer ED Tech Grant Admin Costs to State Prog — Page K-12
EDUCATION-24

NDE - Career and Technical Education — Budget Page K-12 EDUCATION-103
(Volume I)

Budget Account 101-2676

NDE - Education State Programs — Budget Page K-12 EDUCATION-35
(Volume I)

Budget Account 101-2673

The two decision units are cleanup methodology. This funding is currently being used for administrative purposes. To improve transparency, and have a better reflection of the use of the funding and the costs of operating the program, the Governor has recommended transferring the funds to the NDE's administrative budget accounts.

ASSEMBLYMAN HORNE MOVED TO APPROVE DECISION UNIT E-901 IN
B/A 101-2699 TO TRANSFER GENERAL FUND APPROPRIATIONS OF

\$200,000 IN EACH YEAR OF THE 2013-2015 BIENNIUM FROM THE AID-TO-SCHOOLS IN B/A 101-2699 LINE ITEM TO B/A 101-2676 FOR ADMINISTRATIVE COSTS, AS RECOMMENDED BY THE GOVERNOR.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

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

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ASSEMBLYMAN HARDY MOVED TO APPROVE DECISION UNIT E-902 IN B/A 101-2699 TO TRANSFER GENERAL FUND APPROPRIATIONS OF \$75,000 IN EACH YEAR OF THE 2013-2015 BIENNIUM FROM THE EDUCATIONAL TECHNOLOGY AID-TO-SCHOOLS LINE ITEM TO B/A 101-2673 FOR GRANT PROPOSAL EVALUATION CONTRACT EXPENSES, AS RECOMMENDED BY THE GOVERNOR.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN EISEN AND HICKEY WERE ABSENT FOR THE VOTE.)

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

* * * * *

Ms. Waller:

The last Other Closing Item of [Exhibit D](#) is the transfer of funding from the B/A 101-2610 to B/A 101-2699 in decision units E-505 and E-905. In order to preserve the DSA budget account for apportionment funding, the Governor recommends a General Fund transfer of approximately \$22.1 million in FY 2013-2014 and \$22.5 million in FY 2014-2015 from the DSA to the Other State Education Programs account, with no change in funding or purpose

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for four categorical grant programs that include Adult Education, Early Childhood Education, School Library Media Specialist and Special Elementary Counselors. Since the decision units were approved in the DSA, a motion is not necessary on this item.

E-505 Adjustment to E905 — Page K-12 EDUCATION-23

E-905 Transfer from DSA to Other State Education Program — Page K-12
EDUCATION-25

I have been informed that we do need to take a motion to receive the funding from the line item categorical accounts in the DSA for the transfer of the grant funding in decision units E-505 and E-905 from the DSA. The motion would be to receive that funding in B/A 101-2699.

SENATOR KIECKHEFER MOVED TO APPROVE THE RECEIPT OF THE FUNDING FROM THE LINE ITEM CATEGORICAL ACCOUNTS IN B/A 101-2699 FOR THE TRANSFER OF GRANT PROGRAMS IN DECISION UNITS E-505 AND E-905.

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. Waller:

Budget Account 101-2615 currently contains the funding for the State-funded FDK program as well as the funding for the Regional Professional Development Programs (RPDP).

NDE - School Remediation Trust Fund — Budget Page K-12 EDUCATION-27
(Volume I)
Budget Account 101-2615

There are two Major Closing Items. The first is the expansion of the FDK program in decision E-291. Currently there are 126 schools receiving State funding for FDK.

E-291 Educated and Healthy Citizenry — Page K-12 EDUCATION-27

The Executive Budget, as originally recommended, includes General Fund appropriations of \$25.1 million in FY 2013-2014 and \$25.6 million in FY 2014-2015 for continued support of the State-funded FDK program, which provides funding for 464.5 FDK positions statewide. In addition, the Governor recommends General Fund appropriations of \$10 million in each year of the 2013-2015 biennium to expand the FDK program for total State support of \$35.1 million in FY 2013-2014 and \$35.6 million in FY 2014-2015. According to the NDE, additional schools would be selected to participate in the State-funded FDK program based on the current methodology employed which is to select new schools determined to be at risk in order of the highest free-and-reduced lunch percentages.

Of the \$10 million recommended for the FDK expansion in FY 2013-2014, narrative included in the Executive Budget states that up to \$3.5 million would be available to school districts to purchase portable classrooms to accommodate the program expansion.

On April 5, the Budget Office submitted Budget Amendment No. A130022615 to increase General Fund appropriations for the expansion of the State-funded FDK program by \$5 million in each fiscal year of the 2013-2015 biennium. Supporting documentation and narrative accompanying the budget amendment states the additional funding was made available because of a reduction in PEBP rates in both years of the upcoming biennium.

Additionally, the Budget Division submitted Budget Amendment No. A13A0102 on April 15, to add decision unit M-300, which was inadvertently omitted from the Executive Budget, for the recommended increase in the retirement rate from 23.75 percent to 25.75 percent and for increases in group insurance costs for

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existing FDK teachers. The combined General Fund appropriations recommended for the fringe benefit rate increases for the FDK program are \$117,359 in FY 2013-2014 and \$207,354 in FY 2014-2015.

The Executive Budget, as amended, recommends total State support of \$40.2 million in FY 2013-2014 and \$40.8 million in FY 2014-2015, inclusive of the budget amendments. The Governor's recommendation, as amended, would add State-funded FDK to 75 new schools, for a total of 201 schools, and add approximately 275 new FDK teachers over the 2013-2015 biennium. The table on page 28 of [Exhibit D](#) reflects the number of schools, by school district, that currently receive State funding for FDK, as well as the number of estimated schools that would receive new State funding as originally recommended in the Executive Budget, and the two amendments.

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, INCLUSIVE OF BUDGET AMENDMENT NOS. A13A0102 AND A130022615, TO ADD \$15 MILLION OF GENERAL FUND APPROPRIATIONS IN EACH YEAR OF THE 2013-2015 BIENNIUM IN B/A 101-2615; TO EXPAND THE STATE-FUNDED FDK PROGRAM STATEWIDE, INCLUSIVE OF THE RECOMMENDED \$3.5 MILLION SET-ASIDE IN FY 2013-2014 TO ASSIST SCHOOL DISTRICTS WITH THE PURCHASE OF PORTABLE CLASSROOMS TO ACCOMMODATE THE PROGRAM'S EXPANSION.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

* * * * *

The RPDP assists teachers in teaching to higher academic standards, including the Common Core State Standards in decision unit E-906. The Executive Budget recommends \$7.56 million for continued support of the three RPDs, representing no change from the legislatively approved funding for the 2011-2013 biennium. The Governor recommends transferring the funding for

the RPDPs from the School Remediation Trust Fund account, B/A 101-2615, to the Educator Effectiveness account, B/A 101-2612, with no change in funding level or purpose. The NDE indicates the new budget account is recommended to focus resources on the goal of educator effectiveness, including professional development and educator and administrator evaluation.

NDE - Educator Effectiveness — Budget Page K-12 EDUCATION-33 (Volume I)
Budget Account 101-2612

E-906 Trans RPDPs from Remediation to ED Effectiveness — Page K-12
EDUCATION-28

The table on page 28 of [Exhibit D](#) breaks out the funding levels that were approved in the education funding bill by the 2011 Legislature. Currently, pursuant to NRS 391.536, the governing bodies of each RPDP shall review and submit an annual budget to the Legislative Committee on Education (LCE) for review and recommendation to the Legislature. The total budget request submitted to the LCE by the RPDPs for the 2013-2015 biennium totaled \$19.94 million, an increase of \$4.82 million, or 31.9 percent, when compared to the legislatively approved funding for the current biennium. In the new Educator Effectiveness budget account, the Executive Budget recommends \$2.79 million of the \$4.82 million requested funding increase by the RPDPs to provide additional training on the Common Core State Standards and to provide training on the implementation of the Teacher and Administrator Evaluation Framework. With that enhancement, the total recommended funding by the Governor for the RPDPs would be \$9.04 million in FY 2013-2014 and \$8.88 million in FY 2014-2015.

In response to follow-up questions from the Full Joint Committee budget hearing on March 11 concerning how categorical changes to the RPDP budgets are currently reviewed and approved, the NDE explained that the RPDPs fiscal agent provides Department staff a copy of a proposed revision to the budget with an explanation for the proposed changes. Department staff reviews the proposed changes and either requests additional information for approval or approves the changes as presented.

Senate Bill 447, as amended, revises the budget submission process for the RPDPs to require the governing body of each RPDP to submit a proposed

biennial budget for the regional training program to the Statewide Council for the Coordination of Regional Training Programs for its approval. The bill further provides that the biennial budget for each RPDP, as approved, must be included in the biennial budget of the NDE. Once the budgets are approved through the legislative process, revisions are to be processed through the Statewide Council and follow the same statutory procedures that apply to State agencies.

SENATE BILL 447 (1st Reprint): Makes various changes relating to education. (BDR 34-197)

The Governor also proposes that the RPDPs be moved under the guidance and direction of the NDE, with no change in purpose. Currently, the RPDPs are not part of an Executive Branch agency, but are instead governed by individual governing boards. Senate Bill 467 was submitted on behalf of the Department of Administration to effectuate the governance change; however, the bill has been amended and no longer includes the governance change. Instead, the NDE, and various education stakeholders, have proposed governance modifications to the Statewide Council as discussed below.

SENATE BILL 467 (1st Reprint): Revises provisions relating to education. (BDR 34-1130)

The Department states that it has engaged in considerable dialogue with stakeholders and now supports a revised governance structure as proposed in S. B. 447. The revised governance structure retains a central council to oversee the RPDPs, but increases the membership of the council from eight to nine members, and makes other changes to the composition of the council, one of which is the addition of the Superintendent of Public Instruction, or his or her designee.

During the 2011 Legislative Session, total funding and allocations to each RPDP region was approved by A.B. No. 579 of the 76th Session. Subsequent to the passage of A.B. No. 579 of the 76th Session, the funding allocations to the RPDPs were revised by S.B. No. 197 of the 76th Session. This measure allocated a base amount of funding to the southern Nevada and northwestern Nevada RPDPs to provide training for the rural districts, but allocated funding historically received by the southern and northwestern RPDPs to provide training to the CCSD and to the WCSD, directly to the districts to enable the

two districts to not only purchase professional development services from the RPDPs, but to also permit the two districts to utilize the funding to purchase outside professional development training. The \$7.5 million allocation was split, with \$3.9 million going directly to the fiscal agents for the RPDPs and then direct appropriations of \$2.53 million to the CCSD and \$987,158 to the WCSD. The intent of the split was to provide the school districts with flexibility and opportunities to purchase, or obtain, professional development from an entity other than the RPDP.

Senate Bill No. 197 of the 76th Session also required the CCSD and the WCSD to submit an annual report to the Director of the Legislative Counsel Bureau (LCB) for transmittal to the 2013 Legislature describing the manner the direct appropriation was used to acquire professional development training for each district and the effectiveness of the training on improving the quality of instruction and the achievement of pupils in each of the two school districts.

At the time of the budget hearing, Fiscal Staff had just received those reports and had not had a chance to review them and report to the Committees. Since that time, Fiscal Staff has forwarded copies of the reports to each Committee member. Page 31 of [Exhibit D](#) contains a summary of the information on how the direct appropriation has been utilized in FY 2011-2012. Of the annual direct appropriation to the CCSD of \$2.53 million, a commitment was made by the District to provide a certain level of funding to the southern Nevada RPDPs, to assist them with not having to have significant staff layoffs due to the late change in the funding structure for the RPDP. The CCSD transferred \$1.64 million to the RPDPs to purchase professional development services. The remaining \$898,351 in each fiscal year is available to the District to purchase or provide outside professional development training. The CCSD states their professional development division was not aware of the direct appropriation until late October 2012. As a result they did not expend any of the direct appropriation. The District has provided an expenditure plan for use of that funding into FY 2012-2013. The funding did not revert at the end of FY 2011-2012. The funding was available for use in both years of the biennium. The District has outlined expenditures for professional development. Planned expenditures between March 1 and June 30 are approximately \$1.4 million. This leaves approximately \$250,000 of direct appropriation that they have not specifically identified for use.

Of the direct appropriation of \$987,158 in each fiscal year of the 2011-2013 biennium, the WCSD transferred \$808,149 to the northwestern Nevada RPDP to fund five dedicated trainers and two rural trainers. The remaining \$179,009 in each year was available to the WCSD to provide or purchase outside professional development. According to the report, the \$179,009 was spent on existing professional development trainers. No new staff was hired from the direct appropriation.

The impact of the funding allocation has been outlined on page 32 of [Exhibit D](#). The southern Nevada RPDP is the largest of the regional training programs. They have indicated that they lost approximately \$4 million due to this funding allocation change. This reduced their budget to approximately \$1.5 million per year. The loss to the southern Nevada RPDP was approximately \$2.5 million directly from its budget. As a result they were not able to continue several programs that they had implemented.

The Northwest RPDP indicates that as a result of S.B. No. 197 of the 76th Session that changed the funding allocation, with the restrictions on how the five trainers could be used, the Northwest RPDP was not able to assign the expert that would be needed to provide the training to WCSD. The Northwest RPDP indicates that the WCSD received almost 4,000 hours less service time in the previous year under the initial funding model. Thus, the Northwest RPDP did not have any trainers with expertise to provide to the rural school districts.

During the Full Joint Committee budget hearing on March 11, the NDE provided testimony that the revised funding allocation imposed by S.B. No. 197 of the 76th Session upon the two RPDPs made it difficult for these two regional training programs to budget resources when large percentages of their budgets became discretionary, thereby impacting decisions about hiring. The Department testified that it supports reverting to the allocation of State funding to the RPDPs that existed prior to the change enacted by S.B. No. 197 of the 76th Session. Based upon the testimony and information provided, it does not appear that the allocation of State funding, as revised by S.B. No. 197 of the 76th Session, accomplished the intent of the legislation, which was to provide the two largest school districts additional opportunities to purchase outside professional development. Instead, it appears the CCSD and the WCSD have utilized the remaining direct appropriations this biennium to fund existing professional development staff and services.

The decisions for the Committees at this time are to approve the recommended funding level for the RPDPs at \$7.56 million each year of the 2013-2015 biennium, which is the base funding level. Also, to approve the transfer of the RPDP funding from B/A 101-2615 to B/A 101-2612, as recommended by the Governor.

However, because it does not appear that the governance structure for the RPDPs to report directly to the NDE as originally recommended in the Executive Budget will occur, it is not recommended that the funding be transferred to B/A 101-2612. This account is an NDE account and the RPDP is a pass-through funding to the fiscal agents of the school districts. Fiscal Staff recommends that it remain in the K-12 education budget account.

The Committees also need to decide if they wish to continue the allocation methodology of distributing the RPDP funding as modified and enacted by S.B. No. 197 of the 76th Session, or do the Committees wish to revert back to the allocation of State funding to the RPDPs that existed prior to the change enacted by S.B. No. 197 of the 76th Session.

Assemblyman Grady:

We are being told that our students graduating high school are not prepared for college. We have to address this because we are using higher-priced college professors to teach remedial classes. We are graduating teachers that go back to the school districts and, apparently, do not know how to teach. This causes us to hire experts to come in and teach the teachers how to teach for the appropriation of approximately \$7 million. We have two additional programs that are connected to the University of Nevada, Las Vegas, that want to teach the ELL how to progress. It appears that we are spending more and more money, but our teachers are not having the opportunity to teach. We need to identify how we are going to fund the programs that we really need.

Chair Smith:

I have been proud of the fact that the State has funded professional development and that we have done it consistently. I do not look at the RPDP as teaching teachers who have graduated how to teach. The education world is an ever-changing world. New standards require professional development. We have a new evaluation system coming online. This will also take some professional development. As we keep moving forward, I look forward to the

day that we can tie the professional development program to our evaluation system. We will be able to see the direct correlation between what classes are working and how that relates to what teachers are doing in the classrooms. With the legislation before us this Session, we gain accountability and oversight that we have not seen before. With all of the changes with the Common Core Standards and the changes in testing, and evaluation, this is a critical time to maintain this professional development program. The RPDP is about teaching the Common Core Standards and not a variety of programs. The districts have their own efforts and colleges have their programs.

Assemblywoman Flores:

I cannot think of very many professions where some form of personal development is not involved. I am a lawyer and I have to go to mandatory professional development once a year. If I make a mistake on a case, there is a remedy for it. I have malpractice insurance. There is some forum to fix my mistakes. I cannot think of another situation where it is more important to ensure that people have the most up-to-date training and information available to them than our teachers. If we "mess up" a child, I do not know how we fix that.

ASSEMBLYMAN BOBZIEN MOVED TO APPROVE GENERAL FUND APPROPRIATIONS OF \$7.56 MILLION IN EACH FISCAL YEAR OF THE 2013-2015 BIENNIUM TO FUND THE RPDPS AND TO NOT APPROVE THE TRANSFER OF RPDP FUNDING FROM B/A 101-2615 TO B/A 101-2612 AS RECOMMENDED BY THE GOVERNOR, AND ALLOCATE THE FUNDING BASED ON THE METHODOLOGY THAT EXISTED PRIOR TO THE CHANGE ENACTED BY S.B. NO. 197 OF THE 76TH SESSION.

SENATOR DENIS SECONDED THE MOTION.

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

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

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Ms. Waller:

I will now discuss the State Supplemental School Support Account in B/A 101-2617. This is the source account for the I.P. 1 room tax revenues.

NDE - State Supplemental School Support Fund — Budget Page K-12
EDUCATION-29 (Volume I)
Budget Account 101-2617

The Main Closing Issue is the continued transfer of I.P. 1 room tax revenues to the DSA in decision unit E-130. We have already taken a motion on receiving the funding in the DSA.

E-130 Sustainable and Growing Economy — Page K-12 EDUCATION-29

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E-130 OF B/A 101-2617 TO CONTINUE THE TRANSFER OF THE I.P. 1 ROOM TAX REVENUES AND RELATED INTEREST EARNINGS ESTIMATED AT \$131.9 MILLION IN FY 2013-2014 AND \$136.7 MILLION IN FY 2014-2015 TO THE DSA AS A STATE FUNDING SOURCE; AND TO AUTHORIZE FISCAL STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN HAMBRICK VOTED NO. ASSEMBLYMAN HICKEY WAS ABSENT FOR THE VOTE.)

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

* * * * *

Ms. Waller:

Budget account 101-2616, Incentives for Licensed Educational Personnel, funds two programs. One is the 1/5 retirement credit purchase program and the other is the cash incentive pay grant award. The Governor recommends General Funds for the Incentives for Licensed Educational Personnel grant fund of \$15.86 million in each year of the 2013-2015 biennium. This is the same level of funding approved by the 2011 Legislature.

NDE - Incentives for Licensed Education Personnel — Budget Page K-12
EDUCATION-32 (Volume I)
Budget Account 101-2616

In processing the payments this year, a situation occurred that we had not encountered before. There was a large increase in the number of 1/5 retirement credit purchase eligible individuals. This primarily occurred in the CCSD. Based on the language included in the statute at the time that this program was repealed, it allowed those eligible participants to be able to earn a full year of 1/5 retirement credit purchase. After the year had concluded, they would be eligible to move into the incentive pay program. The time frame was provided to phase out the program. The language states that an eligible individual may remain in the program until they earn a full year of credit. However, it did not specify that the year of service had to be consecutive. Some teachers that opted into the program, and are eligible, may have subsequently transferred to a school that was not considered at risk. Therefore, the teacher did not receive their credit service in that time frame. The teacher remains eligible in subsequent years once they return to a school that is designated as at risk. There remains approximately 1,700 eligible participants in this program. The NDE has calculated the estimated obligation as \$8.8 million in FY 2013-2014 and \$5.8 million in FY 2014-2015. The remaining amount of approximately \$7.1 million in FY 2013-2014 and \$10.1 million in FY 2014-2015 would be available for the cash incentive pay program.

During the budget hearing and the Work Session there was discussion regarding whether the incentive pay program is accomplishing its intended goals, which was to improve the retention and improvement of highly qualified personnel at at-risk schools. There was discussion about the various evaluations that have come forward that had not revealed that it is accomplishing its intended goal.

There are two options for consideration.

Option 1 is to approve the Governor's recommendation of General Fund appropriations in the amount of \$15.86 million in each fiscal year of the 2013-2015 biennium to continue the existing incentive pay program and the grandfathered 1/5 retirement credit purchase program.

Option 2 is to approve General Fund appropriations of \$8.8 million in FY 2013-2014 and \$5.8 million in FY 2014-2015 to continue funding the estimated outstanding liability for the 1/5 retirement credit purchase program for the 2013-2015 biennium, but to not approve the funding to continue the incentive pay program as a recruitment and retention tool. If this option is selected, General Fund monies of approximately \$7.1 million in FY 2013-2014 and \$10.1 million in FY 2014-2015 could be redirected to support other high-priority educational initiatives of the Committee.

Chair Smith:

I have concerns about continuing with the rest of the incentive money. It does not appear to get the job done. It is \$17 million that we could spend elsewhere and affect more teachers.

Assemblyman Kirner:

I am not sure that the incentive is doing much and may be perpetuating the problem.

Chair Smith:

The teachers who have had a small stipend through the incentive program appreciate it. But, the intention of this money was to recruit and train teachers in at-risk areas. There is no evidence that the program is working.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE GENERAL FUND APPROPRIATIONS IN B/A 101-2616 OF \$8.8 MILLION IN FY 2013-2014 AND \$5.8 MILLION IN FY 2014-2015 TO CONTINUE FUNDING THE ESTIMATED OUTSTANDING LIABILITY FOR THE 1/5 RETIREMENT CREDIT PURCHASE PROGRAM FOR THE 2013-2015 BIENNIUM, BUT NOT TO APPROVE THE FUNDING TO CONTINUE THE INCENTIVE PAY PROGRAM AS A RECRUITMENT AND RETENTION TOOL, REDIRECTING GENERAL FUND MONIES OF APPROXIMATELY \$7.1 MILLION IN FY 2013-2014 AND \$10.1 MILLION IN FY 2014-2015 TO SUPPORT OTHER HIGH-PRIORITY EDUCATIONAL INITIATIVES OF THE COMMITTEE.

SENATOR WOODHOUSE SECONDED THE MOTION.

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

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

* * * * *

Ms. Waller:

I would like to provide a follow up on the Letter of Intent issued by the 2011 Legislature that relates to the management of State and federal grants by the NDE. The Department provided testimony that they have requested an audit be performed by the Department of Administration Internal Audit Division and provide recommendations based on best practices for improvement and structural policies and procedures. There is no motion to be taken on this issue.

Adam Drost (Program Analyst):

I will be presenting the closing report for the Department of Administration, entitled "Joint Subcommittee on General Government Closing Report," ([Exhibit E](#)).

The Joint Subcommittee on General Government has completed its review of the budget accounts for the Department of Administration, including the Budget and Planning Division, Administrative Services Division, Special Appropriations, Insurance and Loss Prevention, Division of Internal Audits, Motor Pool Division, Hearings Division, Victims of Crime Program, Division of Human Resource Management (DHRM), Nevada State Library and Archives, State Public Works Division (SPWD), Purchasing Division and Enterprise Information Technology Services (EITS). While many of the accounts of the Department of Administration are funded through fees or assessments, the Committees' closing of these accounts resulted in a decrease in General Fund appropriations of \$1.6 million in FY 2013-2014 and \$1.2 million in FY 2014-2015, when compared to the Governor's recommended budget.

In the Special Appropriations account, B/A 101-1301, the Subcommittee concurred with the Governor's recommendation for additional General Fund appropriations of \$75,000 for Nevada Volunteers and \$20,000 for the Nevada Holocaust Education Task Force in each year of the 2013-2015 biennium. With the recommended increases, total funding for Nevada Volunteers is \$150,000

each year of the biennium and total funding for Holocaust education is \$50,000 each year of the biennium.

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ADMINISTRATION

Administration - Special Appropriations — Budget Page ADMIN-18 (Volume I) Budget Account 101-1301

In the Human Resource Management account, B/A 717-1363, the Subcommittee concurred with the Governor's recommendation of \$446,000 over the 2013-2015 biennium for a technology investment request that would implement Phase III of the Nevada Employee Action and Timekeeping System to automate paper-based transactions. The Subcommittee also voted to approve the Governor's recommendation to expand the DHRM's centralized personnel services by adding three departments to be served: PEBP, the Department of Tourism and Cultural Affairs and the Silver State Health Insurance Exchange (SSHIX). To provide the resources to meet the Agency's needs, the Subcommittee approved the transfer of a personnel analyst II from the Department of Tourism and Cultural Affairs, increased the status of a personnel technician III position from a 0.51 full-time-equivalent (FTE) employee to 1 FTE, reclassified a personnel officer I position to a personnel officer II position, reclassified a personnel officer II position to a personnel officer III position and approved the continuation of a personnel analyst I position that was added in the interim. The Subcommittee approved Budget Amendment No. A13A0025 to eliminate the Grievance Resolution Section that was originally recommended in the Executive Budget.

Administration - HRM - Human Resource Management — Budget Page ADMIN-30 (Volume I) Budget Account 717-1363

In B/A 721-1373, Office of Chief Information Officer, the Subcommittee voted to approve the Governor's recommendation to add a new deputy administrator position to EITS, at a cost totaling \$271,796 over the 2013-2015 biennium, to oversee EITS staff, including staff transferred to EITS from the Department of Public Safety (DPS) due to the merger of the Department's IT services with

EITS. The Subcommittee voted to approve funding totaling \$125,000 to support a contract project manager to plan and manage the transfer of the DPS IT activities to EITS, but did not approve the Governor's recommendation to fund the contract within this account. Rather, the Subcommittee voted to approve locating the contract in the IT DPS account to be fully funded by DPS in the 2013-2015 biennium.

Administration - IT - Office of CIO — Budget Page ADMIN-54 (Volume I)
Budget Account 721-1373

In the IT Application Support account, B/A 721-1365, the Subcommittee voted to approve two new IT professional programmer/developer positions to meet State agency demand for information system support and development. The Subcommittee deferred the decision to add one programmer/developer position until the Budget and Planning account, B/A 101-1340, was closed. The Subcommittee subsequently approved additional programmer/developer utilizations in B/A 101-1340, thereby approving a third new programmer/developer position.

Administration - IT - Application Support — Budget Page ADMIN-64 (Volume I)
Budget Account 721-1365

Administration - Budget and Planning — Budget Page ADMIN-10 (Volume I)
Budget Account 101-1340

The Subcommittee voted to approve additional funding totaling \$350,000 in the 2013-2015 biennium to conduct a contract software application benchmark and replacement study for the ADVANTAGE information system, which is comprised of the State's financial, payroll and human resources systems. The Subcommittee also approved the Governor's recommendation of \$150,000 over the 2013-2015 biennium for contract costs for mobile application development.

In the IT Computer Facility account, B/A 721-1385, the Subcommittee supported the Governor's recommendation to migrate the State's email from a state-owned hardware and software system, to an outsourced cloud-based email system, at a cost of \$1.1 million over the 2013-2015 biennium, to avoid capital expenditures associated with upgrading the State's existing email system.

Administration - IT - Computer Facility — Budget Page ADMIN-76 (Volume I)
Budget Account 721-1385

In the IT Telecommunications account, B/A 721-1387, the Subcommittee voted to approve the Governor's recommendation to replace the State's telephone system with a leased system at a cost totaling \$1.4 million over the biennium funded with user fees. The Subcommittee approved the removal of General Fund appropriations of \$1.9 million over the 2013-2015 biennium to support the telephone system and the addition of user fees as amended by the Governor. However, to comply with statutory provisions governing internal services funds, and specific statutes pertaining to the Fund for Information Services, the Subcommittee did not approve the Governor's recommendation to appropriate General Fund monies to this account in order to allow access to the Interim Finance Committee (IFC) Contingency Account.

Administration - IT - Telecommunications — Budget Page ADMIN-101
(Volume I)
Budget Account 721-1387

In the IT Security account, B/A 721-1389, the Subcommittee approved the Governor's recommendation to implement IT disaster recovery planning, including dedicating one IT professional position to disaster recovery activities and directing \$1.1 million in funding over the 2013-2015 biennium to support the purchase of disaster recovery equipment and to fund the cost of a consultant. The Subcommittee approved issuing a Letter of Intent to the Department of Administration to report on the implementation and effectiveness of a statewide desktop security software initiative.

Administration - IT - Security — Budget Page ADMIN-120 (Volume I)
Budget Account 721-1389

In the IT Info Tech Consolidation DPS account, B/A 721-1405, the Subcommittee supported the Governor's recommendation to transfer the DPS's IT services to EITS as a move toward a statewide consolidated and standardized IT environment, but did not approve appropriating General Fund money or Highway Funds to this account for the purpose of accessing the Contingency Account. To implement the transfer, 48 FTEs and \$11.7 million in costs over the biennium would be transferred from the DPS to this budget account. The

Subcommittee approved issuing a Letter of Intent to the Agency to develop a detailed plan for accumulating reserve funding in this account in preparation for the merger of DPS IT staff into EITS budget accounts in the 2015-2017 biennium.

Administration - IT - Info Tech Consolidation DPS — Budget Page ADMIN-130
(Volume I)
Budget Account 721-1405

In the Administrative Services account, B/A 716-1371, the Subcommittee concurred with the Governor's recommendation for administrative assessment funding totaling \$144,550 over the 2013-2015 biennium to provide support for an additional half-time database administrator. The Subcommittee also approved the Governor's recommendation to eliminate a vacant accounting assistant II position.

Administration - Administrative Services — Budget Page ADMIN-140 (Volume I)
Budget Account 716-1371

In B/A 101-1540, the Subcommittee voted to approve the Governor's recommendation to establish an administration account for the SPWD. The Subcommittee also approved the Governor's recommendation to transfer six positions to the new account, including five positions from the Engineering and Planning account, B/A 101-1562, and one position from the Buildings and Grounds account, B/A 710-1349. The Subcommittee voted to approve the Governor's recommendation to fund the new account through an allocation of costs to the four existing SPWD budget accounts.

Administration - SPWD - Administration — Budget Page ADMIN-165 (Volume I)
Budget Account 101-1540

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

Administration - SPWD - Buildings & Grounds — Budget Page ADMIN-185
(Volume I)
Budget Account 710-1349

In the SPWD Engineering and Planning account, B/A 101-1562, the Subcommittee voted to approve the Governor's recommendation to transfer five positions from B/A 101-1562 to 101-1540. The Subcommittee also approved the transfer of inspection fee revenues to support the allocated costs for B/A 101-1540. Additionally, the Subcommittee voted to approve the Governor's recommendation to eliminate six positions, including three building construction, and three project manager positions, due to reduced workloads. The Subcommittee voted to approve the remainder of B/A 101-1562 as recommended by the Governor with adjustments to reduce travel and software costs. To align cost allocation revenues received in B/A 101-1540, an adjustment has been made reducing inspection fee revenues by \$211,706, with an equal reduction in cost-allocation transfers from this account.

In the SPWD Facility Condition and Analysis account, B/A 101-1560, the Subcommittee voted to approve the Governor's recommendation to increase General Fund appropriations for the purpose of transferring those funds to B/A 101-1540 for the support of costs allocated to the Facility Condition and Analysis section. The Subcommittee also approved removing the portion of General Funds appropriated to this account for costs allocated to support the Attorney General Cost Allocation Plan expenditures in B/A 101-1540. The Subcommittee voted to approve the remainder of B/A 101-1560 as recommended by the Governor with adjustments to reduce travel costs.

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

Budget Account 101-1560

In the SPWD Buildings and Grounds account, B/A 101-1349, the Subcommittee supported the Governor's recommended funding, as amended, to fund deferred maintenance projects totaling \$1.57 million over the biennium. Additionally, the Subcommittee approved the Governor's recommendation to eliminate the chief engineer, and merge that position's duties with the existing deputy administrator position. The Subcommittee also approved the recommendation to transfer the deputy administrator position to B/A 101-1540 and transfer reserve revenues from this account to support the allocated costs for the new Administration account. The Subcommittee approved the Governor's recommendation for a new administrative assistant III position in this account. Finally, the Subcommittee approved the remainder of B/A 101-1349 as

recommended by the Governor, with adjustments to reduce travel, training and equipment costs.

In the Motor Pool account, B/A 711-1354, the Subcommittee concurred with the Governor's recommendation to add a new equipment mechanic IV position to the Motor Pool Division. The Subcommittee also supported reserve reductions of \$46,890 to fund Capital Improvement Program Project 13-M58, which will replace the HVAC system at the Division's Carson City facility.

Administration - Motor Pool — Budget Page ADMIN-232 (Volume I)
Budget Account 711-1354

Project No. 13-M58 – HVAC System Renovation (Carson City Motor Pool)

In the Motor Pool Capital Purchase account, B/A 711-1356, the Subcommittee approved the Governor's recommendation to purchase the Motor Pool's Las Vegas facility using General Fund financing of \$2.5 million. The Subcommittee also approved the Governor's recommendation, as amended, for General Fund appropriations of \$1.8 million and Highway Fund authorizations of \$1.1 million over the 2013-2015 biennium to purchase 109 additional vehicles for the Motor Pool fleet for assignment to various State agencies. As amended, the purchase of these vehicles reflect a decrease in General Fund appropriations of \$523,294 and an increase in Highway Fund authorizations of \$121,127 over the 2013-2015 biennium when compared to the Governor's recommended budget.

Administration - Motor Pool Capital Purchase — Budget Page ADMIN-241
(Volume I)
Budget Account 711-1356

In the Nevada State Library and Archives (NSLA) Imaging and Preservation Services Equipment/Software account, B/A 101-1053, the Subcommittee approved the creation of a new account to purchase equipment and establish a reserve for future equipment needs for the Imaging and Preservation Services program and fund it with revenues generated by the NSLA, Archives and Records account, B/A 101-1052.

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Administration - NSLA - IPS Equipment/Software — Budget Page ADMIN-270
(Volume I)
Budget Account 101-1053

Administration - NSLA - Archives and Records — Budget Page ADMIN-261
(Volume I)
Budget Account 101-1052

In the Commodity Food Program (CFP) account, B/A 101-1362, 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 CFP account from the Department of Administration to the Department of Agriculture. The Subcommittee also approved the Governor's recommendation for reserve funding of \$12,006 in FY 2013-2014 and \$11,364 in FY 2014-2015 to fund the reclassification of the classified social services chief I position to an unclassified food and nutrition deputy administrator position within the Department of Agriculture.

AGRI - Commodity Food Prog — Budget Page AGRICULTURE-19 (Volume I)
Budget Account 101-1362

The Subcommittee voted to approve the Governor's recommendation of \$79,092 in FY 2013-2014 and \$81,801 in FY 2014-2015 to relocate the CFP's Las Vegas warehouse to a new location. The Subcommittee also approved the Governor's recommendation of \$7,571 in FY 2013-2014 and \$22,974 in FY 2014-2015 to add a new driver position and associated costs for the Las Vegas warehouse.

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

Judicial Coll & Coll of Juvenile & Family Justice — Budget Page ADMIN-20
(Volume I)
Budget Account 101-1302

Administration - Merit Award Board — Budget Page ADMIN-21 (Volume I)
Budget Account 101-1345

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Administration - HRM - Unemployment Compensation — Budget Page
ADMIN-42 (Volume I)
Budget Account 101-1339

Administration - IT - Data Comm & Network Engin — Budget Page ADMIN-90
(Volume I)
Budget Account 721-1386

Administration - IT - Network Transport Services — Budget Page ADMIN-110
(Volume I)
Budget Account 721-1388

Administration - Division of Internal Audits — Budget Page ADMIN-149
(Volume I)
Budget Account 101-1342

Administration - SPWD - Marlette Lake — Budget Page ADMIN-198 (Volume I)
Budget Account 712-1366

Administration - Purchasing — Budget Page ADMIN-209 (Volume I)
Budget Account 718-1358

Administration - Insurance & Loss Prevention — Budget Page ADMIN-219
(Volume I)
Budget Account 715-1352

Administration - NSLA - Nevada State Library — Budget Page ADMIN-254
(Volume I)
Budget Account 101-2891

Administration - NSLA - CLAN — Budget Page ADMIN-272 (Volume I)
Budget Account 101-2895

Administration - NSLA - Mail Services — Budget Page ADMIN-277 (Volume I)
Budget Account 713-1346

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Administration - NSLA - Mail Services Equipment — Budget Page ADMIN-284
(Volume I)
Budget Account 713-1347

Administration - Victims of Crime — Budget Page ADMIN-288 (Volume I)
Budget Account 287-4895

Administration - Hearings Division — Budget Page ADMIN-298 (Volume I)
Budget Account 101-1015

Deferred Compensation Committee — Budget Page DEFERRED COMP-3
(Volume III)
Budget Account 101-1017

ASSEMBLYWOMAN CARLTON MOVED TO CLOSE ALL THE BUDGET ACCOUNTS FOR THE DEPARTMENT OF ADMINISTRATION EXCEPT FOR B/A 101-1340 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR PARKS 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.)

BUDGET CLOSED.

* * * * *

Jennifer Gamroth (Program Analyst):

On April 23, the Joint Subcommittee on General Government completed its review and closed the budget for the Department of Taxation ([Exhibit F](#)). The closing recommendations resulted in a General Fund savings of \$1,450 in FY 2013-2014 and \$2,187 in FY 2014-2015. During its review, the

Joint Subcommittee addressed several Major Closing Issues and proposes recommendations for the Committee's consideration.

FINANCE AND ADMINISTRATION

TAXATION

Department of Taxation — Budget Page TAXATION-9 (Volume I)
Budget Account 101-2361

The Subcommittee approved six new positions as recommended by the Governor, including one unclassified chief deputy, three auditors and two revenue officer positions. The unclassified chief deputy position will act as the Department's focal point for identifying, modifying and promulgating regulations. The Department states it currently has an inventory of over 200 existing regulations in the *Nevada Administrative Code* that need updating, and numerous instances where new regulations are needed to provide a greater degree of clarity for staff and the business community. The chief deputy position will also provide an additional layer of management within the Department's organizational structure. The chief deputy will organizationally oversee the Department's three unclassified deputy director positions that supervise the Compliance, Administrative Services, Technology and Local Government Services sections of the Agency. With the approval of the chief deputy position, the Department intends to locate either an existing deputy director or the chief deputy position to southern Nevada. Finally, the chief deputy position will also serve as the Department's public information officer.

The three auditor positions approved by the Subcommittee will be used to increase the audit penetration rate for sales and use tax accounts to 1 percent, which is the Department's benchmark goal. The audit penetration rate is based on the total number of audits conducted annually as a percentage of taxpayers. Because of budget reductions and other departmental needs, the number of audit staff has been reduced, and the audit penetration rate decreased to an average of 0.71 percent for FY 2007-2008 through FY 2011-2012. The Department believes increasing the audit penetration rate will act as a direct deterrent for taxpayer noncompliance, and indirectly increase tax collections.

The two new revenue officer positions approved by the Subcommittee will pursue collections on delinquent accounts. Because of the economic downturn, there has been an increase in the number of delinquent accounts, businesses not filing tax returns timely and in the number of hearings, which require additional revenue officers. The addition of two new revenue officers will reduce the current average number of noncompliant and/or delinquent accounts carried per revenue officer from 2,022 to 1,972. The reduction in caseload will allow the revenue officer staff to more closely manage the noncompliant accounts assigned to them. The average collections per revenue officer is approximately \$1.2 million for FY 2011-2012.

The Subcommittee approved the Governor's recommendation to use tobacco settlement income to fund the three-position Tobacco Master Settlement Agreement Enforcement Unit in lieu of General Funds. This change in funding provides for a General Fund savings of approximately \$444,000 over the 2013-2015 biennium.

SENATOR KIECKHEFER MOVED TO CLOSE B/A 101-2361 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT.

ASSEMBLYMAN HARDY 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.)

BUDGET CLOSED.

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Joi Davis (Senior Fiscal Analyst):

The Joint Subcommittee on Human Services has developed the following recommendations for the Director's Office of the Department of Health and Human Services (DHHS) ([Exhibit G](#)). The recommendations increase

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General Fund appropriations for the department by \$12,741 in FY 2013-2014 and \$13,370 in FY 2014-2015.

Pursuant to NRS 439.630, the Director is required to develop a spending plan for the Department's 60 percent allocation of Tobacco Master Settlement (MSA) Funds, which are transferred from the State Treasurer, B/A 101-1080, to the Healthy Nevada Fund, B/A 262-3261, which serves as the pass-through account for the Grants Management Unit within the Director's Office.

Treasurer - State Treasurer — Budget Page ELECTED-179 (Volume I)
Budget Account 101-1080

HHS-DO - Healthy Nevada Fund — Budget Page DHHS-DIRECTOR-33
(Volume II)
Budget Account 262-3261

The Subcommittee approved the spending plan included in the Executive Budget for the DHHS Director's Office accounts. The approved plan allocates Tobacco Settlement Funds totaling \$20 million over the 2013-2015 biennium as follows:

- \$1 million for a portion of the operating costs of the Office for Suicide Prevention (OSP), including the addition of two new positions for the OSP.
- \$4.6 million for food security.
- \$1 million for the Nevada 2-1-1 system.
- \$1 million for immunization.
- \$600,000 for health access.
- \$2 million for tobacco cessation.
- \$1 million for children's mental health.
- \$2.84 million for differential response.
- \$2.6 million for family resource centers.
- \$2.6 million for disability grants.
- \$800,000 for administrative costs to the DHHS Director's Office.

The Subcommittee deferred taking action regarding the additional one-time tobacco fund award of \$12.5 million to the State in April 2013 pursuant to a disputed settlement agreement.

The Subcommittee approved the Governor's recommendation to expire federal Health Information Technology (HIT) grant funds, which includes the elimination of four positions in FY 2014-2015. The eliminated positions include a project manager, health program manager I, administrative assistant III and an accounting assistant III. Regarding the \$1.3 million nonfederal match requirement for the HIT grant, the Subcommittee approved a Letter of Intent directing the Department to report to the IFC on or before November 1 on the status of meeting the match requirement prior to the grant expiring in February 2014.

HHS-DO - Administration — Budget Page DHHS-DIRECTOR-15 (Volume II)
Budget Account 101-3150

The Subcommittee also approved the Governor's recommendation to transfer the OSP from the Director's Office to the proposed new Division of Public and Behavioral Health.

In the Grants Management Unit account, B/A 101-3195, the Subcommittee approved two budget amendments submitted by the Governor to allow a direct transfer of the tobacco cessation grant allocation to the proposed Division of Public and Behavioral Health; and increase a part-time social services program specialist III position to full-time to facilitate the operations of the Office of Food Security established within the Grants Management Unit.

HHS-DO - Grants Management Unit — Budget Page DHHS-DIRECTOR-23
(Volume II)
Budget Account 101-3195

In the Consumer Health Assistance account, B/A 101-3204, the Subcommittee approved the Governor's recommendation to eliminate four positions in FY 2014-2015 due to expiring grant funds transferred from the SSHIX and expiring funds awarded pursuant to the UnitedHealth Group Settlement. This eliminated three ombudsman positions and one administrative assistant I position.

HHS-DO - Consumer Health Assistance — Budget Page DHHS-DIRECTOR-44
(Volume II)
Budget Account 101-3204

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The Subcommittee approved the Other Closing Items in the DHHS Director's Office accounts with minor or technical adjustments. The following budget accounts were approved as recommended by the Governor, with authority for Fiscal Staff to make technical adjustments.

HHS-DO - Problem Gambling — Budget Page DHHS-DIRECTOR-29 (Volume II)
Budget Account 101-3200

HHS-DO - Children's Trust Account — Budget Page DHHS-DIRECTOR-30
(Volume II)
Budget Account 101-3201

HHS-DO - Indigent Supplemental Account — Budget Page DHHS-DIRECTOR-31
(Volume II)
Budget Account 628-3244

HHS-DO - Healthy Nevada Fund — Budget Page DHHS-DIRECTOR-33
(Volume II)
Budget Account 262-3261

HHS-DO - Public Defender — Budget Page DHHS-DIRECTOR-34 (Volume II)
Budget Account 101-1499

HHS-DO - Developmental Disabilities — Budget Page DHHS-DIRECTOR-39
(Volume II)
Budget Account 101-3154

Additional tobacco funding was received in three different installments between April 15 and April 24. The total amount for the Healthy Nevada Fund portion is approximately \$12.5 million. On May 9, the Budget Division submitted four budget amendments to utilize \$6.5 million of the \$12.5 million one-time funding to support mental health programs. Those amendments provide for \$1.5 million for the Parents and Children Together program for assertive community treatment for community-based outpatient services in Las Vegas. Three million dollars would be for ten additional beds at the Lake's Crossing Center in Reno and \$2 million for pilot mental health home visiting programs in both northern and southern Nevada. The remaining \$6 million, combined with projected unobligated reserves of \$2.8 million, would

leave a remaining reserve balance in the Healthy Nevada Fund of \$8.8 million at the end of FY 2014-2015. That amount could fluctuate based on projected unanticipated reserves and the actual tobacco money that is received each year of the biennium. Fiscal Staff would note that the Director's Office accounts could be closed if the Committees choose to accept the Subcommittee report and any decision regarding the use of those additional one-time tobacco funds could be included in the language in the back portion of the Authorizations Act.

Chair Smith:

My preference would be that we close these budgets as described, with the unexpected tobacco settlement funds being addressed in the Authorizations Act.

ASSEMBLYMAN HARDY MOVED TO CLOSE THE DHHS DIRECTOR'S BUDGET AS RECOMMENDED BY THE JOINT SUBCOMMITTEE ON HUMAN SERVICES; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN AIZLEY, HICKEY 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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Catherine Crocket (Program Analyst):

The Joint Subcommittee on Human Services has completed its review of the DHHS, Aging and Disability Services Division (ADSD) budget accounts and has made the following recommendations for the Division's 2013-2015 biennium budget ([Exhibit H](#)). The Subcommittee's recommendations resulted in a General Fund increase of \$160,368 in FY 2013-2014 and \$235,636 in FY 2014-2015. The following comments describe the more significant recommendations of the Subcommittee.

In the Federal Programs and Administration account, B/A 101-3151, the Subcommittee approved the Governor's recommendation to consolidate developmental services and early intervention services (EIS) within the ADSD to create a continuum of disability services to serve persons at all stages of life within one State agency. To accomplish this, 30.51 FTE, and \$4.7 million in costs, would be transferred to this account from Nevada State Health Division (NSHD) and mental health and developmental services accounts. In addition, five budget accounts, including the EIS, Family Preservation Program, Rural Regional Center, Desert Regional Center and Sierra Regional Center, would transfer to the new division in their entirety, increasing the Agency's authorized funding by 322 percent, from \$117.8 million to \$497.3 million.

HHS-ADSD - Federal Programs and Administration — Budget Page
DHHS-ADSD-22 (Volume II)
Budget Account 101-3151

The Subcommittee approved additional funding totaling approximately \$380,000 over the 2013-2015 biennium to support additional costs associated with the consolidation, including moving costs and additional operating expenditures. However, the consolidation would generate net General Fund savings of approximately \$200,000 over the 2013-2015 biennium, primarily due to cost allocation changes.

In the Senior Rx and Disability Rx account, B/A 262-3156, the Subcommittee approved additional Healthy Nevada Fund allocations totaling \$2.5 million over the 2013-2015 biennium to establish a dental benefit for a subset of Senior Rx and Disability Rx members. The approved funding will support an average dental benefit monthly caseload of approximately 1,100 people. The Subcommittee approved additional Healthy Nevada Funding of approximately \$130,000 in the 2013-2015 biennium to provide \$500 in annual copay assistance to 30 percent of dental benefit recipients. The Subcommittee approved issuing a Letter of Intent instructing the Agency to continue the dental benefit as a pilot in the 2013-2015 biennium and to remove the program from the Agency's 2015-2017 Base Budget.

HHS-ADSD - Senior Rx and Disability Rx — Budget Page DHHS-ADSD-42
(Volume II)
Budget Account 262-3156

In the Home and Community Based Services account, B/A 101-3266, the Subcommittee approved the Governor's recommendation to increase the Autism Treatment Assistance Program (ATAP) caseload by 204 children over the biennium, from 137 to 341 by the end of FY 2014-2015, at an additional cost of \$3.6 million, including \$2 million in General Fund appropriations. Additionally, the Subcommittee voted to approve a budget amendment to add four positions, including one social services program specialist, one management analyst and two administrative assistants, to support the ATAP caseload at an additional General Fund cost of \$396,384 over the 2013-2015 biennium.

HHS-ADSD - Home and Community Based Services — Budget Page
DHHS-ADSD-48 (Volume II)
Budget Account 101-3266

The Subcommittee voted to approve the Governor's recommendation to increase Home and Community Based Waiver caseload slots by 117 over the 2013-2015 biennium, resulting in a total monthly caseload of 1,830 at the end of FY 2014-2015. To support the caseload increase, the Subcommittee approved additional General Fund appropriations totaling \$493,486 over the upcoming biennium to add seven new positions, including six social workers and one social work supervisor.

The Subcommittee approved the Governor's recommendation to increase the Independent Living Program annual caseload from 216 to 360 by the end of FY 2014-2015 to reduce the number of people waiting for services. The caseload increase requires additional General Funds of \$1.2 million over the 2013-2015 biennium.

In the IDEA Part C account, B/A 101-3276, the Subcommittee did not approve the Governor's recommendation to locate the EIS monitoring and compliance and direct service delivery within the same division. The Subcommittee voted to transfer the IDEA Part C Office to the DHHS Director's Office to create separation between the service delivery and compliance functions.

HHS-ADSD - IDEA Part C — Budget Page DHHS-ADSD-59 (Volume II)
Budget Account 101-3276

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The Subcommittee recommends closing the Tobacco Settlement Program account, B/A 262-3140, as recommended in the Executive Budget, with minor or technical adjustments as recommended by Fiscal Staff.

HHS-ADSD - Tobacco Settlement Program — Budget Page DHHS-ADSD-20
(Volume II)
Budget Account 262-3140

Senator Kieckhefer:

I would like to offer a potential enhancement to the ATAP. This is a program where we direct all of the clients who are in need of Autism treatment services. The Governor has put additional money into the program to increase the number of slots available. I would like to increase this funding due to a wait list of about 375 children that exists for the program at the end of the biennium. These are children whose lives will be directly changed if we can capture them into this program and provide them services. After working with Fiscal Staff, and learning what it would cost to fund different portions of this caseload and wait list, I would like to recommend that we increase the ATAP budget to \$3.1 million over the biennium, utilizing funding from the tobacco settlement that was identified by Fiscal Staff. This would fund 50 percent of the wait list caseload and directly improve the lives of the children.

SENATOR KIECKHEFER MOVED TO APPROVE BUDGET ACCOUNTS 101-3151, 262-3156, 101-3266, 101-3276 AND 262-3140 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE ON HUMAN SERVICES WITH ADDITIONAL FUNDING OF \$3.1 MILLION FOR THE ATAP PROGRAM IN B/A 101-3266 TRANSFERRED FROM B/A 262-3140 IN THE 2013-2015 BIENNIUM; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

Mark Krmpotic (Senate Fiscal Analyst):

Would Ms. Crockett state the budget account that would be affected?

Ms. Crockett:

That would be in B/A 101-3266 and the amount referenced by Senator Kieckhefer would reduce the wait and referral lists by 50 percent. This

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would require three new positions within that account to support the wait list increase and would be included in the \$3.1 million.

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

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

BUDGET CLOSED.

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Mark Winebarger (Program Analyst):

The Joint Subcommittee on Human Services has completed its review of the Division of Mental Health and Developmental Services budget for the 2013-2015 biennium ([Exhibit I](#)). The closing recommendations of the Subcommittee resulted in an increase in General Funds of \$2 million in FY 2013-2014 and \$1.4 million in FY 2014-2015.

The Subcommittee approved the reorganization of the Division of Mental Health and Developmental Services (MHDS) by combining the Southern Nevada Adult Mental Health Services (SNAMHS), Northern Nevada Adult Mental Health Services (NNAMHS), Rural Clinics, Lake's Crossing Center, Substance Abuse Prevention and Treatment Agency (SAPTA), Alcohol Tax Program, Mental Health Administration and Mental Health Information System accounts with most of the NSHD accounts to form a new division, the Division of Public and Behavioral Health, as recommended by the Governor. Additionally, the Subcommittee approved the transfer of the Family Preservation Program, Desert Regional Center, Sierra Regional Center and Rural Regional Center accounts to the ADSD. The EIS account was transferred from the NSHD to ADSD, as well.

Due to the Governor's recommendation to expand Medicaid eligibility to individuals who earn up to 138 percent of the federal poverty level, the Agency projects increases of \$24.3 million over the biennium in Medicaid reimbursements with equivalent General Fund decreases. The Federal Medical

Assistance Percentage (FMAP) for the newly enrolled population is 100 percent Medicaid eligible for both FY 2013-2014 and FY 2014-2015, so the State will not contribute for the newly eligible Medicaid participants. The Agency also projects \$2.5 million in General Fund savings over the biennium by enrolling individuals who have been Medicaid eligible in the past but have not enrolled. These General Fund savings occur in the mental health budget accounts only.

In the Mental Health Administration account, B/A 101-3168, as part of the overall reorganization of the MHDS, the ADSD and the Health Division, the Subcommittee approved the recommended transfer of a deputy administrator, an administrative services officer IV, an administrative services officer III, a management analyst I and a 0.51 FTE personnel technician II to the ADSD Administration account, B/A 101-3151. These position transfers result in a dollar transfer of \$473,348 in General Fund appropriations, \$372,356 in cost allocation revenues and \$59,221 in SAPT Block Grant revenues to the ADSD.

HHS-DPBH - Administration — Budget Page DHHS-BEHAVIORAL HLTH-51
(Volume II)
Budget Account 101-3168

The Subcommittee approved the Governor's recommendation for a new management analyst IV position that would lead the new division-wide grants management team and a new accountant technician II position that would be added to the central pool of accounting staff. These two positions increase General Fund appropriations by \$221,730 over the biennium.

The Subcommittee approved the Governor's recommendation to reduce Community Mental Health Services block grant expenditures totaling \$110,603 over the biennium to fund a new biostatistician II position to collect, evaluate, interpret and report on mental health data and programs.

In the Mental Health Information System account, B/A 101-3164, to centralize responsibility and authority over the Division's information technology operations in an effort to standardize IT processes across the mental health accounts, the Subcommittee approved the Governor's recommendation to transfer 16 IT staff members, 14.04 FTE from the Rural Clinics, NNAMHS and SNAMHS accounts to B/A 101-3164. These transfers include \$2.1 million of

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General Fund appropriations from the other mental health agencies' budget accounts to B/A 101-3164 over the biennium.

HHS-DPBH - Mental Health Information System — Budget Page DHHS-
BEHAVIORAL HLTH-42 (Volume II)
Budget Account 101-3164

In the Southern Nevada Adult Mental Health Services account, B/A 101-3161, the Subcommittee approved Budget Amendment No. A13A0085 which adds \$3.1 million in General Fund appropriations over the biennium to provide supported living arrangements (SLA) and clinical services for individuals reentering the community from jails, prisons and forensic hospitals. The Agency indicates this funding will provide 60 beds annually for individuals with mental illness and 50 beds for individuals with mental illness and co-occurring substance abuse issues with an average length of stay of 90 days.

HHS-DPBH - So NV Adult Mental Health Services — Budget Page DHHS-
BEHAVIORAL HLTH-11 (Volume II)
Budget Account 101-3161

The Subcommittee approved the Governor's recommendation to close the SNAMHS Las Vegas Downtown outpatient clinic and the transfer of these services to the SNAMHS campus on West Charleston Boulevard. The Subcommittee requested that the Downtown Clinic remain open through December to help clients transition to the SNAMHS campus, or a different clinic of their choosing. The cost savings from closing the Downtown Clinic will allow SNAMHS to divert individuals from local hospital emergency rooms and provide quicker access to inpatient and outpatient psychiatric services by collocating medical clearance and a 24-hour urgent care center. By closing the Downtown Clinic, the Agency will save \$721,174 over the biennium in operating expenditures, with savings used to offset a portion of the \$1 million recommended for two senior psychiatrists and two accounting assistants to help with increased caseload and operating hours for the urgent care center. In order to operate the proposed 24-hour urgent care center, the Subcommittee also approved General Fund appropriations of \$600,000 over the biennium to enable the SNAMHS to obtain additional contract psychiatric services. First adding services on weekends, then evening hours, the Agency expects to be operating 24 hours per day by March 2015.

The Subcommittee approved \$825,106 in grant funds from the U.S. Department of Housing and Urban Development for a program to assist homeless individuals suffering with substance dependence and serious mental illness. The grant will provide housing and treatment for 38 clients.

The Subcommittee also approved \$141,372 in General Funds over the biennium as recommended by the Governor for an additional first-year psychiatric resident from the University of Nevada School of Medicine residency program and \$1.1 million for pharmaceutical costs due to inflation.

In the Northern Nevada Adult Mental Health Services account, B/A 101-3162, the Subcommittee approved Budget Amendment No. A13A0083, which adds \$984,000 in General Fund appropriations over the biennium to provide supported living housing for individuals reentering the community from jails, prisons and forensic hospitals. The Agency indicates this amendment will provide 40 beds annually for individuals with mental illness.

HHS-DPBH - No NV Adult Mental Health Svcs — Budget Page DHHS-
BEHAVIORAL HLTH-27 (Volume II)
Budget Account 101-3162

The Subcommittee approved the Governor's recommendation for the NNAMHS to place five youths, returning from out-of-state, as adults in a community setting. The Subcommittee approved General Funds of \$1.4 million over the biennium to provide necessary mental health treatment and 24-hour-per-day supervision to maintain a safe environment.

To fund the Medication Clinic, Mental Health Court and the SLA caseload growth, the Subcommittee approved additional funding totaling \$769,492 over the biennium, of which \$737,660 are General Funds.

The Subcommittee approved General Fund appropriations of \$136,674 over the biennium as recommended by the Governor to fund contracts with a psychiatric nurse and an administrative assistant on a part-time basis to provide after-hours medical clearance to support the Psychiatric Assessment Services/Psychiatric Observation Unit and in-patient units as needed at the Dini Townsend Hospital to help reduce inappropriate use of local hospital emergency rooms. These

contracts will allow the NNAMHS to extend weekday medical clearance services from 3:00 p.m. to 7:00 p.m.

In the Rural Clinics account, B/A 101-3648, to assist with the Prescription Assistance Program (PAP), which provides free medications to low-income and indigent individuals used to treat mental health symptoms and to help continue into community transition, the Subcommittee approved the Governor's recommendation for a General Fund appropriation of \$179,770 over the biennium for a new management analyst II and an administrative assistant II position. According to the Agency, this program is projected to save the State approximately \$500,000 per year in pharmaceutical costs.

HHS-DPBH - Rural Clinics — Budget Page DHHS-BEHAVIORAL HLTH-75
(Volume II)

Budget Account 101-3648

The Subcommittee also approved General Fund appropriations of \$30,000 over the biennium as recommended by the Governor for the purchase of ten EKG machines to be placed at the Rural Clinics sites. Rural Clinics Administration indicated its Community Health Nursing staff could perform these diagnostics, which are necessary to prescribe "Black Label" drugs to clients to help ensure no adverse effects jeopardize the medical health of mental health clients.

In the Facility for the Mental Offender, B/A 101-3645, the Subcommittee approved \$509,616 in General Funds over the biennium to fund overtime, holiday, and shift differential pay. As a 24-hour-per-day, 7-day-per-week facility, these costs are necessary to fully staff the Lake's Crossing Center to help ensure the safety of all staff and patients.

HHS-DPBH - Facility for the Mental Offender — Budget Page DHHS-
BEHAVIORAL HLTH-69 (Volume II)

Budget Account 101-3645

In the Substance Abuse Prevention and Treatment Agency, B/A 101-3170, to address the 2012 LCB Audit Division findings, SAPTA has revised and developed new grant oversight and monitoring procedures and subgrant agreements. To implement the new and revised procedures, the Subcommittee

approved General Fund appropriations of \$121,681 over the biennium for a new management analyst III position and the reduction of block grant expenditures of \$109,219 to fund a quality assurance specialist II position. The quality assurance specialist II position will also assist with the Medicaid expansion and help validate payments to treatment providers.

HHS-DPBH - Substance Abuse Prev & Treatment Agcy — Budget Page DHHS-BEHAVIORAL HLTH-59 (Volume II)
Budget Account 101-3170

The Subcommittee approved the reduction of SAPT block grant revenues and expenditures paid to treatment providers, totaling \$401,610 over the biennium, by eliminating the Agency's responsibility to certify those treatment providers receiving block grant funds. Currently, certification of detoxification technicians and facilities is provided by SAPTA and the NSHD provides licensure of those facilities. Senate Bill 501, which is required to implement the budget recommendation, proposes to change the licensure and certification requirements for facilities that provide treatment for alcohol or drug abuse by transferring the responsibility of certifying detoxification technicians and facilities to the NSHD and eventually to the Nevada State Board of Examiners for alcohol, drug and gambling counselors.

SENATE BILL 501 (1st Reprint): Makes various changes concerning substance abuse prevention and treatment. (BDR 40-1141)

In the Family Preservation Program account, B/A 101-3166, the Subcommittee approved total funding of \$5.6 million, of which \$3.2 million is from the General Fund, to provide monthly cash assistance to low-income families who care for relatives in their homes who have profound or severe mental disabilities or have children under 6 years of age who have developmental delays. Based on revised caseload projections, the Subcommittee approved an increase in the General Fund appropriation of \$18,326 for FY 2013-2014 to help avoid a potential wait list and serve 668 families by the end of FY 2014-2015.

HHS-ADSD - Family Preservation Program — Budget Page DHHS-ADSD-73
(Volume II)
Budget Account 101-3166

In the Rural Regional Center account, B/A 101-3167, to fund expected caseload growth for the SLA and Jobs and Day Training (JDT) services, the Subcommittee approved \$1.9 million, of which \$1 million is from the General Fund, over the biennium, bringing total biennial funding for the SLA to \$18.7 million and \$5.2 million for the JDT. The Subcommittee also approved Budget Amendment No. A1360023167, which reduced the General Fund appropriation and increased Medicaid revenues by \$7,095 in FY 2014-2015 due to an increased FMAP rate.

HHS-ADSD - Rural Regional Center — Budget Page DHHS-ADSD-75 (Volume II)
Budget Account 101-3167

In the Desert Regional Center account, B/A 101-3279, based on expected caseload growth, the Subcommittee approved \$5.1 million, of which \$3.7 million is from the General Fund, over the biennium for 41 new positions. Twenty of these positions are developmental specialist III positions who serve as service coordinators. Currently, service coordinators have an average caseload of 50 clients. Approval of these positions will reduce the service coordinators' average client caseload to approximately 46, slightly higher than the recommended standard caseload of 45 clients.

HHS-ADSD - Desert Regional Center — Budget Page DHHS-ADSD-83
(Volume II)
Budget Account 101-3279

Due to an increase in the number of individuals with a dual diagnosis of mental illness and a developmental disability who require a staffing ratio of 1:2 at the 48-bed intermediate care facility for the intellectually disabled, the Subcommittee approved \$901,621 over the 2013-2015 biennium, of which \$354,142 is from the General Fund, for 10 additional developmental support technician III positions and a mental health counselor II position.

Based on projected caseload growth, the Subcommittee approved \$9.8 million, of which \$4.8 million is from the General Fund, for SLA, \$310,057 in General Fund appropriation for family support and respite and \$7.7 million, of which \$4.4 million is from the General Fund, for JDT services over the 2013-2015 biennium.

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In the Sierra Regional Center account, B/A 101-3280, based on expected caseload growth, the Subcommittee approved \$317,003, of which \$192,188 is from the General Fund, over the biennium for four new developmental specialist III positions, equaling 3.51 FTE. Approval of these positions will reduce the service coordinators' average client caseload to approximately 44 at the Sierra Regional Center.

HHS-ADSD - Sierra Regional Center — Budget Page DHHS-ADSD-94 (Volume II)
Budget Account 101-3280

Based on projected caseload growth, the Subcommittee approved \$1.8 million, of which \$874,344 is from the General Fund, for SLA, \$19,739 in General Funds for family support and respite, and \$439,221, of which \$272,820 is from the General Fund, for JDT services over the biennium.

The Subcommittee recommended closing the SAPTA Alcohol Tax account, B/A 101-3255, as recommended by the Governor.

HHS-DPBH - Alcohol Tax Program — Budget Page DHHS-BEHAVIORAL
HLTH-68 (Volume II)
Budget Account 101-3255

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE FOLLOWING
BUDGET ACCOUNTS: 101-3168, 101-3164, 101-3161, 101-3162,
101-3648, 101-3645, 101-3170, 101-3166, 101-3167, 101-3279,
101-3280 AND 101-3255 AS RECOMMENDED BY THE JOINT
SUBCOMMITTEE ON HUMAN SERVICES.

SENATOR WOODHOUSE SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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We have an addendum to the budgets that consist of four budget amendments submitted by the Governor. On May 9, the Fiscal Staff received Budget Amendment Nos. A13A0118, A13A0122, A13A0123 and A13A0121 from the Budget Office relating to mental health services funded with tobacco settlement funds totaling \$3.11 million in FY 2013-2014 and \$3.37 million in FY 2014-2015. These Budget Amendments were received after the Subcommittee finished its work. Therefore, these Budget Amendments have not been reviewed by the Joint Subcommittee on Human Services.

Chair Smith:

Since the Subcommittees have already met and we have not had any discussion on the amendments, I would suggest to the Committees that we hold these and see if we can have someone from the Department here tomorrow to have a discussion with the Committees.

Assemblywoman Flores:

Do any of the four amendments include General Fund appropriations?

Mr. Winebarger:

These are all tobacco settlement funds.

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Chair Smith:

If there is no further business before the Committees, I will adjourn the meeting at 12:13 p.m.

RESPECTFULLY SUBMITTED:

Annette Teixeira,
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	8		Attendance Roster
	C	51	Legislative Counsel Bureau Fiscal Analysis Division	Closing List #1 May 14, 2013
	D	41	Legislative Counsel Bureau Fiscal Analysis Division	Closing List #4 May 17, 2013
	E	150	Legislative Counsel Bureau Fiscal Analysis Division	Joint Subcommittee on General Government Closing Report for Department of Administration
	F	12	Legislative Counsel Bureau Fiscal Analysis Division	Joint Subcommittee on General Government Closing Report for Department of Taxation
	G	36	Legislative Counsel Bureau Fiscal Analysis Division	Joint Subcommittee on Human Services Closing Report for Department of Health and Human Services Director's Office
	H	35	Legislative Counsel Bureau Fiscal Analysis Division	Joint Subcommittee on Human Services Closing Report for Aging and Disability Services Division
	I	83	Legislative Counsel Bureau Fiscal Analysis Division	Joint Subcommittee on Human Services Closing Report for Department of Health and Human Services Division of Mental Health and Developmental Services