

**MINUTES OF THE MEETING OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND
SENATE COMMITTEE ON FINANCE
SUBCOMMITTEES ON GENERAL GOVERNMENT**

**Seventy-Eighth Session
May 1, 2015**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on General Government was called to order by Chair Randy Kirner at 8:04 a.m. on Friday, May 1, 2015, in Room 2134 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: 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).

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblyman Randy Kirner, Chair
Assemblyman Pat Hickey, Vice Chair
Assemblywoman Irene Bustamante Adams
Assemblyman Chris Edwards
Assemblywoman Heidi Swank

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Pete Goicoechea, Chair
Senator Michael Roberson
Senator Joyce Woodhouse

SUBCOMMITTEE MEMBERS EXCUSED:

Assemblyman Paul Anderson



STAFF MEMBERS PRESENT:

Stephanie Day, Principal Deputy Fiscal Analyst
Leannandra Copeland, Program Analyst
Jaimarie Dagdagan, Program Analyst
Andrea McCalla, Program Analyst
Janice Wright, Committee Secretary
Cynthia Wyett, Committee Assistant

The Committee Secretary called the roll, and a quorum of the members was present. Chair Kirner reminded the Subcommittees, witnesses, and audience members of the rules and protocols.

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - ATHLETIC COMMISSION (101-3952)
BUDGET PAGE B & I-190**

Andrea McCalla, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the Nevada Athletic Commission, Department of Business and Industry, was established in 1941 to supervise and regulate all contests and exhibitions of unarmed combat, including boxing, professional wrestling, mixed martial arts, kickboxing, and elimination boxing. The two major closing issues in budget account (BA) 3952 included a proposal to increase fees for the Commission to become self-funded and an increase IN the contract rates for inspectors.

Ms. McCalla explained the proposal to increase fees to become self-funded. Assembly Bill (A.B.) 476 would increase the license fee from 6 percent to 8 percent of the gross receipts and would direct 2 percent of the 8 percent collected to be deposited into budget account (BA) 3952 for administration of the Nevada Athletic Commission. Consensus was reached during a meeting with the Department of Business and Industry, the Budget Division of the Department of Administration, and the Legislative Counsel Bureau to transfer the unobligated funding from the reserve for reversion to the State General Fund operating reserve category, contingent upon passage and approval of A.B. 476. Fiscal Analysis Division staff made the technical adjustment to transfer \$638,674 in fiscal year (FY) 2016 and \$758,744 in FY 2017 from the reserve for reversion category to the General Fund operating reserve category.

Ms. McCalla explained that the Nevada Athletic Commission anticipated that the 2 percent increase would generate revenues of \$1,501,822 a year; the fee had been increased from 4 percent to 6 percent in 2010. The agency maintained that the fee-based funding would pay for additional personnel, expansion of a comprehensive drug testing program, increased training for ring officials, and enhanced technology such as scorekeeping. Ms. McCalla said no enhancements for those additional activities were requested in The Executive Budget. Fiscal Analysis Division staff had requested a budget for the additional revenue, but the Nevada Athletic Commission declined to submit a budget for those activities. Ms. McCalla said decision unit Enhancement (E) 228 was contingent on passage and approval of A.B. 476.

Ms. McCalla asked whether the Subcommittees wished to approve the Nevada Athletic Commission's transition from a General Fund agency to a self-funded agency beginning in the 2015-2017 biennium as recommended by the Governor, with license fee revenues of \$638,674 in FY 2016 and \$758,744 in FY 2017 reverting to the General Fund and a 90-day operating reserve of \$185,000 by the end of FY 2017, with the technical adjustments made by Fiscal Analysis Division staff as noted previously.

Assemblywoman Bustamante Adams stated that she received some information about the proposed use of the additional 2 percent revenues. She expressed concern that Fiscal Analysis Division staff received no details about how the Nevada Athletic Commission would promote and facilitate an increase in athletic events. Assemblywoman Bustamante Adams asked that the Nevada Athletic Commission develop a detailed plan and provide it to Fiscal Analysis Division staff.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF BUDGET ACCOUNT 3952 AS RECOMMENDED BY THE GOVERNOR, TO ALLOW THE NEVADA ATHLETIC COMMISSION TO BECOME A SELF-FUNDED AGENCY BEGINNING IN THE 2015-2017 BIENNIUM, WITH LICENSE FEE FUNDS OF \$638,674 IN FY 2016 AND \$758,744 IN FY 2017 REVERTING TO THE GENERAL FUND AND A 90-DAY OPERATING RESERVE OF \$185,000 BY THE END OF FY 2017, AND TO AUTHORIZE THE TECHNICAL ADJUSTMENTS MADE BY FISCAL ANALYSIS DIVISION STAFF AS NOTED PREVIOUSLY.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

Ms. McCalla continued that the next major closing issue in BA 3952 was the proposal to increase contract inspector rates. The Governor recommended General Fund appropriations of \$44,250 in each year of the 2015-2017 biennium to increase the contract rates for the chief inspector and inspectors from \$75 per event and \$25 per weigh-in to \$150 per event and \$50 per weigh-in, representing a 100 percent increase respectively for each proposed rate change. The Nevada Athletic Commission advised that the chief inspector and inspector pay rates had not increased since 1996, and the pay rates for weigh-ins had not increased since 1984.

Ms. McCalla asked whether the Subcommittees wished to approve \$44,250 in each year of the 2015-2017 biennium to increase the contract rates for the chief inspector and inspectors from \$75 per event and \$25 per weigh-in to \$150 per event and \$50 per weigh-in.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF \$44,250 IN EACH YEAR OF THE 2015-2017 BIENNIUM TO INCREASE THE CONTRACT RATES FOR THE CHIEF INSPECTOR AND INSPECTORS FROM \$75 PER EVENT AND \$25 PER WEIGH-IN TO \$150 PER EVENT AND \$50 PER WEIGH-IN.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

Ms. McCalla advised that the six other closing items in BA 3952 appeared reasonable, and Fiscal Analysis Division staff recommended closing all other closing items as recommended by the Governor and requested authority to make technical adjustments as necessary and consistent with closing actions taken on the Business and Industry Administration budget [BA 4681].

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF ALL OTHER CLOSING ITEMS IN BUDGET ACCOUNT 3952 AS RECOMMENDED BY THE GOVERNOR, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL

ADJUSTMENTS AS NECESSARY AND CONSISTENT WITH
CLOSING ACTIONS TAKEN IN THE BUSINESS AND INDUSTRY
ADMINISTRATION BUDGET ACCOUNT.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and
Senator Roberson were not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - INDUSTRIAL RELATIONS (210-4680)
BUDGET PAGE B & I-93

Andrea McCalla, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the Division of Industrial Relations Administrator's Office, Department of Business and Industry, regulated Nevada's workers' compensation programs to ensure that injured workers received timely and accurate delivery of wage loss compensation, physical impairment compensation, medical compensation, and rehabilitation benefits through a comprehensive program of training, auditing, investigation, and enforcement. The two major closing issues in budget account (BA) 4680 included a technology investment request for software replacement and a new information technology (IT) professional position.

Ms. McCalla stated that the Governor recommended allocations from the Fund for Workers' Compensation and Safety totaling \$2,577,238 over the 2015-2017 biennium to replace aging databases used for claim indexing, licensing, and enforcement activities. The ongoing costs were estimated to be \$49,000 each year. The key problems with the existing systems were the accounts receivable system required all transactions to be tracked twice, and problems occurred with comparisons of unemployment insurance data to workers' compensation data to prevent customers from filing in both systems. The Division of Industrial Relations (DIR), Department of Business and Industry, advised that it was unable to locate a commercial off-the-shelf system that supported the needs of the workers' compensation section. The Division of Enterprise Information Technology Services (EITS), Department of Administration, no longer offered system-building services without a two-year minimum commitment. The DIR reported that the \$2.6 million cost of the recommended software replacement would increase the allocation from the

Fund for Workers' Compensation and Safety by approximately 6.5 percent in fiscal year (FY) 2016 and 1.9 percent in FY 2017.

Ms. McCalla explained that according to DIR, the industries affected by the assessment were supportive of the proposed assessment increase resulting from the recommended software system replacement. The DIR estimated the assessment rates would decrease following the purchase and launch of the new software solution.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF BUDGET ACCOUNT 4680 AS RECOMMENDED BY THE GOVERNOR FOR ALLOCATIONS FROM THE FUND FOR WORKERS' COMPENSATION AND SAFETY TOTALING \$2,557,238 OVER THE 2015-2017 BIENNIUM TO REPLACE THE AGING DATABASES USED FOR CLAIMS INDEXING, LICENSING, AND ENFORCEMENT ACTIVITIES.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

Ms. McCalla explained that the next major closing issue in BA 4680 was the new information technology professional position to act as the chief programmer for the Division to manage, maintain, and control information services equipment, networks, and data systems. The agency testified that it was a large division and needed a dedicated information technology position within the Division.

Ms. McCalla asked whether the Subcommittees wished to approve an allocation from the Fund for Worker's Compensation and Safety of \$137,665 over the 2015-2017 biennium to fund a new dedicated information technology professional position and associated costs as recommended by the Governor.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF THE ALLOCATION FROM THE FUND FOR WORKER'S COMPENSATION AND SAFETY OF \$137,665 OVER THE 2015-2017 BIENNIUM FOR A NEW DEDICATED INFORMATION TECHNOLOGY PROFESSIONAL POSITION AND ASSOCIATED COSTS AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

Ms. McCalla advised that the eight other closing items appeared reasonable. She asked whether the Subcommittees wished to approve all other closing items as recommended by the Governor, with authority for Fiscal Analysis Division staff to make technical adjustments as necessary and consistent with the Subcommittees' closing actions in the Occupational Safety and Health Enforcement budget [BA 4682] and the Business and Industry Administration budget [BA 4681].

Chair Kirner explained that he asked Fiscal Analysis Division staff to present a summary to the Subcommittees of all the other closing items together rather than review each other closing item separately. He encouraged the Subcommittees' members to ask questions on any specific item of interest, and it would be discussed.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF ALL OTHER CLOSING ITEMS IN BUDGET ACCOUNT 4680 AS RECOMMENDED BY THE GOVERNOR, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY AND CONSISTENT WITH THE SUBCOMMITTEES' CLOSING ACTIONS IN THE OCCUPATIONAL SAFETY AND HEALTH ENFORCEMENT BUDGET AND BUSINESS AND INDUSTRY ADMINISTRATION BUDGET.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - LABOR COMMISSIONER (101-3900)
BUDGET PAGE B & I-240**

Andrea McCalla, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the Office of Labor Commissioner, Department of Business

and Industry, was responsible for the enforcement of labor laws of the state that were not specifically and exclusively vested in any other officer, board, or commission. The two major closing issues in budget account (BA) 3900 included the Carson City office relocation and the case-management software system replacement. The Governor recommended State General Fund appropriations of \$60,420 over the 2015-2017 biennium to replace an aging case-management system with a commercial off-the-shelf solution. The existing legacy system was no longer supported and would be replaced to ensure timely and adequate support for the public. The current system was created in-house in 2006. The Labor Commissioner identified a software program named i-Sight that would perform intake, case management, and reporting for the Labor Commissioner. The Office expected the new i-Sight case-management system would be operational by October 31, 2015. The ongoing software maintenance costs would be approximately \$16,000 per year.

Ms. McCalla asked whether the Subcommittees wished to approve General Fund appropriations totaling \$60,420 over the 2015-2017 biennium to replace an aging case-management system with a commercial off-the-shelf software system as recommended by the Governor.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF GENERAL FUND APPROPRIATIONS FOR BUDGET ACCOUNT 3900 TOTALING \$60,420 OVER THE 2015-2017 BIENNIUM TO REPLACE THE AGING CASE-MANAGEMENT SYSTEM WITH A COMMERCIAL OFF-THE-SHELF SOFTWARE SYSTEM AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

Ms. McCalla said the second major closing issue in BA 3900 was the Carson City office relocation. The Executive Budget recommended General Fund appropriations of \$49,263 over the 2015-2017 biennium to fund the costs associated with relocating the Carson City office to a larger facility. The current location suffered from noise and inadequate office and parking space. Based on the information and testimony provided, the recommendation appeared reasonable to Fiscal Analysis Division staff.

Ms. McCalla asked whether the Subcommittees wished to approve General Fund appropriations totaling \$49,263 over the 2015-2017 biennium to fund the costs associated with relocating the Carson City office to a new facility as recommended by the Governor.

ASSEMBLYMAN HICKEY MOVED FOR APPROVAL OF GENERAL FUND APPROPRIATIONS TOTALING \$49,263 OVER THE 2015-2017 BIENNIUM TO FUND THE COSTS ASSOCIATED WITH RELOCATING THE CARSON CITY OFFICE TO A NEW FACILITY AS RECOMMENDED BY THE GOVERNOR.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

Ms. McCalla explained that the four other closing items in BA 3900 appeared reasonable, and Fiscal Analysis Division staff recommended approval of other closing items as recommended by the Governor, with authority for Fiscal Analysis Division staff to make technical adjustments as necessary and consistent with the Subcommittees' closing actions in the Business and Industry Administration budget [BA 4681].

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF ALL OTHER CLOSING ITEMS IN BUDGET ACCOUNT 3900 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY AND CONSISTENT WITH THE SUBCOMMITTEES' CLOSING ACTIONS IN THE BUSINESS AND INDUSTRY ADMINISTRATION BUDGET.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - NV ATTORNEY FOR INJURED WORKERS (101-1013)
BUDGET PAGE B & I-251

Andrea McCalla, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the Office of the Nevada Attorney for Injured Workers, Department of Business and Industry, was created in 1977 to represent injured workers with their claims for workers' compensation benefits. The two major closing issues were a new legal research assistant position and a contracted security increase. The Governor recommended an allocation from the Fund for Workers' Compensation and Safety of \$44,122 in fiscal year (FY) 2016 and \$59,799 in FY 2017 for the costs of the position for the Carson City office. Currently, the Carson City office had one legal research assistant position working for five attorneys. The Las Vegas office had three legal research assistants working for nine attorneys. Based on the testimony and information provided by the agency, the decision unit appeared reasonable to Fiscal Analysis Division staff.

Ms. McCalla asked whether the Subcommittees wished to approve \$44,122 in FY 2016 and \$59,799 in FY 2017 to fund a new legal research assistant position and associated operating costs as recommended by the Governor.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF \$44,122 IN FISCAL YEAR 2016 AND \$59,799 IN FISCAL YEAR 2017 TO FUND A NEW LEGAL RESEARCH ASSISTANT POSITION AND ASSOCIATED OPERATING COSTS AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

Ms. McCalla advised that the second major closing issue in BA 1013 was the increase in contracted security. The Executive Budget recommended an allocation from the Fund for Workers' Compensation and Safety totaling \$54,670 over the 2015-2017 biennium to increase contracted security guard services from half-time to full-time in the Las Vegas office to ensure the safety

and welfare of the staff and the public. A shooting incident occurred in the Las Vegas office building where the agency was housed. With the additional security provided by the Hearings Division, Department of Administration, there would be two full-time contracted security guards on the second floor where the agency was located. Ms. McCalla said the decision unit appeared reasonable to Fiscal Analysis Division staff.

Ms. McCalla asked whether the Subcommittees wished to approve \$54,670 over the 2015-2017 biennium to increase contracted security guard services at the Las Vegas office as recommended by the Governor.

SENATOR WOODHOUSE MOVED FOR APPROVAL OF \$54,670 OVER THE 2015-2017 BIENNIUM TO INCREASE CONTRACTED SECURITY GUARD SERVICES AT THE LAS VEGAS OFFICE AS RECOMMENDED BY THE GOVERNOR.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

Ms. McCalla advised that the four other closing items in BA 1013 appeared reasonable to Fiscal Analysis Division staff. She asked whether the Subcommittees wished to approve the other closing items as recommended by the Governor, with authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

ASSEMBLYMAN HICKEY MOVED FOR APPROVAL OF OTHER CLOSING ITEMS IN BUDGET ACCOUNT 1013 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - INSURANCE REGULATION (504-3813)
BUDGET PAGE B & I-34

Leannandra Copeland, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the two major closing issues for the Insurance Regulation budget were the consolidation of three budgets into the Insurance Regulation budget, a modification of the corporate assessment from a fixed fee to a variable fee, and the addition of four new positions. The Executive Budget recommended consolidating the number of Division of Insurance, Department of Business and Industry budget accounts (BA) from eight to three. The Division of Insurance submitted a budget amendment to retain one of the budget accounts.

Ms. Copeland explained the consolidation as follows: one budget account was recommended for elimination, three budget accounts would remain as separate budget accounts, the Division would retain one budget account, and three budget accounts would be consolidated into the Insurance Regulation budget account. The Division indicated that the benefit of the revenue restructuring and budget consolidation plan was it would give the agency the ability to control its revenue with a sliding scale fee and eliminate some administrative tasks.

Ms. Copeland said Assembly Bill (A.B.) 486 would be required to pass before the consolidation and fee restructuring could occur. She noted that the Captive Insurers [BA 3818] and the Self Insured Workers Comp [BA 4684] budgets were untouched by the reorganization and had been closed on April 3, 2015, by the Assembly and Senate finance committees. Six budget accounts were involved in the reorganization. Budget account 3817, BA 3824, and BA 3833 would be consolidated into the Insurance Regulation BA 3813. Budget account 3821 was initially recommended for elimination; however, the budget amendment submitted by the Division requested to retain the account. Budget account 3828 was recommended for elimination.

Ms. Copeland advised that one reason the Division proposed the consolidation was to resolve some cost-allocation concerns. The current cost-allocation formula was based on a study that was completed many years ago. Over time, the ratios changed, and a new study was required every couple of years.

The Division said the ratio study was an inefficient, time-consuming process. Consolidation would eliminate the cost-allocation function for those budgets.

Ms. Copeland said the Division proposed a modification of the corporate assessment from a fixed fee to a variable fee. The existing laws required a fixed corporate assessment of \$1,300 be paid by each licensed insurer, pursuant to *Nevada Revised Statutes* (NRS) 680C.110. The proposal was to create a five-tiered sliding scale for the corporate assessment that would be set by the Commissioner of Insurance. The fee scale would be discussed with the insurance industry at an annual meeting. The sliding scale corporate assessment would replace the revenue lost because of the elimination of four fees contained in the Division budgets. The Division sought to control its reserve levels. Ms. Copeland noted that the Division currently had an excess of 150 days of reserves, and most of the fees were mandated in the NRS.

Ms. Copeland explained the proposal in The Executive Budget was a combination of an increase in certain fees and a decrease in other fees, which left the Division with a reserve of only 11 days of operating expenses. The Division of Insurance submitted a revised corporate assessment plan to increase the reserve balance to 22 days of operating expenses. The fees in the initial corporate assessment plan ranged from \$1,000 to \$2,500. The new fees ranged from \$1,700 to \$2,000. The Subcommittees wondered whether some insurance companies might oppose the increased fees because of "sticker shock." According to the Division, the insurance industry was supportive of the consolidated fees because insurers would prefer to pay one fee rather than pay multiple fees throughout the year.

Ms. Copeland said she included the revision submitted by the Division of Insurance (DOI) in her analysis. The DOI restructuring plan increased revenue by \$1,276,487 and decreased revenue by \$1,886,294 over the 2015-2017 biennium. The net change was a decrease of \$609,807 in reserves.

Ms. Copeland said Fiscal Analysis Division staff was concerned that the modified corporate assessment would be collected in March 2016, which was late in the fiscal year. The DOI expected to collect revenue from the sliding scale corporate assessment in June 2016. Assembly Bill (A.B.) 486 would need to be amended to change the fee due date from March 1 to June 1, or to allow the Commissioner to set the fee due date.

Ms. Copeland noted that during the 76th Session (2011), a similar budget consolidation was not approved. The Legislature had concerns about the lack of transparency when multiple revenue streams were consolidated into one budget account. Determination of the reserves would be a complicated process because of the multiple revenue streams.

Ms. Copeland said if the Subcommittees wished to approve the restructuring of the Division of Insurance, it might consider the following options:

- A. Approve the consolidation of the Insurance Examiners, the Insurance Education and Research, and the Insurance Cost Stabilization budgets into the Insurance Regulation budget, including the removal of the insurance recovery fee, property and casualty assessment, and fine revenues, and approve the Governor's recommendation to modify the corporate assessment from a fixed fee to a sliding-scale fee based on the amount of insurance premiums written in the state, which together decreased projected revenue by \$609,807 over the 2015-2107 biennium, contingent upon passage of A.B. 486.
- B. Do not approve the consolidation of the Insurance Examiners, the Insurance Education and Research, and the Insurance Cost Stabilization budgets into the Insurance Regulation budget and approve the Governor's recommendation, contingent upon passage of A.B. 486, to modify the corporate assessment from a fixed fee to a sliding-scale fee based on the amount of insurance premiums written in the state, which together decreased projected revenue by \$609,807 over the 2015-2107 biennium and would allow the Division of Insurance to control its revenue and reserve levels.

Ms. Copeland said Fiscal Analysis Division staff requested authority to make technical adjustments dependent upon passage of A.B. 486.

Chair Kirner said the original recommendation would consolidate eight budget accounts to three budget accounts, but the amendment changed the recommendation to eliminate three budget accounts. Much of the reorganization was addressed in A.B. 486, which was scheduled to be heard by the Assembly Committee on Ways and Means. He expressed concern about the reserve levels, but noted the reserves had been increased to 22 days and the target was 30 days.

Assemblywoman Bustamante Adams requested assurance that the Commissioner of Insurance would hold public meetings with the insurance industry and receive input about the change from a fixed to a variable fee before the five-tier corporate assessment fee schedule was finalized.

Scott Kipper, Commissioner of Insurance, Division of Insurance, Department of Business and Industry, confirmed that public meetings would be held. His intent was to ensure that DOI met with its regulated entities to solicit input and explain the proposal for the corporate assessment fee schedule. The Division anticipated holding meetings after July 1, 2015.

Senator Goicoechea said DOI wanted the ability to set a sliding scale for fees and consolidate budgets. He favored option A, but urged the Subcommittees to be cautious in its consideration of the changes in A.B. 486.

Chair Kirner said A.B. 486 would be heard by the Assembly Committee on Ways and Means, and any action taken by the Subcommittees would be contingent on the passage of the bill.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF THE CONSOLIDATION OF THE INSURANCE EXAMINERS, THE INSURANCE EDUCATION AND RESEARCH, AND THE INSURANCE COST STABILIZATION BUDGETS INTO THE INSURANCE REGULATION BUDGET, INCLUDING THE REMOVAL OF THE INSURANCE RECOVERY FEE, PROPERTY AND CASUALTY ASSESSMENT, AND FINE REVENUES, AND APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO MODIFY THE CORPORATE ASSESSMENT FROM A FIXED FEE TO A SLIDING-SCALE FEE BASED ON THE AMOUNT OF INSURANCE PREMIUMS WRITTEN IN THE STATE, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS. THIS ACTION WOULD DECREASE PROJECTED REVENUE BY \$609,807 IN EACH YEAR OF THE 2015-2017 BIENNIUM, CONTINGENT UPON PASSAGE OF ASSEMBLY BILL 486.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

Ms. Copeland said the second major closing issue was the addition of four new positions for the Division of Insurance (DOI). The Governor recommended reserves totaling \$579,957 over the 2015-2017 biennium. The recommendation involved two decision units, Enhancement (E) 225 and E-226. Decision unit E-225 recommended three new positions for consumer protection, licensing, and auditing at a total cost of \$446,607. The first position was an unclassified insurance counsel hearing officer to manage hearings in Las Vegas where no DOI legal staff existed. The DOI had three insurance counsel hearing officers based in Carson City, but approximately 80 to 85 percent of the respondents identified in the case files were located in Las Vegas. The agency said it had a backlog of 874 cases in December 2014. The DOI said that the total caseload had increased and the cases were more complex.

Ms. Copeland said the second position requested was a program officer position to manage the Division's State Insurance Regulators Connection, the National Insurance Producer Registry licensing system, and the producer licensing education programs. Currently, those duties were performed on a shared basis by two program officers as time and resources permitted. The DOI needed the new position to enhance its ability to regulate the insurance industry, because licensee information was updated more frequently than in the past.

Ms. Copeland advised that DOI requested an insurance examiner position to perform the new analysis procedures required by the National Association of Insurance Commissioners accreditation standards. The current 6 examiners were each assigned between 10 to 12 domestic insurers, and that caseload was higher than the national average of 8.3 insurers per examiner. The new position would enable DOI to maintain the current overall workload and improve the workload ratios. The position would coordinate with other states to ensure that insurers were correctly reporting and paying the insurance premium taxes.

Ms. Copeland asked whether the Subcommittees wished to approve the Governor's recommendation to use reserves of \$446,607 over the 2015-2017 biennium for a new unclassified insurance counsel/hearing officer position, a program officer, and an insurance examiner.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO USE RESERVES OF \$446,607 OVER THE 2015-2017 BIENNIUM FOR THREE NEW POSITIONS: AN UNCLASSIFIED INSURANCE COUNSEL HEARING OFFICER, A PROGRAM OFFICER, AND AN INSURANCE EXAMINER.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

Assemblywoman Bustamante Adams encouraged DOI to reconsider the physical location assignment of the hearing officers. She understood that 85 percent of the cases were located in Las Vegas, and the staffing ratios did not seem appropriate to her.

Ms. Copeland said that decision unit Enhancement (E) 226 was a request to add one new information technology (IT) professional position to serve as the chief programmer for the Division of Insurance. The agency currently had an IT professional on assignment from the Department of Business and Industry Director's Office; however, the assignment had proven inefficient. The DOI was unable to receive IT services when the IT professional was working for other divisions. The DOI maintained some national systems, and it was important to have a dedicated IT professional on site to support those systems. Because the IT support was currently provided by the Department of Business and Industry, Fiscal Analysis Division staff inquired whether more support could be provided by the Department instead of creating a new position. The Director's Office recommended adding a dedicated IT professional because DOI was larger than other divisions, but the Director's Office would still provide support. Ms. Copeland explained she would make a technical adjustment to remove \$1,787 to reduce equipment expenditures, which adjusted the total reserve reduction for the recommendation to \$131,563.

Ms. Copeland asked whether the Subcommittees wished to approve reserve reductions of \$131,563 over the 2015-2017 biennium for a new information technology professional position, with the technical adjustments noted by Fiscal Analysis Division staff.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF RESERVE REDUCTIONS OF \$131,563 OVER THE 2015-2017 BIENNIUM FOR A NEW INFORMATION TECHNOLOGY PROFESSIONAL AND TO AUTHORIZE THE TECHNICAL ADJUSTMENTS NOTED BY FISCAL ANALYSIS DIVISION STAFF.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

Ms. Copeland explained the four other closing items appeared reasonable to Fiscal Analysis Division staff. She asked whether the Subcommittees wished to approve all other closing items as recommended by the Governor. Fiscal Analysis Division staff requested authority to make technical adjustments to the budget as necessary.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF ALL OTHER CLOSING ITEMS IN BUDGET ACCOUNT 3813 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Anderson and Swank were not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - INSURANCE EXAMINERS (504-3817)
BUDGET PAGE B & I-48

Leandra Copeland, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the first major closing issue in budget account (BA) 3817 was the consolidation of the Insurance Examiners BA 3817 into the Insurance Regulation BA 3813. The consolidation would require a change to *Nevada Revised Statutes* (NRS) 679B.300 to eliminate BA 3817. The two fees associated with the budget were the examination fee and the administration fee. The examination fees were used solely to pay for the

examination expense of an insurer, and the associated expenditure category would remain a separate category in the Insurance Regulation budget. The administration fee paid for the administrative expenses and would be transferred to the Insurance Regulation budget.

Ms. Copeland said the Fiscal Analysis Division staff was concerned whether it would be legal to combine the Insurance Examination Account reserves that were collected for a specific purpose with Insurance Regulation reserves without a mechanism for accountability. However, the Legal Division, Legislative Counsel Bureau, opined that combining the reserves would not present a problem.

Ms. Copeland asked whether the Subcommittees wished to approve the Governor's recommendation to consolidate the Insurance Examiners budget [BA 3817] into the Insurance Regulation budget [BA 3813]. Fiscal Analysis Division staff requested authority to make adjustments contingent upon the passage of Assembly Bill 486, and to make other technical adjustments as necessary.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO CONSOLIDATE THE INSURANCE EXAMINERS BUDGET ACCOUNT 3817 INTO THE INSURANCE REGULATION BUDGET ACCOUNT 3813 AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Anderson and Swank were not present for the vote.)

Ms. Copeland explained the second major closing issue was the elimination of the desk audit program. The Governor recommended eliminating audit fees totaling \$489,860 over the 2015-2017 biennium and two insurance examiner positions and associated costs because of the expiration of the desk audit program at the end of the 2013-2015 biennium. The Legislature approved Assembly Bill No. 6 of the 26th Special Session (2010), which required the Division to carry out a desk audit program on insurance premium tax returns. The Division of Insurance had incorporated an insurance premium check into the general duties of insurance examiners, and the desk audit program was no

longer needed. The DOI expected to have 199 desk audits remaining, but those were the smallest of the insurers and the findings were expected to be minimal. The DOI believed that approval of the insurance examiner position in the Insurance Regulation account could complete the 199 remaining desk audits.

Ms. Copeland asked whether the Subcommittees wished to approve the elimination of the desk audit program, including two insurance examiner positions and associated revenue and expenditures, as recommended by the Governor.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF THE ELIMINATION OF THE DESK AUDIT PROGRAM, INCLUDING TWO INSURANCE EXAMINER POSITIONS AND ASSOCIATED REVENUE AND EXPENDITURES, AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

Ms. Copeland advised the one other closing item related to cost-allocation adjustments, and Fiscal Analysis Division staff recommended that the item be closed as recommended by the Governor and requested authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF THE OTHER CLOSING ITEM IN BUDGET ACCOUNT 3817 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - INSURANCE RECOVERY (504-3821)
BUDGET PAGE B & I-59

Leandra Copeland, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the Insurance Recovery budget account was originally recommended to be eliminated. The Division of Insurance, Department of Business and Industry, proposed an amendment to withdraw the recommendation to eliminate the Insurance Recovery budget account (BA) 3821. The Insurance Recovery budget was established in 1977 to protect an insured person who had a continuing claim against a licensed agent, broker, surplus lines broker, adjuster, title officer, or escrow agent after final judgment by a court. The budget was funded by a fee not to exceed

\$15, and the current fee of \$10 was paid by a licensee upon initial licensure and renewal. Any reserve balance over \$40,000 remaining in the account at the end of the fiscal year would be transferred to the Insurance Education and Research budget [BA 3824]. Assembly Bill 486 would eliminate the existing fee and associated transfer. The fee would only be charged if the ending fund balance dropped below \$40,000. Assembly Bill 486 did not impose a limit on the reserve balance of the budget, and Fiscal Analysis Division staff would monitor the reserve levels. The Division did not want to eliminate the account, because it was a consumer protection account. The Division planned to conduct outreach activities to inform consumers about the consumer protection measures.

Ms. Copeland asked whether the Subcommittees wished to approve the elimination of the associated revenues and expenditures in the Insurance Recovery budget and retain a reserve balance of \$40,000, as recommended in The Executive Budget and amended by Budget Amendment A150523821, and authorize Fiscal Analysis Division staff to make technical adjustments contingent upon passage of Assembly Bill 486 and make other technical adjustments as necessary.

Assemblywoman Bustamante Adams asked about the amendment to withdraw the recommendation to eliminate the budget; she was unclear about the elimination of the revenues and expenditures. She asked whether the Subcommittees were being asked to eliminate the budget account.

Ms. Copeland clarified that The Executive Budget recommended elimination of the budget account. The Division of Insurance submitted a budget amendment to retain the budget account because it was a consumer protection measure for injured persons. The changes were part of the budget consolidation proposal.

Scott Kipper, Commissioner of Insurance, Division of Insurance, Department of Business and Industry, testified that the Division requested to retain the \$40,000 for protection of consumers who were harmed and who asked for the recovery of funds. Mr. Kipper said that to his knowledge, there had never been a claim made for recovery of those funds. He did not want to eliminate a consumer protection measure. Currently, the Division assessed \$10 to every licensed insurance producer, agent, and broker. That assessment would be eliminated.

Chair Kirner explained the Subcommittees were asked to eliminate the revenue stream, and there were no expenditures except for an injured consumer who might make a claim against the reserve of \$40,000.

Senator Goicoechea believed the Subcommittees were being asked to consolidate the account, but retain the \$40,000 reserve balance for consumer protection claims. The funding for future consumer protection claims would be from the large reserve balance of \$40,000.

Mr. Kipper confirmed that Senator Goicoechea was correct.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF THE ELIMINATION OF THE ASSOCIATED REVENUES AND EXPENDITURES IN THE INSURANCE RECOVERY BUDGET ACCOUNT 3821, RETENTION OF A RESERVE BALANCE OF \$40,000 AS RECOMMENDED IN THE EXECUTIVE BUDGET AND AMENDED BY BUDGET AMENDMENT A150523821, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - INSURANCE EDUCATION & RESEARCH (504-3824)
BUDGET PAGE B & I-61

Leannandra Copeland, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that budget account 3824 would be consolidated into the Insurance Regulation budget account 3813. Budget account (BA) 3824 received its sole revenue funding from Insurance Recovery [BA 3821]. Any balance in excess of \$40,000 was transferred to the Insurance Education and Research budget [BA 3824], and the consolidation would also transfer two positions.

Ms. Copeland noted that from fiscal year (FY) 2011 to FY 2014, the transfer to the Insurance Education and Research budget [BA 3824] averaged \$681,623 per year. Assembly Bill 486 would remove the annual fee associated with the Insurance Recovery budget, thereby eliminating the revenue source for the budget. The reserve levels in the budget equated to 2.3 years, but Fiscal Analysis Division staff understood that an amount equal to 30 to 60 days of operating expenditures was recommended as the proper reserve level.

Ms. Copeland said the Division of Insurance, Department of Business and Industry, recognized its reserves were high and proposed the budget consolidation to correct that problem. The proposal would continue to fund education and research activities from the modified corporate assessment. The Legal Division, Legislative Counsel Bureau, indicated it was appropriate to combine the reserve balances.

Ms. Copeland asked whether the Subcommittees wished to approve the consolidation of the Insurance Education and Research budget into the Insurance Regulation budget as recommended in The Executive Budget and to authorize Fiscal Analysis Division staff to make adjustments contingent upon passage of Assembly Bill 486.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF THE
CONSOLIDATION OF THE INSURANCE EDUCATION AND
RESEARCH BUDGET ACCOUNT 3824 INTO THE INSURANCE
REGULATION BUDGET ACCOUNT 3813 AS RECOMMENDED
BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS

DIVISION STAFF TO MAKE ADJUSTMENTS CONTINGENT UPON
PASSAGE OF ASSEMBLY BILL 486.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present
for the vote.)

Ms. Copeland said the two other closing items appeared reasonable, and
Fiscal Analysis Division staff recommended all other closing items be closed as
recommended by the Governor and requested authority to make technical
adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF OTHER
CLOSING ITEMS IN BUDGET ACCOUNT 3824 AS RECOMMENDED
BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS
DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.
SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present
for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - NAT. ASSOC. OF INSURANCE COMMISSIONERS (504-3828)
BUDGET PAGE B & I-67

Leandra Copeland, Program Analyst, Fiscal Analysis Division, Legislative
Counsel Bureau, advised that budget account 3828 contained a major closing
issue related to the elimination of the National Association of Insurance
Commissioners budget. The Governor recommended the elimination of the
National Association of Insurance Commissioners budget account (BA) 3828
and discontinuation of the associated fee. The proposal required repeal of
Nevada Revised Statutes (NRS) 680B.070, which was included in
Assembly Bill 486. Ms. Copeland noted that BA 3828 had an ending fund
balance of \$34,142 in fiscal year (FY) 2014, and the reserves equated to about
440 days of operating expenditures, whereas typically, 30 to 60 days of
operating expenditures were recommended. Ms. Copeland explained that
the Division of Insurance, Department of Business and Industry, understood
its reserves were high. The proposed reorganization recommended in

The Executive Budget and Assembly Bill 486 eliminated the reserves and associated fees. The Division of Insurance advised that an adjustment would be needed to add the annual National Association of Insurance Commissioners (NAIC) membership expenditures of \$15,385, as well as the year-end FY 2015 projected reserve balance of \$34,643, to the Insurance Regulation budget [BA 3813]. Ms. Copeland said Fiscal Analysis Division staff would make those adjustments if the recommendation to eliminate the budget was approved.

Ms. Copeland asked whether the Subcommittees wished to approve the Governor's recommendation to eliminate the National Association of Insurance Commissioners budget, provide Fiscal Analysis Division staff authority to include \$15,385 for annual NAIC membership expenditures, transfer the projected reserve balance of \$34,643 to the Insurance Regulation budget, and to provide authority for Fiscal Analysis Division staff to make technical adjustments contingent upon passage and approval of Assembly Bill 486 and make other technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS BUDGET ACCOUNT 3828 AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO INCLUDE \$15,385 FOR ANNUAL NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS MEMBERSHIP EXPENDITURES, AND TRANSFER THE PROJECTED RESERVE BALANCE OF \$34,643 TO THE INSURANCE REGULATION BUDGET 3813, AND MAKE OTHER TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - INSURANCE COST STABILIZATION (504-3833)
BUDGET PAGE B & I-70

Leannandra Copeland, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the major closing issue was the consolidation of

the Insurance Cost Stabilization budget account (BA) [3833] into the Insurance Regulation budget [BA 3813], including one full-time-equivalent (FTE) position. Budget account 3833 contained two revenue sources: property and casualty assessments and fines. Those revenue sources would be eliminated in the Insurance Regulation budget; however, the expenditures would be paid from corporate assessments. The property and casualty assessment of \$150 was collected on or before September 1, pursuant to Nevada *Administrative Code* (NAC) 679B.160. Elimination of the fee would result in fewer fees invoiced to the insurance carriers, which would benefit the industry and the Division of Insurance (DOI), Department of Business and Industry.

Ms. Copeland noted that the property and casualty assessments and fines funded the development of methods for stabilizing prices for property and casualty insurance carriers. If funding of this function was absorbed into the modified corporate assessment, other traditional carriers, such as life/health and title insurers, would be paying for a function dedicated solely to property and casualty insurers. The DOI countered that special functions of other types of insurance carriers were funded with the agency's current fee structure rather than a separate fee for each specific function.

Ms. Copeland advised that DOI cost-allocation ratios were out of date, and the agency indicated the administrative time needed to conduct ongoing time studies would be inefficient. The DOI requested the consolidation to avoid the majority of the cost-allocation function. There was some concern about reserve levels, but the Legal Division, Legislative Counsel Bureau, advised that combining the reserves would not present a legal problem in this case.

Ms. Copeland asked whether the Subcommittees wished to approve the Governor's recommendation to consolidate the Insurance Cost Stabilization budget into the Insurance Regulation budget and authorize Fiscal Analysis Division staff to make adjustments relative to the passage of Assembly Bill 486 and make other technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO CONSOLIDATE THE INSURANCE COST STABILIZATION BUDGET ACCOUNT 3833 INTO THE INSURANCE REGULATION BUDGET ACCOUNT 3813 AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

Ms. Copeland explained that the one other closing item appeared reasonable, and Fiscal Analysis Division staff recommended approval of the item as recommended by the Governor with authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF OTHER CLOSING ITEMS IN BUDGET ACCOUNT 3833 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - TRANSPORTATION AUTHORITY (101-3922)
BUDGET PAGE B & I-222

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that budget account 3922 had one major closing issue related to the operation of the computerized real-time data system. Senate Bill No. 430 of the 77th Session (2013) required charter limousines and taxicabs (motor carriers) to charge, collect, and remit a technology fee for a computerized real-time data system to assist with the administration and enforcement of motor carriers in the state. Each motor carrier must charge and collect a fee set by the Nevada Transportation Authority (NTA), Department of Business and Industry, for each compensable trip. The fee was to be remitted to NTA no later than the 10th day of each month. The Purchasing Division, Department of Administration, evaluated the request for information applications and would release the request for proposal in the near future. The NTA planned to base the technology fee on the total contract amount after the final contract was approved.

Ms. Dagdagan said Fiscal Analysis Division staff recommended a letter of intent be issued directing the agency to update the Interim Finance Committee on or before February 1, 2016, regarding the status of the request for proposal and the operation of the computerized real-time data system.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED FOR APPROVAL OF A LETTER OF INTENT DIRECTING THE AGENCY TO UPDATE THE INTERIM FINANCE COMMITTEE ON OR BEFORE FEBRUARY 1, 2016, REGARDING THE STATUS OF THE OPERATION OF THE COMPUTERIZED REAL-TIME DATA SYSTEM.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

Ms. Dagdagan advised that the five other closing items appeared reasonable to Fiscal Analysis Division staff. She asked whether the Subcommittees wished to approve the other closing items as recommended by the Governor, with the technical adjustments noted, and to authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF OTHER CLOSING ITEMS IN BUDGET ACCOUNT 3922 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - TRANSPORTATION AUTHORITY ADMIN FINES (101-3923)
BUDGET PAGE B & I-230

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised there were no major closing issues for budget account 3923, and the four other closing items appeared reasonable to Fiscal Analysis

Division staff. She asked whether the Subcommittees wished to approve the budget as recommended by the Governor, with the technical adjustments noted, and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF BUDGET ACCOUNT 3923 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - MORTGAGE LENDING (101-3910)
BUDGET PAGE B & I-313

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that budget account 3910 had two major closing issues. The two items related to the fee increases pertained to Assembly Bill (A.B.) 480 that would be heard by the Assembly Committee on Commerce and Labor. The first item was an increase to the mortgage broker and mortgage broker branch office application fees from \$40 to \$400, the branch office initial license fee from \$60 to \$100, and the mortgage agent change in association fee from \$10 to \$50. The proposal was not included in The Executive Budget, but was included in A.B. 480. Fiscal Analysis Division staff requested authority to adjust the Mortgage Lending budget as required, contingent on legislative action on A.B. 480.

Ms. Dagdagan said the Governor recommended establishing new application, licensing, renewal, and examination fees for a new program to license and supervise out-of-state, nondepository mortgage servicers. The recommendation included two new mortgage lending examiner positions and associated operating, travel, and training expenditures. She noted that the proposal to regulate out-of-state mortgage servicers was included in A.B. 480; however, the new application, licensing, renewal, and examination fees were included in the budget but not included in A.B. 480.

Ms. Dagdagan stated that Fiscal Analysis Division staff was advised that the agency would be submitting a proposed amendment to A.B. 480 that would allow the agency to establish fees for out-of-state mortgage servicers through regulation rather than statute. Based on the information provided, Fiscal Analysis Division staff recommended decision unit Enhancement (E) 226 be eliminated.

Ms. Dagdagan said the second major closing issue was the retention of four positions in the mortgage fraud enforcement unit that was established during the 77th Session (2013) using one-time National Mortgage Settlement funds. The Governor recommended funding the positions with reserves. The purpose of the mortgage fraud unit was to find instances of mortgage deceit, misrepresentation, and unlicensed activities and aggressively pursue disciplinary enforcement.

Ms. Dagdagan asked whether the Subcommittees wished to approve the Governor's recommendation to decrease reserves by \$570,125 over the 2015-2017 biennium to retain four positions and associated operating costs for the mortgage fraud enforcement unit.

Assemblywoman Bustamante Adams noted that Fiscal Analysis Division staff identified duplicate office furniture, desktop computers, software, and other items, and Fiscal Analysis Division staff would make a technical adjustment to increase the reserves by \$20,000 because of the duplication of equipment.

Ms. Dagdagan clarified that the elimination of the decision unit would supersede the technical adjustment.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF BUDGET ACCOUNT 3910 AS RECOMMENDED BY THE GOVERNOR TO DECREASE RESERVES BY \$570,125 OVER THE 2015-2017 BIENNIUM TO RETAIN FOUR POSITIONS AND ASSOCIATED OPERATING COSTS FOR THE MORTGAGE FRAUD ENFORCEMENT UNIT.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

Ms. Dagdagan said the five other closing items appeared reasonable, and she recommended that the other closing items be approved as recommended by the Governor and that Fiscal Analysis Division staff be authorized to make technical adjustments as necessary.

SENATOR WOODHOUSE MOVED FOR APPROVAL OF THE OTHER CLOSING ITEMS IN BUDGET ACCOUNT 3910 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - TAXICAB AUTHORITY (245-4130)
BUDGET PAGE B & I-204

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised there were six major closing issues for the Taxicab Authority, Department of Business and Industry. The first issue was the reserve balance. The Governor recommended an ending reserve balance of \$550,501 in fiscal year (FY) 2017 that represented a 25-day reserve level, which was an 80 percent decrease compared to the estimated FY 2015 reserve level of \$4,277,513. Based on Fiscal Analysis Division staff's calculation, it appeared that reserves were used to fund all the enhancement decision units included in The Executive Budget, including one-time and ongoing expenditures such as positions. The agency submitted a recommendation to reduce the long-haul enforcement team. The Taxicab Authority planned to explore other potential cost savings over the 2015-2017 biennium and continually monitor all Department and agency cost allocations.

Ms. Dagdagan said the second major closing issue was to replace the core legacy system used by the Taxicab Authority for licensing, inspection, dispatch, and medallion tracking. The current system was no longer supported by the vendor, was built in silos, lacked data integration, had limited functionality, was inefficient, required manual entry for case and court management, and failed to support online transactions.

Ms. Dagdagan said the Taxicab Authority proposed to use a commercial off-the-shelf program that would fully integrate those systems. An integrated system was needed to create a computerized real-time data system to assist the Taxicab Authority in addressing the long-haul problem.

Ms. Dagdagan asked whether the Subcommittees wished to approve the Governor's recommendation to decrease reserves by \$1,028,956 over the 2015-2017 biennium to replace the core legacy systems used by the Taxicab Authority with a commercial off-the-shelf solution. She said Fiscal Analysis Division staff recommended approval of a letter of intent directing the agency to update the Interim Finance Committee on or before February 1, 2016, regarding the status of the technology investment request and the operation of the computerized real-time data system.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF A LETTER OF INTENT DIRECTING THE TAXICAB AUTHORITY TO UPDATE THE INTERIM FINANCE COMMITTEE ON OR BEFORE FEBRUARY 1, 2016, REGARDING THE STATUS OF THE TECHNOLOGY INVESTMENT REQUEST AND THE OPERATION OF THE COMPUTERIZED REAL-TIME DATA SYSTEM, AND TO DECREASE RESERVES BY \$1,028,956 OVER THE 2015-2017 BIENNIUM TO REPLACE THE CORE LEGACY SYSTEMS USED BY THE TAXICAB AUTHORITY WITH A COMMERCIAL OFF-THE-SHELF SOLUTION.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

Ms. Dagdagan said the third major closing issue was the addition of one new information technology professional position and associated operating costs. The Taxicab Authority maintained that the position's primary role was to develop a computerized real-time data system to comply with the provisions of *Nevada Revised Statutes* (NRS) 706.8825. The recommendation would allow the agency to have a dedicated information technology (IT) professional to provide specialized database administration, application analysis, and development. The position would also provide information security, streamline IT projects, and address system issues promptly. If the technology investment request was approved, the position would be involved in the planning, request

for proposal process, testing, operation, and maintenance of the new integrated system.

Ms. Dagdagan asked whether the Subcommittees wished to approve the Governor's recommendation for one new information technology professional position and associated operating costs, with the technical adjustment noted by Fiscal Analysis Division staff that would result in reserve reductions of \$179,550 over the 2015-2017 biennium.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF BUDGET ACCOUNT 4130 AS RECOMMENDED BY THE GOVERNOR WITH ONE NEW INFORMATION TECHNOLOGY PROFESSIONAL POSITION AND ASSOCIATED OPERATING COSTS AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE A TECHNICAL ADJUSTMENT THAT WOULD RESULT IN RESERVE REDUCTIONS OF \$179,550 OVER THE 2015-2017 BIENNIUM.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson was not present for the vote.)

Ms. Dagdagan said the fourth major closing issue was the new long-haul compliance enforcement team. The Governor recommended decreasing reserves by \$955,227 over the 2015-2017 biennium to add six compliance enforcement investigator positions and associated costs, including four police package vehicles and six handheld radios, to establish a new long-haul enforcement team to provide 24-hour-a-day, seven-day-a-week enforcement at McCarran International Airport. The agency said its existing investigator positions were unable to fully address the long-haul problems because of other assigned duties. The new enforcement team would hope to improve the public impression that the Taxicab Authority was not correcting the long-haul problems. The recommendation would establish a dedicated team to focus solely on addressing the long-haul problems in Las Vegas. Further, the primary focus of the long-haul compliance enforcement team would be more education, fewer violations, and enforcement.

Ms. Dagdagan said Fiscal Analysis Division staff discussed the low reserve level with the Department of Business and Industry and the Budget Division, Department of Administration. The agency requested a reduction in the number of compliance enforcement investigator positions for the proposed long-haul enforcement team from six positions to four positions and a reduction in the number of vehicles from four to two to allow an ending reserve balance of \$894,246, which represented a 42-day ending reserve balance in fiscal year (FY) 2017.

Ms. Dagdagan provided three options for the Subcommittees to consider:

- A. Approve the Governor's recommendation to use reserves of \$955,227 over the 2015-2017 biennium to add six compliance enforcement investigator positions and associated operating costs, including four police package vehicles and six handheld radios, to establish a new long-haul enforcement team.
- B. Approve the agency's recommendation to use reserves of \$611,482 over the 2015-2017 biennium to add four compliance enforcement investigators with associated operating costs, including two police package vehicles and four handheld radios, to establish a new long-haul enforcement team. This recommendation would maintain a 42-day ending reserve in FY 2017.
- C. Not approve the Governor's recommendation to use reserves of \$955,227 over the 2015-2017 biennium to add six compliance enforcement investigator positions and associated operating costs, including four police package vehicles and six handheld radios, to establish a new long-haul enforcement team.

Senator Goicoechea considered option B the best choice to allow a larger ending reserve balance. It was important for the long-haul enforcement team to staff the two night shifts because tourists often arrived in Las Vegas late at night and were tired and disoriented. It was unlikely that tourists would encounter long-haul problems in the daytime, because they could see the casinos from the airport and knew where the Strip was located. Senator Goicoechea said it was reasonable to increase the reserves from 22 days to 42 days of operating expenses.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF THE AGENCY'S RECOMMENDATION TO USE RESERVES OF \$611,482 OVER THE 2015-2017 BIENNIUM TO ADD FOUR COMPLIANCE ENFORCEMENT INVESTIGATORS WITH ASSOCIATED OPERATING COSTS, INCLUDING TWO POLICE PACKAGE VEHICLES AND FOUR HANDHELD RADIOS, TO ESTABLISH A NEW LONG-HAUL ENFORCEMENT TEAM AND MAINTAIN A 42-DAY ENDING RESERVE BALANCE IN FISCAL YEAR 2017.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

During discussion of the motion, Assemblyman Hickey asked for details about how the investigators would track long-haul taxicabs and whether the team would conduct random checks or identify specific drivers with a history of long-haul complaints.

Bruce Breslow, Director, Department of Business and Industry, said the Las Vegas tourism industry had been threatened by long-haul complaints. A series of investigative reports in Las Vegas newspapers about long-hauling problems was reported by the national and international press. Mr. Breslow said action should be taken to correct the problem.

Mr. Breslow requested a dedicated long-haul enforcement team to work on long-haul problems. The team would pick a random day, do a stakeout, and catch violators. The Taxicab Authority (TA) had tried different methods to curb the abuse. The number of citations increased when regular TA staff were diverted from their jobs to focus on long-haul abuse, but that effort lacked consistency. The effect on tourism was important, and the TA wanted to provide a solution. The Department recommended reducing the enforcement team to two shifts, and the TA would decide which two shifts would be most effective.

Senator Roberson asked about the ramifications for a driver who was caught violating the long-haul provisions. He wondered whether violations resulted in penalties, fines, or other punitive measures.

Mr. Breslow responded that a driver who long-hauled his customers was cited. A citation hearing was held, and the driver was entitled to an appeals process. After a driver was found guilty of a long-haul offense, the taxicab industry put

measures in place to prevent that driver from going across the street to be hired by another company. The industry monitored violators. Mr. Breslow said the new electronic data integrity system being developed by the industry would be able to track where taxicabs traveled, and the industry would gain even more control over the long-haul problems.

In response to a question from Senator Roberson about the amount of the fines, Mr. Breslow replied that the fine amount was determined by the hearing officer.

Senator Roberson said it was a shame to spend a lot of taxpayer money on a problem caused by a few taxicab drivers who cheated the customers. He wondered whether there was some way for the taxpayers to be reimbursed by the violators.

Mr. Breslow agreed that reimbursement would be fair. He said the long hauling instances had increased to a threat level to the tourism industry in Las Vegas. The fines might not offset the enforcement costs, but the benefits of strong enforcement would improve the tourism image and was worth the expense. The enforcement team was a good start to solve the problem. The new electronic data integrity system would evolve and might reduce the need for the enforcement team in the future. The new electronic data integrity system would track the violations and perform electronic audits of violators.

Senator Roberson expressed concern about the image of Las Vegas, but wondered whether the perception of the long-haul problem was greater than the actual problem.

Mr. Breslow responded that he believed that a true long-haul problem existed as evidenced by the number of violations found during the occasional enforcement performed by the TA. He was unsure how pervasive the problem was. Mr. Breslow agreed to monitor the long-haul problem and provide specific information to the Subcommittees.

Senator Roberson stated he wanted to know the costs of the long-haul enforcement efforts repaid by the violators.

Assemblywoman Bustamante Adams was uncertain whether the enforcement team was the best solution. She wondered about the new electronic data integrity system and requested information about its success. If the technology solution proved useful, the enforcement team might not be needed.

Assemblywoman Bustamante Adams asked for a letter of intent to instruct the Department to provide a report about which efforts were most effective.

Chair Kirner repeated the previous motion and second that was before the Subcommittees.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF THE AGENCY'S RECOMMENDATION TO USE RESERVES OF \$611,482 OVER THE 2015-2017 BIENNIUM TO ADD FOUR COMPLIANCE ENFORCEMENT INVESTIGATORS WITH ASSOCIATED OPERATING COSTS, INCLUDING TWO POLICE PACKAGE VEHICLES AND FOUR HANDHELD RADIOS, TO ESTABLISH A NEW LONG-HAUL ENFORCEMENT TEAM AND MAINTAIN A 42-DAY ENDING RESERVE IN FY 2017.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Goicoechea were not present for the vote.)

Mr. Breslow confirmed that the Department would present a report on the new electronic data integrity system and enforcement team and include updated numbers for first citations, second citations, total violations, and other problems discovered.

Terry J. Reynolds, Deputy Director of Administration, Department of Business and Industry, testified that the Department would present a report in one year about the progress of the new electronic data integrity system and the enforcement team efforts.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED FOR APPROVAL OF A LETTER OF INTENT REQUIRING THE DEPARTMENT OF BUSINESS AND INDUSTRY TO REPORT TO THE INTERIM FINANCE COMMITTEE BY JULY 1, 2016, ON THE PROGRESS AND SUCCESS OF THE LONG-HAUL ENFORCEMENT TEAM EFFORTS AND PROGRESS OF THE NEW ELECTRONIC SYSTEM TO TRACK DATA AND PERFORM ELECTRONIC AUDITS TO ALLOW REDUCTIONS TO THE COMPLIANCE ENFORCEMENT TEAM'S ROLE.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Goicoechea were not present for the vote.)

Chair Kirner said the Subcommittees had requested a letter of intent due on February 1, 2016, regarding the technology investment request. Chair Kirner said his objective was to evaluate whether the investment in the new electronic system might supplant the need for the enforcement team positions and save the state \$611,482 over the 2015-2017 biennium.

K. Grant Reynolds, Information Technology Manager, Department of Business and Industry, testified that the electronic system would require 18 months to become operational, but the Department could report on the capabilities of the system by February 1, 2016.

Chair Kirner suggested the Subcommittees rescind the previous motion and restate that motion to include the February 1, 2016, date.

Assemblywoman Bustamante Adams agreed to rescind her previous motion and change the report due date to February 1, 2016. Senator Woodhouse agreed to change her second to accept the new motion.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED FOR APPROVAL OF A LETTER OF INTENT REQUIRING THE DEPARTMENT OF BUSINESS AND INDUSTRY TO REPORT TO THE INTERIM FINANCE COMMITTEE BY FEBRUARY 1, 2016, ON THE PROGRESS AND SUCCESS OF THE LONG-HAUL ENFORCEMENT TEAM EFFORTS AND PROGRESS OF THE NEW ELECTRONIC SYSTEM TO TRACK DATA AND PERFORM ELECTRONIC AUDITS TO ALLOW REDUCTIONS TO THE COMPLIANCE ENFORCEMENT TEAM'S ROLE.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Goicoechea were not present for the vote.)

Ms. Dagdagan advised that the next major closing issue was a request for a new administrative attorney position and associated operating costs to serve as a full-time Taxicab Authority (TA) hearing officer and provide legal assistance to the Administrator. The TA indicated a dedicated administrative attorney would enable the agency to hear cases more frequently, reduce the backlog of administrative cases, and allow vehicle impound cases to be heard within 24 hours. Ms. Dagdagan noted that Assembly Bill 477 would allow the Administrator of the Taxicab Authority to appoint a staff attorney to perform legal services and serve as a hearing officer.

Ms. Dagdagan asked whether the Subcommittees wished to approve \$160,318 in reserve funds over the 2015-2017 biennium for a new administrative attorney position as recommended by the Governor, contingent upon passage of Assembly Bill 477.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF \$160,318 IN RESERVE FUNDS OVER THE 2015-2017 BIENNIUM FOR A NEW ADMINISTRATIVE ATTORNEY POSITION AS RECOMMENDED BY THE GOVERNOR, CONTINGENT UPON PASSAGE OF ASSEMBLY BILL 477.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Goicoechea were not present for the vote.)

Ms. Dagdagan said the last major closing issue was a request for a consulting services contract to provide medallion allocation and rate analysis for the Taxicab Authority. A thorough analysis of existing medallion rates was needed to determine whether the supply of taxicabs was adequate, ensure the taxi meter rates were fair, and ensure the customer experience was appropriate. The one-time consulting services contract would provide unbiased audits and create an impartial baseline of data for rate analyses and allocations.

Ms. Dagdagan asked whether the Subcommittees wished to approve the Governor's recommendation to decrease reserves by \$138,000 in fiscal year (FY) 2016 for a one-time consulting services contract that would provide baseline data for medallion allocations, rate analyses, and audits for the Taxicab Authority.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF BUDGET ACCOUNT 4130 AS RECOMMENDED BY THE GOVERNOR AND TO DECREASE RESERVES BY \$138,000 IN FISCAL YEAR 2016 FOR A ONE-TIME CONSULTING SERVICES CONTRACT TO PROVIDE DATA FOR MEDALLION ALLOCATIONS, RATE ANALYSES, AND AUDITS FOR THE TAXICAB AUTHORITY.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Goicoechea were not present for the vote.)

Ms. Dagdagan said the seven other closing items appeared reasonable, and Fiscal Analysis Division staff recommended approval of the Governor's recommendation to close those items and to authorize Fiscal Analysis Division staff to make technical adjustments as needed.

ASSEMBLYMAN EDWARDS MOVED FOR APPROVAL OF OTHER CLOSING ITEMS IN BUDGET ACCOUNT 4130 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.
ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Goicoechea were not present for the vote.)

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Chair Kirner opened the public comment portion of the hearing, and there being no public comment, he closed that portion of the hearing and adjourned the meeting at 9:46 a.m.

RESPECTFULLY SUBMITTED:

Janice Wright
Committee Secretary

APPROVED BY:

Assemblyman Randy Kirner, Chair

DATE: _____

Senator Pete Goicoechea, Chair

DATE: _____

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EXHIBITS

Committee Name: Subcommittees on General Government

Date: May 1, 2015

Time of Meeting: 8:04 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster