

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

**Seventy-Eighth Session
April 29, 2015**

The Committee on Ways and Means was called to order by Chair Paul Anderson at 8:06 a.m. on Wednesday, April 29, 2015, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/78th2015. In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Paul Anderson, Chair
Assemblyman John Hambrick, Vice Chair
Assemblyman Derek Armstrong
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Irene Bustamante Adams
Assemblywoman Maggie Carlton
Assemblywoman Jill Dickman
Assemblyman Chris Edwards
Assemblyman Pat Hickey
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Randy Kirner
Assemblyman James Oscarson
Assemblyman Michael C. Sprinkle
Assemblywoman Heidi Swank
Assemblywoman Robin L. Titus



STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Stephanie Day, Principal Deputy Fiscal Analyst
Joi Davis, Senior Program Analyst
Linda Blevins, Committee Secretary
Cynthia Wyett, Committee Assistant

Following the call of the roll, Chair Anderson opened the hearing for public comments. There being none, Chair Anderson opened the hearing for budget closing reports.

ELECTED OFFICIALS

ELECTED OFFICIALS

GOVERNOR'S OFFICE HIGH LEVEL NUCLEAR WASTE (101-1005)

BUDGET PAGE ELECTED-41

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of budget account (BA) 1005, Governor's Office High Level Nuclear Waste. There was one major closing issue for this budget account, the increased funding for the restart of the Yucca Mountain licensing proceedings in decision units Enhancement (E) 226 and E-225. The request was for a State General Fund appropriation of \$625,538 in each fiscal year (FY) of the 2015-2017 biennium, plus the base expenditure of \$110,000 each fiscal year, for total funding of \$735,538 each fiscal year.

Ms. Davis noted The Executive Budget recommended General Fund appropriations of \$12,500 in each fiscal year of the biennium for additional travel for out-of-state adjudicatory hearings for the licensing proceedings.

According to Ms. Davis, the restart effort for the Yucca Mountain licensing first began at the August 27, 2014, Interim Finance Committee (IFC) meeting when funding was approved for the Agency for Nuclear Projects and for the Office of the Attorney General. The U.S. Congress directed that the safety evaluation report (SER) and the supplemental environmental impact statement (SEIS) must be completed. The Agency was working with technical experts to review the SER in anticipation of the SEIS. The requested General Fund appropriation would be used to continue the efforts of the Agency for the anticipated licensing proceedings.

Fiscal Analysis Division staff noted that a distribution from IFC's Contingency Account was awarded to the Agency in August, and not all of those funds had been expended.

Assemblyman Edwards requested additional information regarding the number of staff and hours that were anticipated for this project.

Ms. Davis responded that she did not have all of the details, but there were numerous experts working with Agency staff. Five volumes of the SER had been reviewed. When the SEIS was released, the Agency would begin the review. The state was authorized 219 contentions for the petition for relicensing. Following review of the reports, the Agency would determine whether additional contentions would be needed.

In reply to Assemblyman Edwards, Ms. Davis explained that a contention was a claim. In addition, the Agency anticipated \$150,000 to \$225,000 in unexpended funds would be reverted to the General Fund in FY 2015.

There being no additional comments or questions, Chair Anderson requested a motion.

ASSEMBLYMAN HAMBRICK MOVED TO APPROVE GENERAL FUND APPROPRIATIONS OF \$625,538 IN EACH YEAR OF THE 2015-2017 BIENNIUM FOR TECHNICAL EXPERT CONTRACT COSTS AND \$12,500 IN EACH YEAR OF THE BIENNIUM FOR OUT-OF-STATE TRAVEL.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Benitez-Thompson and Oscarson were not present for the vote.)

Under the other closing items, Ms. Davis pointed out the replacement equipment in decision unit E-710 and cost allocation in E-804 appeared reasonable to Fiscal Analysis Division staff. Fiscal Analysis Division staff recommended the other closing items be approved as recommended in The Executive Budget, with authorization for Fiscal Analysis Division staff to make technical adjustments as needed.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED IN THE EXECUTIVE BUDGET AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYMAN ARMSTRONG SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Benitez-Thompson and Oscarson were not present for the vote.)

BUDGET CLOSED.

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ELECTED OFFICIALS
ELECTED OFFICIALS
AG - ADMINISTRATIVE FUND (101-1030)
BUDGET PAGE ELECTED-84

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of budget account (BA) 1030, Administrative Fund, for the Office of the Attorney General (OAG). Ms. Davis submitted [Exhibit C](#), "Closing List #10," for review. The first major closing issue was the office restructure in decision unit Enhancement (E) 226. The Executive Budget included the addition of 8 full-time-equivalent (FTE) positions and the elimination of 6.51 FTE positions. The position eliminations were designed to make the restructure more cost-neutral. Ms. Davis also noted that the new positions did not include travel or operating costs.

The restructure was based on recommendations in a 2007 report from the National Association of Attorneys General (NAAG). Because of the economic downturn, not all of the recommendations were carried out. Additionally, the Attorney General performed an internal audit in January 2015 to determine the best options. The NAAG reviewed the restructure plan in March 2015; however, a report was not yet available.

Ms. Davis pointed out that all of the positions recommended for elimination were vacant. The position eliminations in decision unit E-226 were as follows:

- Four deputy attorneys general positions.
- One half-time deputy attorney general position.
- One technological crimes director position.
- One criminal investigator position.

Ms. Davis directed attention to page 8 of [Exhibit C](#), noting that on the left side of the table, the new positions requested under decision unit E-226 were listed as shown in the Unclassified Pay Bill of 2013, while the right side of the column listed the positions as revised at the request of the OAG. She pointed out the differences in the salaries as shown in the far right column of the table.

Ms. Davis noted the Committee received detailed information regarding the restructure at the March 4, 2015, budget hearing; Fiscal Analysis Division staff summarized that information in the exhibit.

The general counsel position would advise the Attorney General on legislative affairs and constitutional and ethical obligations; supervise, coordinate, and review administrative rules, procedures, and policies of the OAG; and oversee its 400 employees. The position would also coordinate and review contracts and agreements on behalf of the OAG, including the approval and oversight of outside counsel contracts; investigate allegations of attorney misconduct; and handle all public records requests and open meeting law matters. Fiscal Analysis Division staff had inquired how these duties were currently managed. The OAG identified 14 positions currently involved in the performance of these functions. Ms. Davis stated that the OAG responded that those positions would be better able to focus on their assigned tasks if the general counsel position was approved.

Ms. Davis described four new bureau chief positions that would manage the following respective offices:

1. Bureau of Government Affairs.
2. Bureau of Business and Industry.
3. Bureau of Litigation.
4. Bureau of Criminal Justice.

There were at least three divisions under each bureau. Approval of these positions would create top-level management for those bureaus and their divisions, creating a 4:1 reporting ratio, replacing the existing 14:1 ratio.

Ms. Davis described the proposed deputy solicitor general position as working with the existing solicitor general position to alleviate some of the caseload of the solicitor general position by handling the appellate briefs. The OAG indicated that approximately 338 appellate briefs had been filed in the past three years, and the one solicitor general position could not do the reviews while performing other duties. It was proposed that the new position would also review requests for the OAG to participate in amicus briefs and sign-on requests from other states. The deputy solicitor general position would assist with civil appeals and assist the Attorney General regarding federal overreach cases.

Fiscal Analysis Division staff had inquired why this position was needed, because there was an appellate division consisting of ten positions, including the solicitor general and four senior deputy attorneys general, three deputy

attorneys general, and two legal researchers. The OAG responded that the Appellate Division worked primarily on habeas corpus and inmate appeals rather than the state appellate cases.

The last two positions for the restructure were two special assistant attorney general positions to oversee the two new offices that would be established within the OAG. One of the offices would be the Office of Military Legal Assistance. Ms. Davis recalled the justification for that office was to help meet the unmet civil legal needs of military personnel. An advisory committee had been established to help local attorneys provide pro bono legal work for veterans and military personnel.

The second position was the Office of Neighborhood Protection. Ms. Davis explained this office would work with local governments and local communities to help improve crime-fighting measures and provide safer neighborhoods.

The last item related to salary modifications. Any salary modifications would be determined when the Unclassified Pay Bill was considered. Ms. Davis said that the salary modifications would not be approved in the hearing today, but the Committee should determine whether the positions should be approved.

Assemblywoman Kirkpatrick inquired about the Office of Neighborhood Protection and what role it would play. She was not aware of this operation in the state.

In response, Wesley K. Duncan, Assistant Attorney General, Office of the Attorney General (OAG), explained the vision behind the position was developed during the law enforcement summit in February 2015. There was a lack of assistance from the OAG in the rural areas regarding prosecution of crimes such as human trafficking and drug trafficking. The individual hired for this position would travel throughout the state and could try cases in the rural counties. The individual would be the liaison between the rural counties and the OAG. This need was identified by the Attorney General after taking office.

Assemblywoman Kirkpatrick noted that in the past, the OAG had charged the counties for legal work. She wondered whether this liaison would charge for services in addition to what the counties were already charged. The rural counties could not pay for additional legal assistance. If there was no charge for the services of the liaison, Assemblywoman Kirkpatrick was willing to continue the discussion.

Nicholas Trutanich, Chief of Staff, Office of the Attorney General, responded that the intention of the liaison position was to expand OAG services to local

governments. There were two primary purposes for the liaison. The first was a crime-fighting nexus working with local law enforcement agencies. The law enforcement summit in February 2015 was well received and attended by over 100 Nevada police chiefs and sheriffs. This position would maintain contact with these local law enforcement agencies to ensure support and allow the Attorney General to be aware of what was happening in the communities. The second primary responsibility of the position would be to work collaboratively with rural counties and the federal government to ensure there was no unnecessary litigation.

Assemblywoman Kirkpatrick reiterated her question regarding whether local governments would have to pay an additional fee for these services.

Mr. Trutanich replied there would not be an additional charge, because it was a State General Fund position.

Assemblywoman Kirkpatrick understood that the service would be provided to local governments, and they would not be subject to any additional attorney fees.

Mr. Trutanich believed that there would be no charge to the local governments. It was a General Fund position, not unlike a prosecutor position.

Mr. Duncan clarified that the OAG would not be charging the counties for the position's time and services. The OAG thought the position would act as the top law enforcement officer in the state. The communities would not be billed for time.

Assemblywoman Carlton expressed concern that there would be future problems to negotiate and possibly litigate with the federal government. Fighting with the federal government was cause for concern.

Assemblyman Sprinkle asked how much work would be taken away from the local governments by the OAG. He was curious why the state would subsidize the local governments by not charging for the service.

Mr. Trutanich recalled that at the February law enforcement summit, the Attorney General had the opportunity to meet with law enforcement officers. There were numerous items addressed at the summit that the Attorney General had been diligently dealing with during the past few months. The liaison position would enable the OAG to meet with law enforcement agencies more frequently to ensure that criminal concerns needing attention were brought to the forefront. An example was the awareness of human trafficking problems

brought to the attention of the former Attorney General. There were many important problems facing Nevada law enforcement agencies. It was thought this position would be able to raise awareness and allocate resources to where they were most needed.

Mr. Trutanich pointed out that the Attorney General had filed for and received Friend of the Court status in the Jarbidge Wilderness litigation for the first time in 15 years. The special assistant attorney general position for the Office of Neighborhood Protection could assist the solicitor general with this litigation by meeting with local communities to determine what was needed and raise the attention level of the Attorney General to the problems within the community.

Assemblyman Sprinkle was not convinced that a new position was necessary to achieve these goals. When reviewing the three positions that were being eliminated, he wondered what would happen to the individuals now filling those positions.

Ms. Davis stated that the 6.5 FTE positions recommended to be eliminated were currently vacant.

Assemblywoman Titus inquired whether Chair Anderson was prepared for a motion.

Chair Anderson wanted to do a quick review of the positions prior to a motion.

Assemblywoman Benitez-Thompson had a question regarding the litigation with California involving the mental health patients. She believed there had been changes made, and she was interested to hear the responses from the OAG.

Ms. Davis responded that issue would be discussed later in the closing documents for budget account (BA) 1348.

There being no additional comments or questions, Chair Anderson requested a motion on the elimination of 6.51 FTE positions in BA 1030.

ASSEMBLYWOMAN TITUS MOVED TO ELIMINATE 6.51 FTE POSITIONS IN DECISION UNIT E-226 AS RECOMMENDED BY THE OFFICE OF THE ATTORNEY GENERAL.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

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

There being no additional comments or questions, Chair Anderson requested a motion on the new general counsel position.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE A GENERAL COUNSEL POSITION IN DECISION UNIT E-226 AS RECOMMENDED BY THE OFFICE OF THE ATTORNEY GENERAL.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

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

There being no additional comments or questions, Chair Anderson requested a motion on the addition of four bureau chief positions in BA 1030.

ASSEMBLYWOMAN TITUS MOVED TO APPROVE FOUR NEW BUREAU CHIEF POSITIONS IN DECISION UNIT E-226, AS RECOMMENDED BY THE OFFICE OF THE ATTORNEY GENERAL.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

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

There being no additional comments or questions, Chair Anderson requested a motion on the addition of one deputy solicitor general position in BA 1030.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE THE ADDITION OF ONE DEPUTY SOLICITOR GENERAL POSITION IN DECISION UNIT E-226 AS RECOMMENDED BY THE OFFICE OF THE ATTORNEY GENERAL.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

Assemblywoman Kirkpatrick requested information regarding the job descriptions for each of the new positions. She was aware that these positions were reclassifications, but she needed to have the information. Chair Anderson agreed with Assemblywoman Kirkpatrick.

Mr. Trutanich agreed to provide the information to the Committee.

Regarding the motion to approve the addition of a deputy solicitor general position, Assemblywoman Benitez-Thompson was aware there were discussion

points regarding why such a staff person was needed when the structure of the Appellate Division was staffed with ten positions. She believed there was sufficient personnel to cover the duties.

Mr. Trutanich responded that during the reorganization, the Attorney General took painstaking efforts to ensure that the reorganization included cuts in General Fund revenue. This resulted in the elimination of positions. The deputy solicitor general position was integral to the reorganization. The position would do significantly more than oversee the Appellate Division. Although the organization chart showed nine positions supervised by the deputy solicitor general position, that was not how the office would function.

The solicitor general was tasked with being the constitutional law expert in the office and overseeing appellate briefs filed by any deputy attorney general (DAG). Although the DAGs report to the deputy solicitor general, they worked on different projects than the solicitor general. Outside of the appeals office, there were dozens of DAGs performing day-to-day work on appeals to the Nevada Supreme Court, the U.S. Court of Appeals for the Ninth Circuit, and the U.S. Supreme Court. The solicitor general had overseen only a portion of the appeals in the past.

Mr. Trutanich further explained that the OAG had never represented Nevada in the appellate court with the cohesiveness that should be customary. The deputy solicitor general position was envisioned to assist the solicitor general position review the over 300 appeals filed, review the multistate sign-ons, and make sure the product supplied to the upper courts was commensurate with the level of practice appropriate at those courts. This could possibly save the state money by winning at the appellate level.

Assemblywoman Kirkpatrick told Mr. Trutanich that it was his job to ensure there were proper performance measures in place that showed the positions were making a difference. She understood the reorganization was started back in 2008 when the agencies were looking at making their organizations more efficient. She said organizational changes were difficult to consider this session because there were so many name changes. The legislators were having to revise the budget, which was in disarray. She thought it was necessary to stick to the basics. She continued, stating there must be quality personnel in the OAG who could provide for the agencies first. This had been a problem in the past. The legislators worked with the DAGs regularly, and she believed there was room for improvement. Assemblywoman Kirkpatrick was uncertain whether it was wise to create more work for DAGs when, in her opinion, they needed to improve. She expected the performance measures to hold the OAG to a higher standard if the office was reorganized.

Mr. Duncan responded that Assemblywoman Kirkpatrick's point was well taken, and he believed that was why the position was needed. The solicitor general was currently heading up all of the appellate practice in the state, constitutional and otherwise, as well as the criminal appeals. The intention was that the solicitor general could represent the state appropriately at each of the appellate courts. The appellate practice was becoming specialized, and it was necessary to have at least two attorneys representing the state. The OAG wanted to give the best representation possible, and this was a necessary position for the state.

Assemblywoman Bustamante Adams requested the OAG provide the Fiscal Analysis Division staff the formal written report from the National Association of Attorneys General (NAAG), as previously requested.

Mr. Trutanich clarified that it was the position of the OAG to make the process of the reorganization as transparent as possible. The NAAG interviewed key personnel in the OAG. The OAG had requested a written copy of the audit; however, the report had not been completed and submitted to the OAG. It would be provided to the Fiscal Analysis Division staff when received, although he had no time frame. The tentative report suggested that the previously recommended changes needed to be adopted.

THE MOTION CARRIED. (Assemblywomen Carlton and Benitez-Thompson voted no. Assemblyman Hickey was not present for the vote.)

Chair Anderson requested a motion for the addition of a special assistant attorney general position for the Office of Neighborhood Protection in BA 1030.

Assemblywoman Kirkpatrick was unclear why the local governments would not be charged for the services performed. It would have been helpful to have the job description and expectations of the position prior to the hearing. She was uncertain about adding a new position without a clear understanding of its basic duties.

Mr. Trutanich replied that it was not the intention of the Attorney General to circumvent the cost allocation. He believed that prosecutors who worked inside the OAG were not part of the cost allocation, but that the funding came directly from the state. It was not billed to any particular agency or local government.

Assemblywoman Kirkpatrick thought the OAG was building a book of business by having this person in place. The local governments were not able to pay additional legal fees.

Mr. Duncan responded that there was no contemplation of building a book of business. He pointed out that there had not been an outreach program to the rural communities from the OAG for over ten years. The OAG was attempting to take the lead on the problems of drug and human trafficking or domestic violence across the Interstate 80 corridor. It was important for the Attorney General to take the lead on these problems.

Assemblywoman Kirkpatrick advised that the Legislature had not had an appetite to fund anything since 2007; however, the problems had to be addressed. She did not want to debate the funding problems because, she believed, she and the OAG were on opposite sides. She wanted to have conversations regarding the expectations for the positions. It was her belief that at one time, the OAG insisted that southern Nevada was going to subsidize the entire state through assessments. If the rural communities had the expectation of free legal services because of rules arbitrarily set up by the Legislature and those services were not provided, legislators would be flooded with complaints. Assemblywoman Kirkpatrick said that if she had received more information prior to budget closings, she would have been in a better position to support the request.

Mr. Duncan pointed out this was a modest proposal, since many positions were eliminated and funds had been swept to fill gaps. The OAG was attempting to provide services for areas that needed assistance. Mr. Duncan hoped Assemblywoman Kirkpatrick did not believe he was casting aspersions, and he was willing to have a conversation with Assemblywoman Kirkpatrick regarding these points at a later time.

There being no additional comments or discussion, Chair Anderson requested a motion for the addition of a special assistant attorney general position for the Office of Neighborhood Protection in BA 1030

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE THE POSITION REQUEST IN E-226 FOR A SPECIAL ASSISTANT ATTORNEY GENERAL FOR THE OFFICE OF NEIGHBORHOOD PROTECTION AS RECOMMENDED BY THE OFFICE OF THE ATTORNEY GENERAL.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Benitez-Thompson, Bustamante Adams, Carlton, Kirkpatrick, Sprinkle, and Swank voted no. Assemblyman Hickey was not present for the vote.)

Chair Anderson requested additional information regarding the request for a special assistant attorney general position for the Office of Military Legal Assistance.

Mr. Trutanich explained that the office would be a clearinghouse to help meet a service member's civil litigation needs. The position was important for the members of the military. There was a 61 percent unmet need for service members to have civil legal representation. The OAG proposed that this office would have dedicated pro bono hours from law firms and legal aid offices throughout the state. There would be an advisory committee of nearly 20 members made up of legal aid stakeholders, veterans, service members—active duty and reservists—and other stakeholders throughout the state. The position would ensure that service members could contact the OAG and be put in contact with legal aid or a specialty pro bono lawyer. The genesis of the idea came from a survey and from the current Attorney General, who was a member of the U.S. Navy Judge Advocate General's (JAG) Corps. The military personnel who did not reside on base could not use military legal representation for a civilian conflict. The OAG proposed to fill that gap with the use of the special assistant attorney general position for the Office of Military Legal Assistance.

Assemblywoman Titus thanked the Attorney General for recognizing the need for the military personnel and for the legal community in providing pro bono work.

Assemblywoman Swank stated that she understood that the Military Lending Act capped payday and title loans at 36 percent. She asked whether this proposed position would be able to help if a service member had some type of problem with these loans.

Mr. Trutanich pointed out that the services were still in the planning stages; however, the committee had identified five or six unmet legal needs that would begin when the program was rolled out. Additionally, he wanted to highlight that this would be the first office of its type in the nation. The executive director of the National Association of Attorneys General believed this was an important position.

Assemblywoman Swank also wanted to know how widespread the problem was of businesses not following the guidelines of the Military Lending Act.

Mr. Duncan responded that in his experience, the instances of not following the Military Lending Act guidelines were few for military reservists. He believed there were more instances with active duty personnel. The idea behind this

proposed position was not for the OAG to provide the services, but to collaborate with local law firms. When military personnel contacted the OAG with a problem, there would be a bank of dedicated pro bono hours available. Often an active duty JAG was limited as to what was in his or her jurisdiction. Many times, the JAG could only write a letter on behalf of the claimant.

Assemblywoman Swank asked for confirmation that the OAG would be referring claimants to other attorneys and would not be costing the state money. Her experience with pro bono work was that it was often moved to the bottom of the list and was not completed timely. It was important for the military personnel to have their complaints handled in a timely manner. Assemblywoman Swank wondered whether there would be constraints on the agreements with the pro bono services.

Mr. Duncan agreed that checks would be put into place to keep track of the processes. In addition, it was important to identify the legal problem and put the person in touch with the proper pro bono attorney, whether a private or legal aid attorney.

Assemblyman Armstrong thanked the Attorney General and noted work had been done to set up malpractice insurance for the pro bono attorneys. This was a critical component.

Mr. Duncan explained that there had been a question about the liability and whether it should be put into statute. However, Mr. Duncan discovered that legal aid and the insurance carriers for malpractice for the private law firms would be able to cover and protect the attorneys, so they would have the freedom to take a case.

Assemblywoman Carlton understood the reasons behind this proposal; however, there were many services available, such as 2-1-1. It appeared to her this was more of a referral service rather than a legal service. It seemed unnecessary to have someone at the level of a special assistant attorney general to coordinate and refer people to the appropriate service. She did not see this rising to this level of a position, relating her concern to Assemblywoman Kirkpatrick's comments regarding not having the job description and other information.

Mr. Trutanich pointed out this was a specialized practice of law. As Assemblywoman Swank had said earlier, there were certain federal laws that pertained to service members and protections for them. The Navy JAGs received specialized training in this area of law. Someone who specialized in this area of law was needed for proper referral and training of pro bono

lawyers. Cases could languish without the appropriate assistance. Mr. Trutanich thought it was much more than a referral service, because it was a specialized area of law.

Assemblywoman Carlton interjected that the Committee did not have all of the information to make such a decision. The previous testimony indicated this was a coordinator that would make certain that if pro bono work was needed, service members would be taken care of, and now she was hearing that the position needed to be an attorney because of all the specifics. She said that without further information, the Committee could not make a decision.

Chair Anderson told the Committee that he was going to place a hold on the special assistant attorney general position for the Office of Military Assistance. Senate Bill (S.B.) 60 was the policy portion of the request and would clarify the duties of the position. Holding this decision unit allowed the Committee to hear it again once S.B. 60 had been vetted.

Ms. Davis provided a brief overview of decision unit E-243 that requested \$391,398 in FY 2016 and \$516,197 in FY 2017 to establish two trial teams of OAG staff dedicated to Project NEON. The subcommittees had expressed concern that this was a State Highway Fund effort being supported with State General Funds. A budget amendment to change the funding from the General Fund to the Highway Fund was brought forward and was reflected in the closing document. Decision unit E-243 included five positions: two special counsel positions, two legal researcher positions, and one legal secretary position. The teams would work with the existing OAG staff and outside counsel hired by the Department of Transportation (NDOT). The agency testified during the budget hearing and provided supplemental information following the budget hearing that with these trial teams, it was anticipated that approximately \$4 million in outside counsel costs would be saved. The agency also stated that there was still a need to retain outside counsel.

Ms. Davis noted that a companion budget amendment had been brought forward for NDOT to make the transfer of Highway Funds to support the five positions.

Assemblywoman Kirkpatrick stated that she had many questions regarding this decision unit. She wanted to know where NDOT personnel currently working on litigation for Project NEON would be used if this proposal passed.

Ms. Davis responded that the NDOT staff would be housed with the five additional staff if this proposal was approved. A lease was approved by the State Board of Examiners to house all of the staff in one location. The lease

would be paid with Highway Funds and would become effective in August 2015.

Assemblywoman Kirkpatrick asked whether the Board of Examiners had approved the lease prior to legislative approval of the budget for this account.

Ms. Davis stated that the lease had been approved, but she believed it was to support the Project NEON efforts for the existing OAG and NDOT staff. There was space available for the proposed five positions to be housed there also.

Assemblywoman Kirkpatrick expressed concern that this proposal was not discussed previously. She was unclear why outside legal counsel would still be necessary.

Ms. Davis noted that the testimony by NDOT and OAG during the budget hearing indicated there were 100 parcels yet to be acquired. The positions currently working on the eminent domain matters would continue, and the trial teams would assist with that effort and oversee the outside counsel costs and contracts. If the positions were not approved by the Legislature, the level of outside counsel would be increased. It was estimated there would be an almost \$4 million savings using these positions.

Assemblyman Armstrong asked whether NDOT was retaining the outside counsel because the cases were in progress and they did not want to switch attorneys midcase.

Ms. Davis confirmed that NDOT had been working on acquiring the property for a lengthy period of time. The new positions would work with existing staff and outside counsel to reduce some of the outside counsel costs.

In response to Assemblyman Edwards, Ms. Davis explained that the budget amendment would change the funding from the General Fund to the Highway Fund. This was reflected in the closing documents. The NDOT budget was scheduled to close on May 5, 2015, at which time the budget amendment would be addressed.

Chair Anderson requested additional information regarding the time frame for the temporary positions.

Ms. Davis explained that Project NEON was anticipated to be ongoing through 2020.

Assemblywoman Carlton pointed out that existing staff members at the OAG were working on eminent domain cases, construction contract documents, and assisting the NDOT senior management team. She asked whether these staff members would continue their assignments with the addition of new staff. She needed to know who was working on the Project NEON property acquisitions and why extra staff was necessary.

Ms. Davis stated that there had been ongoing efforts for Project NEON paid by NDOT through the OAG cost allocation. The new trial teams would be included with the existing staff.

Assemblywoman Carlton said that according to the closing documents, the staff was projected to spend between 1,300 and 1,400 hours on Project NEON during the 2015-2017 biennium. She expressed concern that funds were already being expended for legal services, and she did not see why two additional teams were needed.

Ms. Davis explained the positions would be funded directly through the State Highway Fund. The NDOT would continue using the existing positions supported through the cost allocation.

There being no additional comments or questions, Chair Anderson requested a motion.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE TWO SPECIAL COUNSEL POSITIONS, TWO LEGAL RESEARCHER POSITIONS, AND ONE LEGAL SECRETARY POSITION TO ESTABLISH TWO PROJECT NEON TRIAL TEAMS, SUPPORTED AS AMENDED BY A TRANSFER OF HIGHWAY FUNDS IN THE AMOUNT OF \$391,398 IN FY 2016 AND \$516,197 IN FY 2017.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Carlton, Edwards, Kirkpatrick, and Sprinkle voted no. Assemblymen Armstrong, Benitez-Thompson, and Bustamante Adams were not present for the vote.)

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of decision unit Enhancement (E) 235. The Executive Budget recommended \$139,645 over the biennium for the salary and associated operating costs for an administrative services officer position for the fiscal unit in the Office of the Attorney General (OAG). The fiscal unit

contained six positions, including an unclassified chief financial officer (CFO), one management analyst, and related accounting positions. The position was designed to assist the CFO in managing the fiscal unit and providing backup when the CFO was not available; to assist with budget tracking and preparation for budgets administered within the OAG; to oversee inventory and provide grant reconciliation; to assist with budget revenue and expenditure projections; and to supervise three of the six positions in the unit. Fiscal Analysis Division staff noted that for the past several years, there had been contract costs expended; in FY 2014, the total expended was \$72,352 in contract costs. There were contract costs built in for the upcoming biennium. In discussions with the OAG, the contract costs could be eliminated should this decision unit be approved. The OAG managed 19 budgets, 12 of which were in The Executive Budget and 7 were nonexecutive budgets. The proposed position would assist with budget tracking, work program preparation, and the reconciliation

There being no comments or questions, Chair Anderson requested a motion.

ASSEMBLYWOMAN TITUS MOVED TO APPROVE \$139,645 OVER THE 2015-2017 BIENNIUM FOR A NEW ADMINISTRATIVE SERVICES OFFICER POSITION WITH ASSOCIATED OPERATING COSTS AS RECOMMENDED IN THE EXECUTIVE BUDGET AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO ELIMINATE \$14,893 IN EACH YEAR OF THE BIENNIUM IN CONTRACT COSTS.

ASSEMBLYMAN ARMSTRONG SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywomen Benitez-Thompson and Bustamante Adams were not present for the vote.)

Ms. Davis continued the overview with the addition of a dedicated deputy attorney general (DAG) for the Colorado River Commission (CRC) of Nevada. The position was inadvertently omitted from The Executive Budget. The position would provide legal support for the anticipated increase in contracts related to hydropower electric resources generated at Hoover Dam. The position would be 100 percent supported by the CRC. The amounts would be \$99,907 in FY 2016 and \$122,301 in FY 2017, funded with transfer revenue.

Assemblywoman Kirkpatrick was curious why the CRC would require the services of a full-time DAG. She thought the question should be directed to the CRC rather than Fiscal Analysis Division staff.

Nicholas Trutanich, Chief of Staff, Office of the Attorney General, responded that there were two attorney positions at the CRC that were funded by fees collected by CRC. There were no associated General Fund dollars. Over the next biennium, there were projected to be 100 separate contracts related to this proposed position. In addition, one of the special counsels at CRC would be retiring soon. In his opinion, the workload was such that the position would be required in perpetuity. When the position was not shown in The Executive Budget, the CRC contacted the OAG to ensure the position would be included to support the workload.

Assemblywoman Kirkpatrick thought that the CRC was only flooded with contracts because it had become a utility rather than what it was created for in the mid-1900s. She was unclear what the 100 contracts were for, because the CRC was not created to become a utility. If that was the intent of the CRC, then a bill should be presented to the Legislature.

Stephanie Day, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the Hoover Dam Power Allocation Act was a 50-year reallocation of the power, and the number of customers would expand and create an abundance of new contracts. Customers could include state agencies, the Nevada System of Higher Education, tribes, and others in the expanded customer base.

Assemblywoman Kirkpatrick said it was her understanding that the federal government provided funds for legal purposes. She thought that the CRC used a DAG paid through a cost allocation from whatever revenue source was available. Assemblywoman Kirkpatrick stated that rather than getting raises, the OAG should fund this position.

Ms. Day responded that the proposed DAG would perform services, in addition to the current DAG assigned to the CRC. The workload would be so great for the limited time allowed to submit the contracts that an additional position was necessary.

Chair Anderson asked whether the CRC had the authority to hire attorneys or whether it was required to go through the OAG.

Ms. Day replied that the CRC had authority to hire either through the OAG or directly.

In response to Chair Anderson, Mr. Trutanich reiterated that the position was not funded through a cost-allocation program, but from a different funding source. In addition, the OAG was not presenting a wish list to the Committee

for additional positions. The OAG request submitted in August 2014 was for about \$32 million in State General Fund dollars. The Governor-recommended budget was approximately \$27.5 million. The Attorney General had further reduced General Fund dollars by between \$500,000 and \$1 million. The reason there was an independently elected Attorney General was to represent agencies to give neutral, detached legal advice. The reason the CRC was asking for the position to be housed in the OAG was that legal advice needed to be independent. This was why the Attorney General advised other agencies.

Assemblyman Edwards commented that he had been in touch with the CRC and he understood the increased workload. The CRC was authorized to hire attorneys; however, he wondered what the benefit would be for the CRC to have the OAG associated with the 50-year reallocation project.

Mr. Trutanich clarified that the Attorney General was independently elected because not every agency had lawyers to represent them on legal matters; however, the OAG had lawyers assigned to certain agencies. When offices were provided legal advice by agency lawyers, the advice was not neutral, detached, and independent; however, the OAG was independent and neutral. When the CRC was sued, the OAG represented it because it was necessary to ensure the advice provided was independent, detached, and accurate.

Ms. Day clarified that the CRC used the OAG and hired outside legal counsel. The CRC did not hire its own attorneys.

There being no additional questions, Chair Anderson requested a motion.

ASSEMBLYWOMAN TITUS MOVED TO APPROVE ONE NEW DEPUTY ATTORNEY GENERAL POSITION TO SERVE AS A DEDICATED ATTORNEY FOR THE COLORADO RIVER COMMISSION AS RECOMMENDED BY THE OFFICE OF THE ATTORNEY GENERAL AND TO PROVIDE AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

Assemblywoman Kirkpatrick commented that she would support the motion; however, she was not convinced the position was needed.

Assemblyman Sprinkle said he would not support the motion.

THE MOTION CARRIED. (Assemblyman Sprinkle voted no.)

Ms. Davis pointed out there were 12 other closing items in budget account (BA) 1030, and most appeared reasonable to Fiscal Analysis Division staff. A decision regarding items 8 and 9 on pages 13 and 14 ([Exhibit C](#)) involved unclassified pay increases for positions. Those would be determined later and required approval with technical adjustments when the finance committees took action on the Unclassified Pay Bill.

Item number 10 on page 14, decision unit E-901, requested the Committee grant authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

Item number 12 was the Attorney General cost-allocation plan. Fiscal Analysis Division staff requested technical adjustment authorization based on the closing decision made in this budget account.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE OTHER CLOSING ITEMS 1, 3, 4, 5, 6, 7, 11, AND 12 AS INCLUDED IN THE EXECUTIVE BUDGET, WITH THE TECHNICAL ADJUSTMENTS NOTED BY FISCAL ANALYSIS DIVISION STAFF; AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS TO OTHER CLOSING ITEMS 2 AND 10 BASED ON DECISIONS MADE IN COMPANION DECISION UNITS IN OTHER OFFICE OF THE ATTORNEY GENERAL BUDGETS; AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS BASED ON DECISIONS BY THE FINANCE COMMITTEES RELATIVE TO UNCLASSIFIED SALARIES; AND MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ARMSTRONG SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Following a brief recess, Chair Anderson requested that Ms. Davis continue the budget closing presentation.

ELECTED OFFICIALS
ELECTED OFFICIALS
AG - SPECIAL FUND (101-1031)
BUDGET PAGE ELECTED-97

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of budget account (BA) 1031, page 16 of [Exhibit C](#). This was the increased funding for the restart of the Yucca Mountain licensing proceedings under decision unit Enhancement (E) 242. The Executive Budget included General Fund appropriations totaling \$2,438,186 for each fiscal year of the 2015-2017 biennium, which combined with base expenditures, provided \$2.5 million in each year of the upcoming biennium to support legal counsel contract costs to defend efforts regarding the proposed restart of the high-level nuclear waste repository at Yucca Mountain.

Background information was provided on pages 17 through 19 of [Exhibit C](#). Ms. Davis pointed out that the Office of the Attorney General (OAG) and the Agency for Nuclear Projects, Office of the Governor, appeared before the Interim Finance Committee (IFC) in August 2014 and received \$765,400 in Contingency Account funds. The agencies anticipated a reversion of a portion of those funds. Additionally, there was a small amount of federal funds included in this budget account that the agencies requested to be carried forward. Ms. Davis would be working with the agencies to determine that amount.

On page 18 of [Exhibit C](#), there was a table provided by Fiscal Analysis Division staff showing a history of the General Fund appropriations for both agencies. The restart of the proceedings had ramped up the efforts for the agencies, creating a request for increased funding.

The OAG, Ms. Davis stated, indicated that the state's support was imperative to ensure Nevada was adequately prepared to advance its efforts and that no new federal funding was anticipated in the upcoming biennium.

Assemblyman Oscarson wanted to ensure that the funds were used appropriately to study the information generated by the federal government to assess the safety and viability of the Yucca Mountain project rather than just fighting the process. He wanted to make sure the record reflected his position on the project.

If the allocation of \$735,538 was for restart of the Yucca Mountain licensing proceedings, Assemblyman Edwards was unclear why the request for \$2.5 million was necessary for the OAG.

Ms. Davis explained that the \$735,538 approved earlier was for the Agency for Nuclear Projects and was used for outside contract costs for technical experts to analyze and review geological reports, safety evaluation reports, and supplemental reports on groundwater. These new funds were for the attorneys and for legal reviews. Additionally, the attorneys were working on the ongoing litigation about the Caliente rail corridor and other legal matters in anticipation of the licensing proceedings.

Assemblyman Edwards asked whether this was \$2.5 million per year for 18 staff members. He wondered what the state would be paying for and what the attorneys would be doing.

Nicholas Trutanich, Chief of Staff, Office of the Attorney General, responded that this was a request for an allocation that if not spent would be reverted.

Marta Adams, Chief Deputy Attorney General, Office of the Attorney General, explained that the nuclear law litigation before the U.S. Nuclear Regulatory Commission (NRC) was a specialized area of law. Since 2001, a team of lawyers had been retained for this specialized litigation. The OAG anticipated about \$2.5 million was needed for services for adjudication proceedings before the NRC. Before the adjudicatory portion began, the OAG had been busy developing internal reports and working on the case to address the safety evaluation report put together by the NRC and to begin on the anticipated supplemental environmental impact statement on groundwater. This was an intense and expensive effort. Ms. Adams was willing to provide additional information to the Committee.

Chair Anderson agreed that it was important to be prepared to protect the state's interest. Because there were no additional comments or questions, Chair Anderson requested a motion.

ASSEMBLYMAN ARMSTRONG MOVED TO APPROVE \$2,438,186 BEYOND THE ADJUSTED BASE AMOUNTS IN EACH YEAR OF THE UPCOMING BIENNIUM FOR THE OFFICE OF THE ATTORNEY GENERAL TO CONTINUE THE STATE'S EFFORTS REGARDING THE LICENSING PROCEEDINGS TO ESTABLISH A HIGH-LEVEL NUCLEAR WASTE REPOSITORY AT YUCCA MOUNTAIN AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO INCLUDE THE BALANCE FORWARD OF FEDERAL FUNDS FROM FY 2015 TO FY 2016.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

Assemblyman Edwards stated that he would support the motion, but he needed additional information.

Chair Anderson agreed that Fiscal Analysis Division staff would provide additional information to the Committee.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis pointed out the other closing items appeared reasonable, and Fiscal staff recommended approval as included in The Executive Budget, with authority to make technical adjustments.

ASSEMBLYMAN KIRNER MOVED TO APPROVE OTHER CLOSING ITEMS IN DECISION UNITS E-710 AND E-900 AS INCLUDED IN THE EXECUTIVE BUDGET WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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ELECTED OFFICIALS

ELECTED OFFICIALS

AG - WORKERS' COMP FRAUD (101-1033)

BUDGET PAGE ELECTED-102

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of budget account (BA) 1033, starting on page 20 of [Exhibit C](#), and described the major closing issue, which was the elimination of two investigator positions from the insurance fraud unit in the Office of the Attorney General (OAG). This was discussed at an earlier budget hearing. At that time, Fiscal Analysis Division staff identified that there was an error in the transfer from the Division of Insurance, Department of Business and Industry, which supported the insurance fraud unit. Following corrections to the revenue transfer, the agency reevaluated and worked with the Budget Division, Department of Administration, and Fiscal Analysis Division staff to determine that only one investigator position should be eliminated. This information was reflected on the closing sheets.

Ms. Davis further noted that there were projections for upcoming caseloads reflected on the bottom of page 21 of [Exhibit C](#). These numbers showed projected increases. Based on that information and the proposal to eliminate one investigator position, Fiscal staff asked the agency how it would meet the increased workloads with one less position. The OAG indicated there was ample experience in the unit, and staff would work together to meet the caseload demands. Additionally, the agency planned to work with the administrative staff to utilize them in a different way to benefit the investigations and to prioritize and process the insurance fraud unit cases. Based on that adjustment and the follow-up information, Fiscal staff thought the recommendation appeared reasonable.

There being no comments or questions, Chair Anderson requested a motion.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE THE ELIMINATION OF ONE VACANT INVESTIGATOR POSITION FOR THE INSURANCE FRAUD UNIT, WITH THE ADJUSTMENT REQUESTED BY THE OFFICE OF THE ATTORNEY GENERAL TO RESTORE ONE INVESTIGATOR POSITION FOR THE INSURANCE FRAUD UNIT.

ASSEMBLYMAN ARMSTRONG SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis pointed out that other closing items shown on page 22 of [Exhibit C](#), decision units Enhancement (E) 710 and E-721 appeared reasonable to Fiscal Analysis Division staff. Decision unit E-817, the reclassification of a senior deputy attorney general to chief deputy attorney general, was requested for elimination by the OAG. With the adjustment to eliminate the decision unit as requested, the recommendation appeared reasonable to Fiscal staff.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE OTHER CLOSING ITEMS AS INCLUDED IN THE EXECUTIVE BUDGET, INCLUDING THE ADJUSTMENT NOTED BY FISCAL ANALYSIS DIVISION STAFF FOR ELIMINATION OF DECISION UNIT E-817, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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ELECTED OFFICIALS

ELECTED OFFICIALS

AG - CRIME PREVENTION (101-1036)

BUDGET PAGE ELECTED-108

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of budget account (BA) 1036. The major closing issue for this budget account was a new criminal investigator position in decision unit Enhancement (E) 241. The position and associated operating costs were \$69,005 in fiscal year (FY) 2016 and \$104,364 in FY 2017. The position would support the human sex trafficking unit within the Office of the Attorney General (OAG).

According to Ms. Davis, the OAG submitted a fiscal note attached to Assembly Bill (A.B.) No. 67 of the 77th Session (2013), the bill that established the unit, indicating there would be no fiscal effects. In follow-up discussions with the OAG regarding availability of grants to support the unit, the OAG responded that \$25,000 in federal funds was used in the current biennium for training in the rural areas. Additionally, the OAG was reviewing information regarding new grant opportunities for the upcoming biennium.

According to Ms. Davis, the OAG testified during the budget hearing that the position would work with local law enforcement and the National Truckers Association to investigate reported cases of human sex trafficking along the Interstate 80 (I-80) and Interstate 15 (I-15) corridors, specifically at truck stops and rest areas. The Committee expressed concern during the budget hearing regarding the travel budget for this position, which was recommended at \$41,103 over the biennium. Because there was little information about the unit and the number of human sex trafficking cases, Fiscal Analysis Division staff inquired whether those costs could be reduced. The OAG anticipated the position would do a significant amount of traveling throughout the state, so it did not recommend reductions in the travel budget request. The OAG supplied Fiscal Analysis Division staff with supplemental detailed information regarding projected travel, as shown on page 24 of [Exhibit C](#). When the information was reviewed, there was a difference of \$2,826, which was not included in The Executive Budget.

In the first year, the position would be located in northern Nevada but would travel to southern Nevada one week of each month to work on cases in the area and serve on the human sex trafficking task force in southern Nevada. In the second year, the position would travel to southern Nevada for two weeks each month. There were also out-of-state travel costs to attend national conferences each year.

On page 25 of the exhibit, Fiscal Analysis Division staff provided the following options for the Committee's consideration:

- A. Approve State General Fund appropriations totaling \$69,005 in FY 2016 and \$104,364 in FY 2017 for one new investigator position, which included \$41,103 for in-state and out-of-state travel costs over the biennium as included in The Executive Budget, including authority for staff to make a technical adjustment to increase travel costs in FY 2016 by \$2,826 as noted above.
- B. Do not approve a new investigator position and associated operating costs, resulting in State General Fund savings of \$69,005 in FY 2016 and \$104,364 in FY 2017.
- C. Approve a new investigator position for the human sex trafficking unit; reduce out-of-state travel costs by \$1,000 in FY 2016 to allow attendance at a national conference in the second year of the biennium only; and reduce in-state travel costs by \$15,072 in FY 2017 to allow one trip to southern Nevada each month instead of two. With the technical adjustment of \$2,826 noted above, the net General Fund savings for this option would be \$13,246 over the biennium, resulting in a total travel budget of \$27,857 for the investigator position.

Ms. Davis suggested that the Committee issue a letter of intent requesting the OAG to provide information to the Interim Finance Committee (IFC) on a semiannual basis regarding the number of human sex trafficking cases reported, investigated, and prosecuted in the state, by location, and to establish performance measures for the OAG human sex trafficking unit.

Assemblywoman Kirkpatrick inquired how this position would work within the Office of Neighborhood Protection (ONP). She believed the special assistant attorney general requested for the ONP was going to work in tandem with the human sex trafficking unit for safer neighborhoods.

Nicholas Trutanich, Chief of Staff, Office of the Attorney General, responded that his reference to human trafficking in earlier testimony was to illustrate how

raising awareness for important problems in Nevada could be used by the ONP. This investigator position was to build the capacity to prosecute this type of case. The position would work with prosecutors, especially in southern Nevada, who would focus primarily on prosecuting human trafficking cases.

Assemblywoman Kirkpatrick wanted to know the purpose of out-of-state travel.

Mr. Trutanich said the request was a nominal amount to be used for traveling to conferences and for raising the national awareness of this crime. One of the items in the travel budget was the ability to send the investigator to meet and confer with other experts in the field.

Assemblywoman Benitez-Thompson expressed support to end human trafficking. She requested additional information regarding the interaction with Clark County and Washoe County law enforcement agencies. It was her understanding that traditionally, Clark County handled human trafficking in the county and had professionals dedicated to performing this function. This was also true in Washoe County. The OAG had been supportive of the rural areas where there was a shortage of coverage. She thought the problems along I-15 were covered by Clark County law enforcement.

Wesley K. Duncan, Assistant Attorney General, Office of the Attorney General (OAG), explained that the concept was that the position would train with Washoe and Clark Counties and then work with the rural counties along the I-80 corridor. There were detectives working with the Clark County District Attorney along the I-15 corridor to patrol and prosecute human-trafficking cases. The vision for the requested position was to use training and experiences gained in the two largest counties to provide education and training to the rural Nevada counties. The OAG believed there was a significant amount of human sex trafficking occurring in the rural areas.

Assemblywoman Benitez-Thompson inquired about a public awareness campaign and the law enforcement piece related to the prosecution of these cases. When discussing runaways who were found outside of Nevada, she was curious whether the OAG would be involved in traveling out of state to bring them back to Nevada.

Brett Kandt, Special Assistant Attorney General, Office of the Attorney General, addressed the recovery of children from out of state. There was a Children's Advocate in the OAG who provided arrangements for the recovery of these children and their return to Nevada or for children found in Nevada who needed to be returned to their home states. This component was already in place in the OAG. The OAG was using existing resources to complement the resources at

the local level of law enforcement and prosecutors to investigate and prosecute instances of sex trafficking. The requested position would help with the investigative piece, especially in the rural areas where resources were scarce.

Assemblywoman Benitez-Thompson asked whether the OAG would investigate along the I-80 corridor and whether the local jurisdictions or the OAG would prosecute the offenders.

Mr. Kandt responded that an important component of A.B. No. 67 of the 77th Session (2013) was that the OAG had been given concurrent jurisdiction with the local agencies for investigation and prosecution of sex-trafficking cases. Depending on the jurisdiction, the OAG could determine who was in the best position to carry a case forward. From the investigative standpoint, that was a collaborative effort. The OAG envisioned that the proposed investigator would work closely with local law enforcement on the investigative piece. It was hoped the investigator could provide expertise and additional resources that local law enforcement lacked. When the case was ready to be prosecuted, the determination would be made whether the OAG or the local prosecutors would be appropriate. Mr. Kandt appreciated the flexibility to make that decision.

Assemblywoman Benitez-Thompson asked about the difference between the funds needed to help support the OAG for prosecution and the funds needed for travel. She was unclear whether the travel included lengthy prosecutions in other jurisdictions.

Mr. Kandt explained that the travel was a big component. For the investigator to be able to assist the efforts of the rural areas, travel expenses were necessary. When arrests were made and prosecution decisions were made, that would happen in the jurisdiction where the trafficking took place. Prosecuting cases outside of Carson City was a possibility. If that were the case, there would be associated costs.

There being no additional comments or questions, Chair Anderson called for a motion.

ASSEMBLYWOMAN TITUS MOVED TO APPROVE A NEW INVESTIGATOR POSITION FOR THE HUMAN SEX-TRAFFICKING UNIT IN DECISION UNIT E-241; REDUCE OUT-OF-STATE TRAVEL COSTS BY \$1,000 IN FY 2016 BUT ALLOW ATTENDANCE AT A NATIONAL CONFERENCE IN THE SECOND YEAR OF THE BIENNIUM; REDUCE IN-STATE TRAVEL COSTS BY \$15,072 IN FY 2017 TO ALLOW ONE TRIP TO SOUTHERN NEVADA EACH

MONTH INSTEAD OF TWO; AUTHORIZE TECHNICAL ADJUSTMENTS OF \$2,826 WITH A NET GENERAL FUND SAVINGS OF \$13,246 OVER THE BIENNIUM; AUTHORIZE A LETTER OF INTENT REQUESTING THAT THE OFFICE OF THE ATTORNEY GENERAL PROVIDE INFORMATION TO THE INTERIM FINANCE COMMITTEE ON A SEMIANNUAL BASIS REGARDING THE NUMBER OF HUMAN SEX-TRAFFICKING CASES REPORTED, INVESTIGATED, AND PROSECUTED BY LOCATION; AND ESTABLISH PERFORMANCE MEASURES FOR THE OFFICE OF THE ATTORNEY GENERAL'S, HUMAN SEX-TRAFFICKING UNIT.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

Assemblyman Hambrick asked whether it was possible to request reports from the federal authorities in Clark County. The Office of the U.S. Attorney could prosecute and the information could be helpful. He was uncertain whether that information was available across the I-80 corridor.

Mr. Kandt agreed with Assemblyman Hambrick. An important component of this project for a coordinated, comprehensive response to the problem statewide was integrating the requested investigator into the Southern Nevada Human Trafficking Task Force. The data would be available to the OAG, both about the I-80 corridor and throughout the rural areas.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis noted there were two other closing items for the Committee's consideration. Decision unit E-710 for replacement equipment and decision unit E-720 for new equipment appeared reasonable to Fiscal Analysis Division staff.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE THE OTHER CLOSING ITEMS AS INCLUDED IN THE EXECUTIVE BUDGET, WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ARMSTRONG SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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ELECTED OFFICIALS
ELECTED OFFICIALS
AG - CONSUMER ADVOCATE (330-1038)
BUDGET PAGE ELECTED-117

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of budget account (BA) 1038. There were no major closing issues for this budget. There was discussion during the budget hearing regarding the reserve level, which appeared to be high. The agency had testified that it would consider reducing the mill assessment rate from 0.74 mill to 0.70 mill for the upcoming biennium. However, since that hearing, the agency requested keeping the mill assessment at the 0.74 mill, as was included in The Executive Budget. The Office of the Attorney General (OAG) indicated there were pending exit applications for several large businesses before the Public Utilities Commission of Nevada. The exit process would allow these businesses to terminate the use of NV Energy as a power supplier, which could affect the regulatory assessment revenue in this budget.

Based on this information, Fiscal Analysis Division staff recommended maintaining revenues supported by the 0.74 mill assessment rate for the 2015-2017 biennium as included in The Executive Budget.

The other closing items appeared reasonable to Fiscal Analysis Division staff. Ms. Davis pointed out that there was a request for a salary increase for a legal researcher position in decision unit Enhancement (E) 806. The decision for the salary of this position would be made when the Unclassified Pay Bill was approved. Fiscal Analysis Division staff recommended the budget be approved as included in The Executive Budget, with the authority for Fiscal Analysis Division staff to make technical adjustments as needed.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE BUDGET ACCOUNT 1038 AS INCLUDED IN THE EXECUTIVE BUDGET WITH THE AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.
THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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ELECTED OFFICIALS

ELECTED OFFICIALS

AG - COUNCIL FOR PROSECUTING ATTORNEYS (101-1041)

BUDGET PAGE ELECTED-126

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of budget account (BA) 1041. There were no major closing issues for this budget account. There were two other closing items, which included replacement equipment in decision unit Enhancement (E) 710 and an unclassified position salary increase in decision unit E-806.

The unclassified position salary increase included in The Executive Budget increased the salary from \$102,260 to \$110,000 for the Executive Director to the Advisory Council for Prosecuting Attorneys. The justification was that the position served in a dual capacity as both the Executive Director for the Advisory Council for Prosecuting Attorneys and the Technological Crime Advisory Board.

Ms. Davis had solicited performance measures from the Office of the Attorney General (OAG) and the high technology crime unit for this position. The OAG provided draft performance measures. Ms. Davis recommended that final performance measures be provided for the 2017-2019 biennium when budget requests were submitted.

Fiscal Analysis Division staff recommended this budget account be closed as included in The Executive Budget.

ASSEMBLYWOMAN DICKMAN MOVED TO CLOSE BUDGET ACCOUNT 1041 AS INCLUDED IN THE EXECUTIVE BUDGET, WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS BASED ON STATEWIDE DECISIONS REGARDING THE SALARIES OF UNCLASSIFIED POSITIONS, MAKE OTHER TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY, AND REQUEST THE OFFICE OF THE ATTORNEY GENERAL ESTABLISH PERFORMANCE MEASURES FOR THE ADVISORY COUNCIL FOR PROSECUTING ATTORNEYS BUDGET AND THE HIGH TECH CRIME UNIT FOR THE 2017-2019 BIENNIUM.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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ELECTED OFFICIALS

ELECTED OFFICIALS

AG - VICTIMS OF DOMESTIC VIOLENCE (101-1042)

BUDGET PAGE ELECTED-130

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of budget account (BA) 1042. There were two major closing issues for this budget account.

The first major closing issue involved the changes to the unclassified ombudsman position in decision unit Enhancement (E) 811. The Executive Budget included State General Fund appropriations for a salary increase to change this position from an ombudsman position to a victim's services officer. The remainder of the recommended General Fund appropriation was placed in reserve. During the budget hearing, the Office of the Attorney General (OAG) testified that this decision unit should be eliminated. This would return the position to an ombudsman position supported by court assessment fees included in this budget account.

Ms. Davis noted that the elimination of the decision unit had been included in the closing document ([Exhibit C](#)). However, elimination of the decision unit placed BA 1042 in a negative balance. Working with Fiscal Analysis Division staff, a non-Interim Finance Committee (IFC) work program had been submitted by the OAG to correct the reserve and balance forward amounts to make the budget whole.

Assemblywoman Carlton wanted clarification that The Executive Budget changed the ombudsman position to a victim's services officer to be paid with General Funds. The recommendation was to keep the ombudsman position supported by court assessment fees. She was unclear whether the position was supported 100 percent by the court assessment fees.

Ms. Davis explained there were some federal grants involved, as well as a transfer from the federal Violence Against Women Act grant funds that had supported this budget account for many years. Additionally, grant funds had been obtained from the Office of Criminal Justice Assistance, Department of Public Safety, through the Justice Assistance Grant (JAG) program.

However, in fiscal years (FY) 2016 and 2017, the JAG funds were not included in the budget.

Assemblywoman Carlton understood the need for this position, but she was opposed to the OAG using court assessment fees. She believed that if the state believed in the program, General Funds should be used to support the position. She feared that court assessment fees would eventually be used for other purposes.

Assemblywoman Kirkpatrick inquired why the funding discussed last session was not put into the General Fund. This was an important point. Positions had been added and eliminated, and she thought this position should have been at the forefront.

Nicholas Trutanich, Chief of Staff, Office of the Attorney General, responded that the ombudsman for the Victims of Domestic Violence position was not being eliminated. The change of funding maintained the status quo for what was approved for the current biennium. Working with Fiscal Analysis Division staff, the OAG maintained the savings for the General Fund for this biennium. Mr. Trutanich believed the change was appropriate.

Assemblywoman Kirkpatrick was concerned, because court assessment fees had declined, and many programs could no longer be supported with the reduced fees. Additionally, she expressed her unease at obligating the State General Fund dollars contingent on whether court assessment fees would be available when they were needed. The Judicial Branch made it clear that the court assessment fee dollars were declining. She thought it was best to keep the position funded through the General Fund.

Mr. Trutanich replied that the Attorney General thought the position had merit and wanted to ensure the position was funded. It was decided to keep this position status quo while reorganizing to save General Fund dollars.

There being no additional comments or questions, Chair Anderson requested a motion whether to eliminate decision unit E-811.

ASSEMBLYMAN ARMSTRONG MOVED TO APPROVE THE ELIMINATION OF DECISION UNIT E-811 IN BA 1042 AS REQUESTED BY THE OFFICE OF THE ATTORNEY GENERAL, RESULTING IN A GENERAL FUND REDUCTION OF \$194,630 OVER THE 2016-2017 BIENNIUM, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO ALIGN RESERVES AND BALANCE FORWARD AMOUNTS TO CORRECT THE BUDGET.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Benitez-Thompson voted no.)

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, directed attention to the second major closing issue, the Victim Information and Notification Everyday (VINE) system. The program was established in the 2013 Legislative Session and administered through budget account (BA) 1042. There was revenue collected from all local law enforcement agencies through an assessment charged by the Office of the Attorney General (OAG). In reviewing the revenue and expenditures to maintain the VINE program, Fiscal Analysis Division staff noticed a discrepancy in the projected revenue. The Fiscal Analysis Division staff worked with the OAG to resolve the problem. The closing document ([Exhibit C](#)) reflected \$50,000 in federal grant funds from the Violence Against Women Grants budget (BA 1040) to correct the budget and support a portion for the VINE program and the fatality review committee. This had been inadvertently omitted from the budget. Additionally, the OAG provided new projections of the VINE assessment revenue, resulting in an additional \$12,500 in VINE assessments, which was adjusted in [Exhibit C](#).

Ms. Davis asked whether the Committee wished to approve the technical adjustments to increase grant authority transfer funds by \$50,000 each year of the biennium to support the fatality review category and the VINE category.

There being no questions or comments, Chair Anderson requested the Committee consider a motion.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE THE TECHNICAL ADJUSTMENTS NOTED BY FISCAL ANALYSIS DIVISION STAFF TO INCREASE GRANT AUTHORITY TRANSFER FUNDS BY \$50,000 EACH YEAR TO SUPPORT THE FATALITY REVIEW CATEGORY AND THE VINE CATEGORY; INCREASE THE VINE ASSESSMENT REVENUE BY \$12,500 EACH YEAR; AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY.

ASSEMBLYMAN ARMSTRONG SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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ELECTED OFFICIALS

ELECTED OFFICIALS

AG - ATTORNEY GENERAL TORT CLAIM FUND (715-1348)

BUDGET PAGE ELECTED-135

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of budget account (BA) 1348, Attorney General Tort Claim Fund. There was one major closing issue for this account. Decision unit Enhancement (E) 239 for a new, part-time deputy attorney general (DAG) position was included in The Executive Budget. The position was to support the state district court claims filed by the counties paying into the Fund for Insurance Premiums, which funded BA 1348. Currently, the following counties paid into the fund: Clark, Elko, Humboldt, and Pershing.

During the budget hearing, there was discussion regarding what the position would be doing if there were no tort claims filed against the counties paying the assessment. There was also concern as to whether the counties would pay outside counsel costs. Recently, Clark County sought reimbursement for the outside counsel costs incurred in employee tort claims. The Office of the Attorney General (OAG) reported that Clark County was reimbursed a total of \$175,880 in outside attorney fees during the 2013-2015 biennium. Follow-up information indicated the assessment fees paid for the cost of the claim for counties paying into the fund. When a claim was settled, the revenue in this budget account paid for the claim and costs, such as depositions, copy charges, and other charges. However, the attorney fees were not included. Pursuant to *Nevada Revised Statutes* (NRS) 331.187, Clark County sought reimbursement, which was paid by the OAG. The OAG used an existing DAG to continue working on the tort claims. Most of the claims had been closed.

During the budget hearing on this account, the OAG testified that it had looked at other alternatives, such as:

- (A) Enter into a written agreement with the counties paying into the Fund for Insurance Premiums pursuant to NRS 331.187, subsection 3 to:
 - 1. Hold the OAG harmless and provide that the counties assume the costs of defense.

2. Reimburse the OAG for the costs of defense.
 3. Include employees of the district courts under the county's own insurance.
- (B) Include an additional assessment based on the average cost of tort claims on a per-employee basis.
- (C) Assess an additional amount to the counties paying into the Fund for Insurance Premiums for the costs of the part-time DAG based on a percentage of the full-time-equivalent (FTE) positions per county.

Ms. Davis pointed out that the information was outlined on page 35 of [Exhibit C](#). Based on information provided by the OAG, option (B) would double the assessment for the counties. Option (C) could create an inequity for a county if another county discontinued paying into the Fund for Insurance Premiums, requiring the other counties to assume a larger share of the costs of the part-time DAG. Based on the alternatives outlined, Fiscal Analysis Division staff provided the following options for the Committee's consideration:

1. Approve insurance premium assessments included in the Fund for Insurance Premiums, which were not additionally assessed to the counties paying into the Fund for Insurance Premiums, totaling \$124,811 over the 2015-2017 biennium for a part-time DAG, including associated operating costs, to handle state district court tort claims as included in The Executive Budget.
2. Not approve a part-time DAG as included in The Executive Budget and instead direct the OAG to enter into agreements with the counties paying into the Fund for Insurance Premiums, pursuant to NRS 331.187, subsection 3.

In response to Assemblywoman Kirkpatrick, Ms. Davis explained that only four counties were currently paying into the Fund for Insurance Premiums. Therefore, the agreement would be with those four counties. Each county would pay the assessment of approximately \$93,000 each. The agreement would specify who was responsible for the attorney fees should a case rise to the level of litigation.

Chair Anderson stated that it appeared there was no way to determine the caseload.

Ms. Davis responded that she had not provided caseload data in the closing document. This situation recently became an issue in the Eighth Judicial District Court. She believed other claims for attorney fees had been filed by the counties, but she did not have the information available. The counties were assessed based on number of FTE positions.

There being no additional comments or questions, Chair Anderson requested a motion.

ASSEMBLYMAN KIRNER MOVED TO NOT APPROVE THE PART-TIME DEPUTY ATTORNEY GENERAL IN DECISION UNIT E-239 IN BA 1348 AND INSTEAD DIRECT THE OFFICE OF THE ATTORNEY GENERAL TO ENTER INTO AGREEMENTS WITH THE COUNTIES PAYING INTO THE FUND FOR INSURANCE PREMIUMS, PURSUANT TO NRS 331.187, SUBSECTION 3.

ASSEMBLYMAN ARMSTRONG SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis directed attention to page 36 of [Exhibit C](#) and the other closing item in decision unit E-230 for a risk management information system. This closing item appeared reasonable to Fiscal Analysis Division staff and was recommended for closing as included in The Executive Budget.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE DECISION UNIT ENHANCEMENT 230 IN BUDGET ACCOUNT 1348 AS RECOMMENDED BY THE EXECUTIVE BUDGET, WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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ELECTED OFFICIALS

ELECTED OFFICIALS

AG - NATIONAL SETTLEMENT ADMINISTRATION (340-1045)

BUDGET PAGE ELECTED-140

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of budget account (BA) 1045, National Settlement Administration. Ms. Davis provided information to the Committee regarding the funding changes for the use of National Mortgage Settlement Funds in decision unit Enhancement (E) 244 and directed attention to the charts at the top of page 38 of [Exhibit C](#). During fiscal year (FY) 2013, the Office of the Attorney General (OAG) received \$87.7 million in National Mortgage Settlement funds. The charts showed the legislatively approved allocations from the National Mortgage Settlement for the 2013-2015 biennium. There were reserve funds remaining in BA 1045, which were supporting certain program areas for the Home Again: Nevada Homeowner Relief Program. The funds were being used to address the mortgage and foreclosure crisis in Nevada. The program areas were the call center, the financial guidance center, and legal services.

Ms. Davis referenced the table at the top of page 39 of [Exhibit C](#), noting the Governor's recommendation for the National Mortgage Settlement program areas. Included on the chart was a comparison of what was approved by the 2013 Legislature for FY 2014.

Ms. Davis noted that pages 39 and 40 included background information for the Committee's review. Additionally, when closing this budget account in the 2013 Legislative Session, a Letter of Intent was prepared directing the OAG to submit quarterly reports to the Interim Finance Committee (IFC). The OAG complied with the request. Additional information regarding the use of the three program areas was provided for the Committee in [Exhibit C](#).

Based on discussions during the budget hearings, the Committee expressed concern regarding how this program had helped Nevadans. Ms. Davis pointed out that the OAG had provided information from the independent monitoring of this multistate agreement. The information indicated that 20,413 Nevadans received consumer relief totaling about \$1.9 billion as of August 2013.

Ms. Davis explained that the relief for Nevadans came in the form of loan modifications, loan forgiveness, short sales, deeds in lieu, service or payments to unrelated lienholders, forbearance for unemployed borrowers, deficiency waivers, and refinances.

Additionally, the Committee expressed concern about identified future program areas that were not included in The Executive Budget, including down payment assistance, assistance with the Home Affordable Refinance Program (HARP), and expanded credit assistance. Ms. Davis further testified that the agency indicated that the new administration wanted to review the program and bring forward any program changes or additions at an Interim Finance Committee (IFC) meeting after the legislative session.

Ms. Davis asked whether the Committee wished to approve the National Mortgage Settlement funds to continue the Home Again program for the upcoming biennium as included in The Executive Budget.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE NATIONAL MORTGAGE SETTLEMENT FUNDS TOTALING \$237,500 FOR THE CALL CENTER; \$2,095,000 FOR THE FINANCIAL GUIDANCE CENTER; AND \$1,542,742 FOR LEGAL SERVICES IN EACH YEAR OF THE 2015-2017 BIENNIUM TO CONTINUE THE HOME AGAIN PROGRAM FOR THE UPCOMING BIENNIUM AS INCLUDED IN THE EXECUTIVE BUDGET.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

Assemblywoman Carlton commented that she understood that the OAG needed time to review the program; however, she was not comfortable when IFC approved new programs that had not been fully vetted by the Legislature. There had been problems with this in the past.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis remarked that included in decision unit E-244 was a recommendation for \$1,170,328 for the consumer affairs unit (CAU) within the Department of Business and Industry (B&I) Administration account (BA 4658). National Mortgage Settlement funds supported four positions in this unit in the 2013-2015 biennium. This recommendation continued the four positions and expanded the CAU by 2.5 full-time-equivalent positions, in compliance with the National Mortgage Settlement agreement to provide consumer-related services.

The Office of the Attorney General (OAG) testified at the budget hearing that it did not support this decision unit. Fiscal Analysis Division staff noted that the Subcommittees on General Government recommended the transfer to the B&I Administration budget account at the closing before the Subcommittees. A technical adjustment was made at that time to reduce the transfer by \$2,063 over the 2015-2017 biennium. Additionally,

this decision would be contingent upon the passage and approval of Assembly Bill 481, which extended the sunset of the CAU to June 30, 2017.

The decision for the Committee would be whether to approve the Governor's recommendation to transfer National Mortgage Settlement funds totaling \$1,170,328 to the Department of Business and Industry's Administration budget to support the consumer affairs unit expansion.

There being no comments or questions, Chair Anderson requested a motion.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO TRANSFER NATIONAL MORTGAGE SETTLEMENT FUNDS TOTALING \$1,170,328 OVER THE 2015-2017 BIENNIUM TO THE DEPARTMENT OF BUSINESS AND INDUSTRY'S ADMINISTRATION BUDGET TO SUPPORT THE CONTINUATION AND EXPANSION OF THE CONSUMER AFFAIRS UNIT, WITH A TECHNICAL ADJUSTMENT REDUCING THE TRANSFER AMOUNT BY \$2,063 OVER THE BIENNIUM, PURSUANT TO THE CLOSING ACTION FOR THE DEPARTMENT OF BUSINESS AND INDUSTRY'S ADMINISTRATION BUDGET.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis addressed the funding for the foreclosure mediation program in decision unit Enhancement (E) 250 in budget account (BA) 1045. The recommendation in The Executive Budget included \$1,408,601 in fiscal year (FY) 2016 for transfer to the State of Nevada Foreclosure Mediation Program (FMP) within the Judicial Branch. This program was established in 2009 and was supported by notice of default fees and mediation service fees. The \$1,408,601 would continue the program functions through FY 2017. Fiscal Analysis Division staff noted that approximately \$595,997 of the transfer amount supported the contract services and equipment for a web-based portal enhancement.

During earlier testimony, the OAG did not support this recommendation. Discussion regarding this enhancement was held during the budget hearing for the Foreclosure Mediation Program (BA 1492) on March 11, 2015.

The Committee decision was whether to approve the Governor's recommendation to transfer National Mortgage Settlement funds totaling \$1,408,601 to the Judicial Branch to support the FMP.

Assemblyman Kirner believed this program should not be continued, and he did not support the Governor's recommendation.

Assemblywoman Kirkpatrick disagreed, explaining that there were numerous houses in foreclosure in her district. The idea of the program was to keep citizens out of foreclosure so they could keep their homes. This was still a problem in the North Las Vegas area.

Assemblyman Kirner responded that the statistics showed the usage of the program was low. He believed that the \$1,408,601 could be put to better use in other areas.

Assemblywoman Swank advised that a study was published in April ranking Nevada highest in the nation in foreclosures.

Chair Anderson agreed there were diminishing returns on this program; however, he was not sure there was a solution for persons in the program who were having success. It was a concern for these residents. He wanted the program to sunset, but was uncertain whether it was time to extinguish the program.

Assemblyman Edwards inquired whether there was an alternative motion that could be considered.

Ms. Davis advised that the Committee could consider taking action on the item contingent upon how the budget was closed for the Judicial Branch.

Assemblyman Kirner said he was amenable to that motion.

Chair Anderson requested Ms. Davis provide the correct wording for the motion. Ms. Davis said the motion would be to approve the Governor's recommendation to transfer the National Mortgage Settlement funds of \$1,408,601 over the biennium to the Judicial Branch, contingent upon the closure of the Foreclosure Mediation Program budget (BA 1492) in the Judicial Branch.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION TO TRANSFER THE NATIONAL MORTGAGE
SETTLEMENT FUNDS OF \$1,408,601 OVER THE BIENNIUM TO
THE JUDICIAL BRANCH, CONTINGENT UPON THE CLOSURE OF
THE FORECLOSURE MEDIATION PROGRAM BUDGET (BA 1492) IN
THE JUDICIAL BRANCH.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis addressed the next item, a new request to establish a litigation expenditure category for financial fraud. This item was not included in The Executive Budget. Following the March 23, 2015, budget hearing, the Attorney General proposed establishing a new expenditure category in budget account (BA) 1045 for litigation costs, such as travel and court costs associated with financial fraud cases. According to follow-up information provided by the Office of the Attorney General (OAG), expenditures of \$100,000 in each year of the biennium would help support this function and allow fraud prosecutors to pursue criminal cases at trial, including travel and the use of witnesses and expert witnesses. The total amount was based on an average of \$25,000 per case with an average of four cases per year.

The OAG stated that it had been using National Mortgage Settlement funds to support these efforts. Passage of this item would allow the use of National Mortgage Settlement funds to continue and expand into the financial fraud area.

Ms. Davis asked whether the Committee wished to approve the request to establish a litigation category for travel and court costs, including witness fees and expert witness fees for financial fraud cases.

ASSEMBLYMAN KIRNER MOVED TO APPROVE NATIONAL MORTGAGE SETTLEMENT FUNDS TOTALING \$100,000 IN EACH YEAR OF THE 2015-2017 BIENNIUM, AS REQUESTED BY THE OFFICE OF THE ATTORNEY GENERAL, TO ESTABLISH A LITIGATION COSTS EXPENDITURE CATEGORY FOR TRAVEL AND COURT COSTS, INCLUDING WITNESS FEES AND EXPERT WITNESS FEES FOR FINANCIAL FRAUD CASES.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis provided the Committee information regarding the transfer of the criminal mortgage fraud unit (MFU) to budget account (BA) 1045 as shown under decision units Enhancement (E) 501 and E-901. Ms. Davis directed the Committee's attention to the top of page 43 of [Exhibit C](#), which showed the history of the MFU. The MFU was started in 2010 with Edward Byrne Memorial Grant (Byrne) funds with eight positions. The MFU was transferred to the Administrative Fund (BA 1030) when the Byrne funds expired, and the MFU was then supported with Wells Fargo settlement funds.

This recommendation was to support the MFU with the National Mortgage Settlement Funds. The OAG reported that the MFU was very successful in investigating criminal mortgage fraud. Fiscal Analysis Division staff noted that included in the closing document was a technical adjustment to include the transfer of the deputy attorney general (DAG) position control number 390. The total transfer was eight positions, using a total of \$1.5 million in National Mortgage Settlement funds over the 2015-2017 biennium to support the transfer.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE USE OF \$1.5 MILLION IN NATIONAL MORTGAGE SETTLEMENT FUNDS OVER THE 2015-2017 BIENNIUM TO SUPPORT THE TRANSFER IN OF EIGHT POSITIONS IN THE MORTGAGE FRAUD UNIT FROM THE ADMINISTRATIVE FUND BUDGET (BA 1030), AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE THE TECHNICAL ADJUSTMENT TO RESTORE THE DEPUTY ATTORNEY GENERAL POSITION INADVERTENTLY OMITTED FROM THE TRANSFER.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis said the other closing item included decision units E-710 and E-806. Both appeared reasonable to Fiscal Analysis Division staff; however, decision unit E-806 needed a technical adjustment based on the outcome of statewide decisions involving unclassified positions.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE OTHER CLOSING ITEMS AS INCLUDED IN THE EXECUTIVE BUDGET WITH AUTHORITY FOR STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

Assemblyman Edwards noted that decision unit E-806 provided a \$12,000 salary increase. Ms. Davis clarified the increase amount was over the biennium.

Assemblyman Edwards asked what the salary level would be for the position. In response, Ms. Davis noted there were approximately 17 legal researcher positions throughout the 10 OAG budgets, and this was representative of only one position. She referenced the chart on page 13 of [Exhibit C](#), which showed

the legal researcher position salary increase from \$46,102 to \$56,627. This would make the position salary comparable to similar positions in the classified service of the state. This difference was identified pursuant to a desk audit performed by the Division of Human Resource Management, Department of Administration.

Additionally, Ms. Davis mentioned this was one of the items included in the 2007 National Association of Attorneys General recommendations that were not completed because of the decline in the economy.

THE MOTION CARRIED UNANIMOUSLY.

Chair Anderson opened the hearing for public comment. There being no public comment, Chair Anderson closed the hearing at 11:11 a.m.

RESPECTFULLY SUBMITTED:

Linda Blevins
Committee Secretary

APPROVED BY:

Assemblyman Paul Anderson, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Ways and Means

Date: April 29, 2015

Time of Meeting: 8:06 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau	Assembly Committee on Ways and Means, Closing List #10