

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-Seventh Session
March 18, 2013**

The Senate Committee on Finance was called to order by Chair Debbie Smith at 8:09 a.m. on Monday, March 18, 2013, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was video conferenced 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.

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

COMMITTEE MEMBERS ABSENT:

Senator Michael Roberson (Excused)

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Sarah Coffman, Program Analyst
Thomas Hutton-Potts, Committee Secretary

OTHERS PRESENT

Brett Kandt, Executive Director, Advisory Council for Prosecuting Attorneys,
Attorney General's Office
Deborah L. Reed, Deputy Director, Support Services, Nevada Department of
Corrections
Robert E. Roshak, Executive Director, Nevada Sheriffs' and Chiefs' Association
Vic Redding, Vice Chancellor for Finance and Administration, Nevada System of
Higher Education

Ronald Zurek, M.B.A., Vice President, Administration and Finance, Public Service Division, Nevada System of Higher Education

Brian Reeder, Nevada Chapter of the Associated General Contractors of America, Inc.

Paul McKenzie, Northern Nevada Construction and Building Trades Council

Danny Thompson, Nevada State AFL-CIO

Sheryl Foster, Deputy Director, Programs, South, Nevada Department of Corrections

Major Kim Madris, Deputy Chief South, Division of Parole and Probation, Department of Public Safety

Rick Gimlin, Chief of Administrative Services, Division of Parole and Probation, Department of Public Safety

Bernie Curtis, Chief, Division of Parole and Probation, Department of Public Safety

Steve Yeager, Office of the Clark County Public Defender

Chair Smith:

We will open the hearing on Senate Bill (S.B.) 26.

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

Brett Kandt (Executive Director, Advisory Council for Prosecuting Attorneys, Attorney General's Office):

This bill provides for the government's oversight of a statewide automated victim notification system known as the Victim Information and Notification Everyday (VINE). Victims are afforded certain rights under Article 1, Section 8, of the *Constitution of the State of Nevada* and by statute. Many of these rights involve keeping victims notified of their cases including the custody status of the offenders.

The Nevada VINE assists law enforcement agencies with fulfilling these victim notification requirements. The Washoe County and Clark County detention centers have been using the Nevada VINE for victim notification for over a decade.

In 2009, the Office of the Attorney General (AG) received a grant from the U.S. Department of Justice, the Bureau of Justice Assistance (BJA), to implement the Nevada VINE so that all victims, statewide, could have the same access to timely custody status information. The VINE is an automated victim notification system that is now available in 47 states. The VINE service allows victims to go to <www.vinelink.com>, or to call (888) 2NV-VINE, to register a phone number or an email address to receive updates on a specific offender's custody status.

When a jail, a corrections facility or a law enforcement agency enters a change in their records management system, that change is sent to the VINE and the notification process begins. If the victim registers an email address, they will receive an email detailing the change. If the victim registers a phone number, then calls begin and continue every 2 hours until a personal identification number is keyed in indicating the victim has received the information. Live operator assistance is available 24 hours a day, 365 days per year.

We are nearing the completion of the implementation phase of this project. To date, we have successfully implemented the VINE in the Nevada Department of Corrections (NDOC) and every local jail, with the exception of the Henderson Detention Center and the City of Las Vegas detention enforcement. The Division of Parole and Probation (P&P) and the State Board of Parole Commissioners are also in the implementation process. We anticipate the entire project to be completed by June 30.

In 2012, the Nevada VINE system sent out over 5,000 email and over 180,000 phone call notifications. Over 150,000 calls were made into the VINE service and nearly 30,000 of those calls were assisted by a live operator.

The goal of the VINE system is to streamline the registration and notification process for victims and to allow victims to receive timely and accurate information on custody status changes.

Under S.B. 26, the Nevada VINE will be permanently overseen by a subcommittee of the Nevada Council for the Prevention of Domestic Violence. It was established pursuant to *Nevada Revised Statutes* (NRS) 228.480 to provide for the permanent oversight and governance of the Nevada VINE system to ensure effective victim notification and promote victim safety.

Chair Smith:

We are primarily interested in the fiscal note on this bill. Will a representative from the NDOC come forward to testify?

Mr. Kandt:

I need to frame this properly in reference to the fiscal side of this and put it into the proper perspective regarding the intent of this bill. Page 2, line 15 of S.B. 26 states, "To the extent of available funding." This has never been intended to serve as an unfunded mandate upon the participating agencies, but that they would participate to the extent of their available funding.

We have sent an agreement with the vendor of the system asking that they bill the AG for the entire statewide system. We have since entered into local contracts with each of the participating agencies for them to pay the AG for their share of the system usage. As a result, we have been able to achieve substantial cost savings. Under that agreement, the annual cost to the State for the entire system is \$188,850. If each of those agencies individually contracted with the vendor, and was billed for the system, the cost would have been \$377,700.

Chair Smith:

You indicate that the VINE system will be up and running by July, but the bill becomes effective in July. How do you explain this?

Mr. Kandt:

We already have the statewide system in place. Not all of the agencies within the State are on board yet. We have had a 2 year implementation process while we have been bringing in agencies to participate. The whole purpose of the bill is to give the system a permanent home and a governing body to oversee the process. That is why we propose to have this overseen by the Council for the Prevention of Domestic Violence at the AG.

Deborah L. Reed (Deputy Director, Support Services, Nevada Department of Corrections):

The NDOC is in support of this bill. We joined the VINE system on February 16, 2012. This system has allowed our victims services' unit to expand the types of notifications they send to victims of crimes, as well as to provide another resource to victims.

Since February, 28 individuals have registered with the VINE and they are tracking the inmates that brought them harm. We have received 99 phone notifications and 109 email notifications. There have also been over 10,000 Website searches.

Funding was originally obtained through a grant from the BJA. We received this cost breakdown for each county as shown in our fiscal note as it relates to the cost that would be associated if the NDOC used the VINE system.

Chair Smith:

Are you prepared to absorb the cost of \$72,000 as shown in the fiscal note?

Ms. Reed

It is not in our Base Budget right now. The AG indicates the cost is going to go down. If we must absorb it, we will, as it is a valuable service that Nevada provides to victims of crime.

Senator Denis:

Is the VINE a cloud-based database?

Mr. Kandt:

I do not believe that it is cloud-based. I can get you more information regarding the system.

Senator Denis:

I want to clarify how it works. The victim can go online and access the data. What about the input of the data into the system? Is that done locally? Does someone have to upload periodically or is it done automatically? Do you have to go to a Web interface to get to the database to input data?

Mr. Kandt:

I believe that each agency is provided with the software and link necessary to upload the data to the main system back in Kentucky concerning a change for one of their offender's custody status.

Senator Denis:

Then the vendor goes online, adds the information and the victims can log on to a Website and get their information.

Mr. Kandt:
Correct.

Senator Denis:
Are we paying an annual fee for access to the database?

Mr. Kandt:
The fee is for the technology vendor to provide us the service, technical support and to maintain and update our data in real time.

Senator Denis:
Is this an annual expense, rather than a one-time cost?

Mr. Kandt:
Yes, it is an annual cost.

Chair Smith:
Is this just a different way to house the system?

Mr. Kandt:
Yes, we formed a governance committee of many of the stakeholders when we first obtained the federal grant to implement a statewide system. That governance committee is not statutorily based; it is an ad-hoc committee we created within the AG. In moving forward, we felt it appropriate to give this statewide system some sort of permanent formal oversight committee to ensure long-term sustainability.

I will forward you the "Victims Have the Right to Know" brochure ([Exhibit C](#)) that contains all the information provided to victims to inform them of the system and how they can utilize it and sign up for it.

Senator Goicoechea:
The fiscal note indicates that the NDOC believes the AG has \$35,000 a year to fund that system through the grant. Is this correct?

Mr. Kandt:
We obtained a large federal grant to originally implement the system, to help all of the participating agencies install it and implement it within their facilities and to bring them all together into a true statewide system. We are still using some

of that grant money, but, at some point in time, these agencies will have to find an alternative source of funding and may have to fund it out of their budgets. Once again, this is not an unfunded mandate as it is to the extent of their available funding, otherwise they would not be a part of the system.

Senator Goicoechea:

My concern is that I can see agencies getting part way into the program, then determining that they cannot afford it, and backing out.

Mr. Kandt:

The AG is still actively seeking additional sources of grant funding to assist agencies with maintaining the ability to participate in the system and ensuring that the VINE is maintained as a true statewide system that covers all jails and correctional facilities. Several other State agencies also submitted fiscal notes indicating no fiscal impact because the duty of victim notification is already imposed upon them by the *Constitution of the State of Nevada* and other various statutory provisions. They already must provide these victim notifications.

The VINE system allows them to provide these services in a much more effective, cost-effective and efficient manner. The agencies see that although they have to pay for the VINE services, they achieve some cost savings through the use of this technology.

Ms. Reed:

We agree, but I am bound to notify the Legislature when there is a fiscal impact of any bill presented, and the VINE project is not in my budget.

Senator Goicoechea:

As participation in the program mandates that you are bound to notify Mr. Kandt if the VINE is not in place, how are you going to notify him?

Ms. Reed:

I will have to get very creative with accounting.

Senator Goicoechea:

Maybe it would be better if you were to get creative with the VINE.

Senator Parks:

I accessed the Website showing that approximately 40 states are contracted with the VINE. In Nevada, it shows that the NDOC, Clark County and North Las Vegas are participating. Is this something that is already contractually in place? Are we simply discussing the subscription costs?

Mr. Kandt:

Correct. It is already in place and this has been an ongoing implementation for the past 3 years to try to bring all our correctional facilities online. We are nearing the completion process in the sense that everyone will be in the system by June 30 and it will then be a true statewide system.

There are 47 states currently enrolled and participating in the VINE program, Nevada being the 47th state to sign on. This is why Nevada's Attorney General Catherine Cortez Masto determined this is a priority that we owed to our victims and why she made the commitment to obtain federal funding and move forward in implementing the system.

Robert E. Roshak (Executive Director, Nevada Sheriffs' and Chiefs' Association):

We are in support of S.B. 26 and we have been a member of the governance committee since it began. We had funding and do not consider it an unfunded mandate. We are going to work with the AG to establish funding or to keep the funding going.

Chair Smith:

We will open the hearing on S.B. 185.

SENATE BILL 185: Revises the limitation on the principal amount of bonds and other securities that may be issued by the Board of Regents of the University of Nevada to finance certain projects. (BDR S-914)

This bill, submitted by the Senate Committee on Finance, is required by the Nevada System of Higher Education (NSHE). The handout ([Exhibit D](#)) describes the pending projects that require this bonding to pass.

Vic Redding (Vice Chancellor for Finance and Administration, Nevada System of Higher Education):

As Chair Smith has stated, S.B. 185 represents the Board of Regents' request, on a biennium basis, for additional revenue bond capacity. For this biennium, we

are requesting approximately \$79.5 million for the University of Nevada, Reno (UNR). These are revenue bonds of the system and would be serviced with non-State-supported operating budget money rather than General Fund money. The funds would be derived from dormitory and student fees.

The list of the projects that make up this bonding request are in [Exhibit D](#). We have a representative here from UNR to answer any specific questions regarding these projects.

Chair Smith:

Is the Manzanita Residence Hall seismic retrofit an ongoing project, or is it new? I am concerned about using bond money on a project that seems to be maintenance or a smaller project.

Ronald Zurek, M.B.A. (Vice President, Administration and Finance, Public Service Division, Nevada System of Higher Education):

The Manzanita Residence Hall seismic retrofit has been on our projects list for some time now. We are not actively involved in this project at this time; however, we are seeking to plan and fund it later in this biennium. This is one of the projects that would be paid for from student fees or board and room fees.

Senator Kieckhefer:

Is the capacity to secure these bonds generated by the additional student revenues from the sale of the Fire Science Academy?

Mr. Zurek:

As a result of the sale of the Fire Science Academy, we have more capacity to use on this type of project as opposed to supporting the Academy.

Senator Kieckhefer:

Is the reason that the University of Nevada, Las Vegas (UNLV) is not requesting additional funding due to a lack of need or is it a lack of capacity?

Mr. Redding:

This is the third step in the process. During the interim, the three universities will anticipate a need and the funds they have to fulfill that need. The UNR was the only institution that came to the Board of Regents in August 2012 which met both of those criteria. The UNLV has existing capacity from prior Sessions,

that they are currently working on, so there is no new request from them for additional capacity.

Senator Goicoechea:

Is the \$6 per credit fee that was originally dedicated to the Fire Science Academy now being rolled back over to pay bonds?

Mr. Zurek:

That is correct.

Senator Goicoechea:

We have bonding capacity of \$57 million and clearly the need far exceeds the bonding you are requesting.

Mr. Zurek:

The bonding authorization of \$57 million is not necessarily our existing capacity.

Senator Goicoechea:

Do you have the capacity, especially in light of the student fees?

Mr. Zurek:

We have a great deal more bonding capacity to accomplish all of the projects on the list shown in [Exhibit D](#). This will also require some donor participation which we are also working on during the biennium.

Brian Reeder (Nevada Chapter of the Associated General Contractors of America, Inc.):

We are in support of S.B. 185 as it will assist the UNR in meeting its infrastructure needs and generate jobs at the same time.

Paul McKenzie (Northern Nevada Construction and Building Trades Council):

It may appear strange that I am not here in support of legislation that would create construction jobs in northern Nevada. We do not disagree with the need to do work at the UNR. We have some questions regarding the procedures they have been utilizing to do work at the UNR in recent months.

The UNR just put a student housing project out for bid. In approving the project, the Regents stated they would use a licensed Nevada general contractor. When the bid documents were sent out to individuals by invitation only, an unlicensed

Texas contractor was soliciting those bids. When we approached the UNR regarding the suspended license, they stated that it was not an issue, as they were sure the Texas contractor would have its license renewed before beginning work on the project. This does not comply with the way that I interpret the statute on licensed contractors in Nevada.

The UNR also solicited a concessions contract for a remodel at Mackay Stadium. The UNR solicited vendors to provide services within the stadium. Under the contract, the vendor was supposed to agree to remodel the stadium and then be repaid from the contract through the concessions they designed for the stadium. While this is a unique method to get work done, Nevada statute does not allow them to do that. When we asked about that, they could not point to the statute they were using. They have solicited the vendor qualifications and have selected a vendor to proceed with that project.

We support construction at the UNR. The UNR has many buildings that need to be retrofitted. Some of those buildings are old and were not built to comply with the current seismic standards; however, we are questioning some of the procedures they are using to enter into these contracts. They need to start following the law in awarding these contracts before the Legislature gives them more money.

Danny Thompson (Nevada State AFL-CIO):

Nevada is not at the top of the national unemployment list today; we are No. 2. This Legislature has done a lot to create Nevada jobs. But it is not enough just to create jobs, they must be Nevada jobs.

We find the incidents that Mr. McKenzie referred to disturbing, and as much as we would like to support this increase in the UNR's bonding capacity, until those questions are answered, we cannot.

Chair Smith:

We will have our Fiscal Staff follow up with the officials from UNR and get these questions sorted out.

I am closing the hearing on S.B. 185 and opening the hearing on S.B. 200.

SENATE BILL 200: Revises provisions relating to the pilot diversion program for certain probation violators. (BDR S-744)

Senator David R. Parks (Senatorial District No. 7):

Today, I appear before you with S.B. 200 which seeks to extend the sunset date and expand the pilot diversionary program that was passed pursuant to A.B. No. 93 of the 76th Session. This is a program for offenders who have alcohol, drug dependence or mental illness. Existing law provides that a person who violates the conditions of his or her probation must be brought before a court to determine the actions to be taken. This may include the sentence imposed to be executed, meaning prison time, at a substantial cost to taxpayers. It also authorizes the establishment of programs of treatment for alcohol and drug abuse by the district courts for the treatment of certain offenders. A person who elects to participate in such a treatment program may have his or her sentence set aside upon the successful completion of the treatment program.

Assembly Bill No. 93 of the 76th Session required the NDOC to establish a pilot diversionary program within their facilities to provide treatment to certain probation violators. If a court has reasonable cause to believe that the probation violators are alcoholics or drug addicts or are in need of treatment for mental illness, the probation violators are ordered to the custody of the NDOC to receive such treatments. In the last Session, we established a limit of 50 participants. The legislation in S.B. 200 seeks to increase that number to a cap of 100, as well as to extend the program for an additional 2 years. The current program expires on June 30, 2015.

Representatives from the NDOC will provide details and explain the advantages of such a program. This issue came up before the Advisory Commission of the Administration of Justice and it was one of the recommendations from the work of that Commission. Since that Commission is not allocated any bill draft requests, I was solicited to submit this recommendation in the form of this proposed Legislation.

Sheryl Foster (Deputy Director, Programs, South, Nevada Department of Corrections):

The Department agrees with the type of diversion program being proposed and which has been utilized since 2011. However, the fiscal note was provided with the anticipation that if the program were fully utilized, it would cause a fiscal impact on the NDOC. Since the program has been implemented with the 50-bed maximum, it has never been full. In fact, it has been underutilized and we have about 1.5 offenders per month utilizing this program. Up to this point, there has

been no fiscal impact to the Department as we have been able to absorb the costs associated with the program.

We have the bed space available for 80 to 100 offenders at our Casa Grande Transitional Center. With the inmate-driven costs determined in the Executive Budget, there will be a fiscal impact if the program is fully utilized, as reflected in the fiscal note.

Senator Kieckhefer:

Under the current law, you could have up to 50 offenders at any one time but you are averaging 1.5 offenders, is that correct?

Ms. Foster:

We have been averaging 1.5 offenders per month.

Senator Kieckhefer:

The program was created to accommodate up to 50 offenders. Is the reason for the small average numbers a fiscal situation, or is it that judges are not utilizing the program? Is this created by a decision of the NDOC or the Judiciary Branch?

Ms. Foster:

It is the decision of the Judiciary. We accept whoever is sent to us from them.

Senator Kieckhefer:

Judges are not sending nearly the program's expected volume.

Ms. Foster:

Apparently the program has been underutilized.

Senator Kieckhefer:

In 2011, did we appropriate any funds for this program?

Ms. Foster:

There was no funding for this program.

Senator Kieckhefer:

Does 100 potential individuals seem to you like too many? Doubling the number seems like a significant increase.

Ms. Foster:

It would have a significant impact on both staffing and the costs associated with the daily inmate-driven costs.

Senator Kieckhefer:

What is the capacity at the Casa Grande Transitional Center?

Ms. Foster:

I do not have that exact number. I believe it is about 400 inmates.

Senator Kieckhefer:

Do you have any of the program's success rate numbers available?

Ms. Foster:

The Department of Public Safety could better answer those questions relating to program success rates.

Major Kim Madris (Deputy Chief (South), Division of Parole and Probation, Department of Public Safety):

Since its inception in January 2010, we have had a total of 66 participants. Of those participants, 37 have graduated successfully, 16 have been revoked and 4 have received dishonorable discharges. There are only 9 active participants in the program currently.

One of the reasons for the low participation is that the program is an unfunded mandate for the P&P. The one officer we assigned to the program is being removed from a regular caseload. When the Honorable Jackie Glass out of the Eighth Judicial District Court was running it, we normally had about 30 participants in the program. Since her departure, the Honorable Linda Bell has taken over the program. She is very enthusiastic about it and we feel the numbers will be increasing. Due to the condition of the P&P, we are only able to provide one officer at this time.

Chair Smith:

This is a dual reason, part of it from the judicial side, but part of it is on the P&P side.

Rick Gimlin (Chief of Administrative Services, Division of Parole and Probation, Department of Public Safety):

If the program were to be fully utilized at 100 participants on a monthly basis, the Division would need to add three officers, because these individuals are supervised at an intensive supervision ratio of 30 participants to one officer. From an unsolicited fiscal note, the cost would be approximately \$600,000 for the biennium if the program were at full participation.

Senator Kieckhefer:

Would the cost be approximately \$600,000 over the biennium?

Mr. Gimlin:

That is correct.

Senator Parks:

This is a proven program. It is typically a 1-year high-intensity supervision program that emphasizes the problems experienced by a probationer. This has the opportunity of keeping an individual from getting another sentence from a district court judge and returning to prison. This is an alternative to returning to prison and certainly one of those programs that can save money for the NDOC.

I have great hopes that Judge Linda Bell and the Eighth Judicial District Court will take up the program as Judge Jackie Glass pursued it, and that you will give this bill favorable consideration.

Chair Smith:

We have seen that the programs we fund on the front end, such as the Mental Health Court and Drug Court, spend less money in the long run. Yes, it can be difficult to find that money on the front end so we can save it on the back end.

Bernie Curtis (Chief, Division of Parole and Probation, Department of Public Safety):

We would like to expand this underutilized program. Working with the NDOC, we operated the program several years ago with no funding or authorization from the Legislature. This was a snap disciplinary tune-up for probationers that were going astray and I think it has worked where it has been utilized. It could be a very positive program for us.

Senator Goicoechea:

The program is underutilized and we want to extend it for a couple of years. Should we maintain it at a limit of 50 probationers and avoid the cost of that fiscal note?

Senator Parks:

If the 50-inmate limitation brought in 5 more people, the program would be prohibited from adding more violators. This was requested to create a little more space for additional participants that warrant being placed in the program.

Senator Goicoechea:

I was only trying to avoid that big piece of the fiscal note. I support the program.

Senator Kieckhefer:

We will still see a significant fiscal note. If the program is going to run for the next 2 years, and the judges are about to significantly expand the use of the program, will it require the placement of an additional officer?

Mr. Curtis:

We have utilized the program in the past, but if we got to 50 participants or more, there would be a significant fiscal impact for the Division. It would be quite significant as this program has a high-intensity caseload.

Senator Kieckhefer:

You have no funding for it in your Base Budget, and the Judiciary is already talking about utilizing it more extensively. Is there an enhancement unit in your budget to fund it?

Mr. Curtis:

Not at this time.

Steve Yeager (Office of the Clark County Public Defender):

I support S.B. 200. Anything we can do to potentially send lower-level probation violators to a program like this, rather than to prison, is going to be helpful.

Members of the Office of the Clark County Public Defender are not as aware of this program as they should be. Assuming that this goes forward, I would be

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happy to make sure that this is an option on the table that public defenders could argue for to get their clients into this program.

Chair Smith:

The meeting is adjourned at 9:02 a.m.

RESPECTFULLY SUBMITTED:

Thomas Hutton-Potts,
Committee Secretary

APPROVED BY:

Senator Debbie Smith, Chair

DATE: _____

<u>EXHIBITS</u>				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	3		Attendance Roster
S.B. 26	C	3	Brett Kandt Attorney General's Office	"Victims Have the Right to Know" Brochure
S.B. 185	D	1	Ronald Zurek Nevada System of Higher Education	Additional Bonding Authorization Request for 2013-2015