

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

**Seventy-Eighth Session  
May 6, 2015**

The Committee on Ways and Means was called to order by Chair Paul Anderson at 6:09 p.m. on Wednesday, May 6, 2015, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, 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](http://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](mailto: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  
Julie Waller, Senior Program Analyst  
Barbara Williams, Committee Secretary  
Cynthia Wyett, Committee Assistant

Minutes ID: 1153



The Committee Assistant called the roll, and a quorum was present. Hearing no response to his request for public comment, Chair Anderson opened the hearing on budget account 1050.

**ELECTED OFFICIALS**

**ELECTED OFFICIALS**

**SOS - SECRETARY OF STATE (101-1050)**

**BUDGET PAGE ELECTED-159**

Julie Waller, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that budget account (BA) 1050 funded the Office of the Secretary of State, which was responsible for ensuring the integrity of elections, receiving and recording business entity filings, administering the Uniform Commercial Code, protecting consumers against securities fraud, preserving public records, registering document preparation services, and promoting public awareness and education in these areas. The Office was primarily funded by State General Fund appropriations.

Ms. Waller said the first major closing issue in BA 1050 was a technology investment request (TIR) for the electronic Secretary of State (eSoS) system replacement. The Enterprise Information Technology Services Division, Department of Administration, had reviewed the TIR. The total estimated cost was \$21.9 million over five years, and the system was scheduled to be fully operational by January 2020. Ongoing annual costs were estimated at \$65,000, which the Office indicated would be for vendor support once the new eSoS system was deployed.

Ms. Waller said that the Governor recommended General Fund appropriations of \$3,907,600 in fiscal year (FY) 2016 and \$7,879,600 in FY 2017. Inclusive of the new information technology (IT) positions directly correlated with the project, the total recommended biennial cost of the project would be \$12.1 million.

Ms. Waller stated that the eSOS project was requested in decision unit Enhancement (E) 550. According to supporting documentation, the eSoS system was the primary application used by the Office for processing, archiving, and receipting business entity filings, which generated revenues of over \$135 million to the General Fund. The Office stated that the eSoS system was over ten years old and was failing more frequently as the complexity and volume of filings increased, and the platform was fragile, unstable, and not easily adaptable to emerging technologies. Because of the complexity of the existing eSoS application, an in-house rewrite was not deemed a viable option.

Ms. Waller said the Office estimated the useful life of the new eSoS system to be seven years, or until approximately 2027; however, the actual retirement date was not certain and could be later than the 2027 projection. Additionally, the project was anticipated to span over five years, and enhancement funding would be requested for the remaining unfinished portion in the 2017-2019 biennial budget.

Ms. Waller explained that the Office noted that with a project this large, there was the possibility that actual costs in a given year could differ from the appropriated funding. Therefore, the ability to transfer project funding between fiscal years would provide useful flexibility. Fiscal Analysis Division staff could include the provision as back language in the Appropriations Act, should the Committee decide to grant that authority.

Ms. Waller said the second component of the TIR was decision unit E-231, a request for \$84,313 in FY 2016 and \$243,059 in FY 2017 to support three new IT professional positions. According to the Office of the Secretary of State, there were currently two positions assigned to support the eSoS system, although the two positions were also assigned other duties. The Office further indicated that one new position was needed to help develop the system specifications, help with vendor selection, and perform other project-related tasks. Testimony provided at the budget hearing indicated that the two IT staff to be hired in FY 2017 would primarily function to maintain the new system.

Chair Anderson reminded the Committee that it had heard the budget on February 5, 2015. There being no additional comments or questions from the Committee, Chair Anderson requested a motion.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE GENERAL FUND APPROPRIATIONS OF \$3,907,600 IN FY 2016 AND \$7,879,600 IN FY 2017 TO REPLACE THE EXISTING ESOS APPLICATION SOFTWARE AND RELATED HARDWARE; TO ADD BACK LANGUAGE TO THE APPROPRIATIONS ACT TO ALLOW THE OFFICE THE ABILITY TO TRANSFER FUNDING BETWEEN FISCAL YEARS OF THE 2015-2017 BIENNIUM; AND TO ISSUE A LETTER OF INTENT FOR THE SECRETARY OF STATE'S OFFICE TO REPORT SEMIANNUALLY TO THE INTERIM FINANCE COMMITTEE CONCERNING ITS PROGRESS ON THE ESOS REPLACEMENT PROJECT.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Anderson requested a motion on decision unit E-231.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE GENERAL FUND APPROPRIATIONS OF \$84,313 IN FY 2016 AND \$243,059 IN FY 2017 TO SUPPORT THREE NEW IT PROFESSIONAL POSITIONS DIRECTLY CORRELATED WITH THE ESOS REPLACEMENT PROJECT AS RECOMMENDED BY THE GOVERNOR IN DECISION UNIT E-231.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Waller stated the second major closing issue in BA 1050 was the recommendation for one new IT professional position in each year of the biennium to support functions related to SilverFlume, the state's business portal. General Fund appropriations of \$58,573 in FY 2016 and \$153,859 in FY 2017 were recommended to fund the personnel and associated operating costs of the positions.

Ms. Waller said that according to the Office of the Secretary of State, the business portal had significantly expanded its features and therefore required additional developers to support existing functionality and to add new functionality. The Office indicated that both positions would be located in Carson City in existing space.

Ms. Waller explained that position questionnaires had indicated that the developer duties to be assigned to the new IT positions were previously assigned to several technical team members, including some contract staff. Fiscal Analysis Division staff noted that although the Office indicated the new positions would assume some duties currently performed by contractors, the decision unit did not reflect a funding decrease for contractors.

Ms. Waller said that the Office noted that it had a contract with two Master Services Agreement (MSA) contractors that conducted the same work as the two new recommended positions. The Office advised that the two contractors alternated covering nights, holidays, and weekends to ensure that SilverFlume had off-hours coverage.

Fiscal Analysis Division staff was informed that the two MSA contractors were paid \$80 per hour and worked a combined total of 4,006 hours in

FY 2014. Only 4.7 percent, or \$7,600, of the total annual billing for MSA #1 and 1.7 percent, or \$2,640, of the total annual billing for MSA #2 was for off-hours support. The Executive Budget continued the same level of funding for each MSA contractor, totaling \$320,480 in each year of the 2015-2017 biennium.

Ms. Waller stated that with two new recommended IT positions assuming some developer duties currently performed by contractors, Fiscal Analysis Division staff questioned how the significant number of MSA developer hours would be affected. The Office responded that the functionality of the business portal was growing, and there were several large agencies planning to join the portal in the upcoming biennium. The Office advised that it needed existing staff, contractors, and the two new positions to support the growing portal functionality.

Ms. Waller told the Committee it could choose to approve the Governor's recommended budget as written, or it could approve funding the two new positions with a corresponding reduction in contract staffing.

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

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE GENERAL FUND APPROPRIATIONS OF \$58,573 IN FY 2016 AND \$153,859 IN FY 2017, AS RECOMMENDED BY THE GOVERNOR, TO FUND THE PERSONNEL AND ASSOCIATED OPERATING COSTS OF ONE NEW IT PROFESSIONAL POSITION IN EACH FISCAL YEAR TO SUPPORT FUNCTIONS RELATED TO SILVERFLUME, WITH A CORRESPONDING REDUCTION OF \$58,573 IN FY 2016 AND \$153,859 IN FY 2017 FOR MSA CONTRACTS. THE REMAINING MSA CONTRACT FUNDING WOULD BE \$261,907 IN FY 2016 AND \$166,621 IN FY 2017.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Waller continued, saying the third major closing issue in BA 1050 was the recommendation for two new compliance/audit investigator positions to support an increased workload associated with civil and criminal investigations in the Securities Division. The Office indicated one position would be located in Reno and one would be located in Las Vegas. The Governor recommended funding

the new positions and associated operating costs with reserve reductions totaling \$228,968 over the 2015-2017 biennium.

According to the Office, changes in federal law had resulted in increased regulatory responsibilities and enforcement. The Securities Division currently had one compliance/audit investigator position in the Reno office and two in the Las Vegas office, along with a chief compliance/audit investigator position in Las Vegas. The agency had three compliance/audit investigator positions eliminated in 2009 because of budget reductions.

Ms. Waller said the Office of the Secretary of State advised that the two new positions would allow the Securities Division to conduct more compliance examinations and audits of brokerage firms, investment advisor firms, and securities issuers, thereby increasing revenues and partially offsetting the cost of the new positions. The Office indicated the two positions were necessary to prevent further backlog of cases and enable the Securities Division to keep pace with its regulatory and enforcement responsibilities.

Ms. Waller explained that the Office had used contract services in FY 2014 to assist the Securities Division, and Fiscal Analysis Division staff had made a technical adjustment to remove the expenditures of \$1,650 in each fiscal year of the 2015-2017 biennium. Additionally, although the Office had requested four positions in its agency budget request, the equipment and operating expenditures were not adjusted to match the reduction in the number of positions from four to two positions recommended in the Governor's budget. Accordingly, she said, the closing document reflected a technical adjustment to align the recommended equipment and operating expenditures with the two positions recommended by the Governor, resulting in an increase to reserves of \$3,095 in FY 2016.

Assemblywoman Bustamante Adams asked where the positions eliminated in 2009 had been located.

Ms. Waller said she believed one position was in Reno and two were in Las Vegas.

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

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO FUND TWO COMPLIANCE/AUDIT INVESTIGATOR POSITIONS AND ASSOCIATED OPERATING EXPENSES WITH REDUCTIONS TO

RESERVES TOTALING \$225,873 OVER THE 2015-2017 BIENNIUM, INCLUSIVE OF TECHNICAL ADJUSTMENTS NOTED BY STAFF.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Waller said there were ten other closing items listed in BA 1050 in the "Assembly Committee on Ways and Means Closing List #12" ([Exhibit C](#)). She noted other closing item #1, in which the Office of the Secretary of State had identified nine contracts that would not be continued in the 2015-2017 biennium. The Office concurred with Fiscal Analysis Division staff's recommendation to eliminate the funding for those contracts, which resulted in a General Fund savings of \$253,382 over the biennium.

Ms. Waller discussed other closing item #2, which stated that in the base budget the Office had substituted General Fund appropriations in place of funding transfers from the non-Executive Notary Public Training budget for the costs of an administrative assistant position. Upon further discussion, the Office agreed that the administrative assistant position should continue to be funded by transfers from the non-Executive Notary Public Training budget. Fiscal staff had made the technical adjustment, resulting in a decrease of General Fund appropriations of \$56,581 in FY 2016 and \$58,046 in FY 2017.

Ms. Waller directed the Committee's attention to other closing item #9, saying that in decision unit E-710, the Governor recommended miscellaneous program fees of \$299 in FY 2016 and General Fund appropriations of \$1,028,844 in FY 2016 and \$360,801 in FY 2017 to fund replacement hardware, software, and operating equipment. The Office had notified Fiscal Analysis Division staff that the \$299 should be funded by a reduction to reserves instead of additional miscellaneous program fees. A technical adjustment had been made.

Fiscal Analysis Division staff had concerns with the number of desktop and laptop computers recommended for replacement in the Governor's budget. The number of full-time-equivalent positions was anticipated to be 135 in FY 2016, but the requested computer funding was for 188 computers over the biennium. It was unclear to Fiscal Analysis Division staff why so many computers were necessary, and staff was unable to reconcile the difference in the number of computers the agency had as spares and unassigned units. Based on the information, Fiscal Analysis Division staff was unable to support the total number of computers recommended in the Governor's budget. Ms. Waller said the Committee might want to consider approving the funding

recommended by the Governor, but place it into a special reserve category. She explained the Office would then be required to submit a more detailed plan for equipment replacement to the Interim Finance Committee for review and approval.

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

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE CLOSING ITEM #9, THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E-710 OF MISCELLANEOUS PROGRAM FEES OF \$299 IN FY 2016 AND GENERAL FUND APPROPRIATIONS OF \$1,028,844 IN FY 2016 AND \$360,801 IN FY 2017, INCLUSIVE OF THE TECHNICAL ADJUSTMENT NOTED BY FISCAL STAFF, AND TO PLACE THOSE FUNDS IN A SPECIAL RESERVE CATEGORY TO BE ACCESSED THROUGH THE INTERIM FINANCE COMMITTEE WORK PROGRAM PROCESS.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Waller said Fiscal Analysis Division staff had made a technical adjustment in decision unit E-720, New Equipment, to change the funding source from miscellaneous program fees to reserves.

Assemblywoman Bustamante Adams asked for a summary of the discussions that had occurred around credit card processing fees, other closing item #3.

Ms. Waller said the total recommended funding in BA 1050 for credit card processing fees was \$4.3 million over the 2015-2017 biennium, and the Office cited a steady increase in usage of online services by customers. Because so many state agencies were experiencing high processing fees, the Department of Administration had committed to studying, over the interim, the acceptance of credit cards and the feasibility of allowing state agencies to charge a convenience fee. She mentioned that some agencies had been given authority to transfer projected costs such as processing fees from one fiscal year to another, giving the agency added flexibility.

Assemblywoman Carlton said the costs for credit card processing across all state agencies had become a significant consideration, and she hoped the decision would be made to pass that cost on to the customer, giving the state the ability to put the dollars to better use.



Chair Anderson agreed that merchant fees were difficult to project and thought that the increased usage was a good indication that more people were conducting business online, generating less paperwork, and using fewer resources.

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

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE OTHER CLOSING ITEMS 1 THROUGH 8 AND 10 AS RECOMMENDED BY THE GOVERNOR, WITH THE TECHNICAL ADJUSTMENTS NOTED BY FISCAL STAFF, AND AUTHORITY TO TRANSFER FUNDS INCLUDED IN E-225 BETWEEN FISCAL YEARS, AND TO AUTHORIZE FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**ELECTED OFFICIALS**  
**ELECTED OFFICIALS**  
**SOS - HAVA ELECTION REFORM (101-1051)**  
**BUDGET PAGE ELECTED-170**

Julie Waller, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that budget account (BA) 1051, HAVA Election Reform, was created in response to the provisions of the Help America Vote Act (HAVA) of 2002. The HAVA legislation mandated that states take significant actions to improve their election systems and authorized federal funding to deploy the HAVA requirements.

Ms. Waller said there were no major closing issues in the budget, but there was one other closing item, decision unit Enhancement (E) 229. The Governor recommended federal HAVA Title II reserves of \$51,036 in FY 2017 for the administration of the statewide voter registration lists. According to the Office of the Secretary of the State, the data-matching initiatives would involve identification of duplicate and invalid records through comparison with the Department of Motor Vehicles' vital statistics lists and against other states'

voter registration information, and provide outreach to potentially eligible but unregistered individuals throughout the state. Fiscal Analysis Division staff indicated the recommendation appeared reasonable.

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

ASSEMBLYMAN HAMBRICK MOVED TO CLOSE BUDGET ACCOUNT 1051 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Anderson opened the hearing on Assembly Bill 71 (1st Reprint).

**Assembly Bill 71 (1st Reprint): Revises provisions relating to military veterans and members and relatives of members of the Nevada National Guard. (BDR 32-297)**

Caleb S. Cage, Director of Military and Veterans Policy, Office of the Governor, introduced Assembly Bill (A.B.) 71 (1st Reprint) and provided the Committee with a document, "Memorandum Re: Assembly Bill 71" ([Exhibit D](#)).

As background, Mr. Cage reminded the Committee that Nevada's Department of Veterans Services, the Office of the Governor, the veterans' community, and many other partners throughout the state had developed, during the interim, the "Nevada Veterans Comprehensive Legislative Reform Report." A major focus of the report was employment. Assembly Bill 71 (R1) provided for a payroll tax exemption for employers who hired an unemployed veteran and created a survivor's tax exemption that mirrored the exemption provided to deployed members of the Nevada National Guard.

Mr. Cage said the payroll tax exemption in the bill allowed financial institutions and other private-sector employers to deduct from the total amount of wages reported for payroll tax purposes the wages paid to a newly hired full-time employee, if the employee was an unemployed veteran. The exemption

was 100 percent for the first year of full-time employment and 50 percent for the second year.

Mr. Cage said Assembly Bill 89, if passed, would create the opportunity for private-sector employers to show preference in hiring veterans, and A.B. 71 (R1) would create an incentive to do so. Currently, he said, there was a federal program that provided tax credits to employers created by the Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011, but its future was in doubt. Assembly Bill 71 (R1) would provide a state-level tax break until June 30, 2019.

Mr. Cage mentioned that following the policy hearings on A.B. 71 as introduced, there had been amendments that specifically required that the veteran must have been receiving unemployment benefits for at least three months prior to being hired.

Mr. Cage explained that the survivor's tax exemption provided for a three-year exemption from sales taxes for certain family members of a Nevada National Guard service member called into active service and killed while performing his or her duties. Currently, *Nevada Revised Statutes* 372.325 provided a sales tax exemption for Nevada National Guard members and their families while the service member was deployed, and A.B. 71 (R1) continued the benefit to the families of fallen soldiers. Providing the exemption to the immediate families of deceased Guard members would help them during the incredibly difficult time by reducing some of the financial stress they would encounter.

Assemblywoman Bustamante Adams asked whether the amendments changed or removed the fiscal note from the Department of Taxation.

Mr. Cage responded that the \$1.4 million fiscal note over the biennium from the Department of Taxation was removed following the amendments.

Assemblywoman Kirkpatrick asked what effect the bill might have on the modified business tax (MBT).

Mr. Cage replied that there was no way to determine the revenue loss, because there was no way to determine how many businesses would use the tax deduction or what the salaries of those positions would be.

Assemblyman Sprinkle asked whether the bill would be retroactive for currently working veterans.

Mr. Cage said the tax exemption was effective for employers of verifiably unemployed veterans hired on or after July 1, 2015.

Assemblywoman Carlton wondered whether it would be possible to track the actual MBT exemption over the coming biennium. She would like to see the exemption used for higher paying jobs with benefits rather than minimum wage jobs.

Mr. Cage said he had spoken to the Executive Director of the Department of Taxation, and the data would be tracked.

Chair Anderson called for testimony in support of A.B. 71 (R1).

Darrol Brown, representing the United Veterans Legislative Council, said the Council fully supported A.B. 71 (R1).

Hearing no response to his request for testimony opposed to or neutral on the bill, Chair Anderson closed the hearing on A.B. 71 (R1) and opened the hearing on Assembly Bill 482.

**Assembly Bill 482: Provides for the establishment of a Veterans Policy Leadership Institute within the Nevada System of Higher Education and provides for the preparation of certain reports relating to veterans. (BDR 34-1197)**

Caleb S. Cage, Director of Military and Veterans Policy, Office of the Governor, introduced Assembly Bill (A.B.) 482 and provided the Committee with a document, "Memorandum Re: Assembly Bill 482" ([Exhibit E](#)).

Mr. Cage explained that A.B. 482 was intended to tie together the recommendations found in the "Nevada Veterans Comprehensive Legislative Reform Report." The recommendations of the report addressed different topics such as suicide prevention, employment, and education. Each of the policy committees' reports focused on the need for the gathering and analysis of data. Without accurate data gathering and synthesis, the effectiveness of any particular veterans program could not be ascertained.

Mr. Cage noted that in 2014, Governor Sandoval signed Executive Order 2014-20, calling for the establishment of a baseline data report for veterans services. The data for the report was compiled from individual agencies within the state, which were required to track the data and report to the Department of Veterans Services. Assembly Bill 482 initially provided for the establishment of a private foundation, the Veterans Policy and Leadership Institute, but found

the state's ability to create such a private entity in statute was constrained. In the bill's amended version, the duties had been reassigned to the Interagency Council on Veterans Affairs (ICVA), an existing body that was created in the 77th Legislative Session (2013).

Mr. Cage explained the duties outlined by the bill:

- Develop and disseminate best practices for improving outcomes for service members and veterans.
- Foster the development and dissemination of research and policy for improving outcomes.
- Develop and administer scholarship programs to increase research on improving outcomes.
- Develop leadership opportunities for veterans.
- Develop models for outreach and engagement of veterans.
- Include in its annual report other data from the Department of Veterans Services and the Nevada Veterans Services Commission.

Assemblyman Armstrong asked for more information on the role of the Veterans Policy and Leadership Institute.

Mr. Cage replied that the Institute was being created as a private foundation in relationship with University of Nevada, Reno and University of Nevada, Las Vegas. The role of the foundation was to synthesize the data from the various state agencies and make it meaningful. Donations had provided the seed money for the foundation to contract with scholars at the universities to perform the analysis and develop best practices for data synthesis.

Assemblywoman Bustamante Adams asked whether there was a fiscal note attached to the bill.

Chair Anderson said there was no fiscal note, but there had been a gift of \$50,000 from the Department of Veterans Services to start the foundation. He asked Mr. Cage how the foundation would be funded going forward.

Mr. Cage said the Institute itself had received approximately \$100,000 in additional donations and grants. The universities were providing the facilities and services at very low cost, and the expectation was that the foundation would operate on a small budget. He believed the money currently in hand would last through the biennium.

Chair Anderson asked whether the Institute expected to continue to be funded by grants and gifts, and Mr. Cage said that it did.

Chair Anderson called for testimony in support of A.B. 482.

Darrol Brown, representing the United Veterans Legislative Council, said the Council fully supported A.B. 482.

Hearing no response to his request for testimony opposed to or neutral on the bill, Chair Anderson closed the hearing on A.B. 482 and opened the work session on Assembly Bill 442.

**Assembly Bill 442: Makes a supplemental appropriation to the Office of the Lieutenant Governor for projected payroll and other costs associated with the 2015 Legislative Session. (BDR S-1225)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 442 made a supplemental appropriation to the Office of the Lieutenant Governor for projected payroll and other costs associated with the 2015 Legislative Session. The bill was heard by the Committee on March 26, 2015. Fiscal Analysis Division staff had worked with the Budget Division, Department of Administration, to update the projected needs of the Office for the remainder of the fiscal year.

Ms. Jones said the Office had indicated that the supplemental appropriation request could be reduced from \$25,887 to \$7,150 through an amendment. Fiscal Analysis Division staff would work with the Legal Division, Legislative Counsel Bureau, to draft the amendment. Any unused funds from the appropriation would revert to the State General Fund at the end of the fiscal year.

Hearing no further discussion, Chair Anderson asked for a motion.

ASSEMBLYWOMAN CARLTON MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 442.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Anderson asked Assemblywoman Carlton to give the floor statement, and he opened the work session on Assembly Bill 465.

**Assembly Bill 465: Makes a supplemental appropriation to the Department of Public Safety for projected costs for visiting dignitary protection assignments. (BDR S-1247)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 465 made a supplemental appropriation to the Department of Public Safety for projected costs for visiting dignitary protection assignments. The bill was heard by the Committee on March 31, 2015. Fiscal Analysis Division staff had worked with the agency to verify the projected need for funds for the remainder of the fiscal year, and the agency confirmed that the \$20,000 request remained the same to support costs incurred and provide a minimal extra amount, should additional protection costs be incurred before the end of the fiscal year. Any unused funds from the appropriation would revert to the State General Fund at the end of the fiscal year.

Hearing no further discussion, Chair Anderson asked for a motion.

ASSEMBLYWOMAN CARLTON MOVED TO DO PASS  
ASSEMBLY BILL 465.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Anderson asked Assemblyman Oscarson to present the floor statement, and he opened the work session on Assembly Bill 467.

**Assembly Bill 467: Makes a supplemental appropriation to the Department of Corrections for a shortfall resulting from a reduction in certain transfers for prison medical care. (BDR S-1235)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 467 made a supplemental appropriation to the Department of Corrections for a shortfall resulting from a reduction in certain transfers of funds to be used for prison medical care. The bill was heard by the Committee on April 6, 2015. Fiscal Analysis Division staff had worked with the Department of Corrections to update the projected need for additional funds for the remainder of the fiscal year.

Ms. Jones said the amount originally requested was \$1,224,571 and the amount was recommended to be adjusted to \$1,193,577 for the remainder of the fiscal year. Fiscal Analysis Division staff would work with the

Legal Division, Legislative Counsel Bureau, to draft the amendment. Any unused funds from the appropriation would revert to the State General Fund at the end of the fiscal year.

Hearing no further discussion, Chair Anderson asked for a motion.

ASSEMBLYWOMAN DICKMAN MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 467.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Anderson asked Assemblywoman Dickman to give the floor statement, and he opened the work session on Assembly Bill 468.

**Assembly Bill 468: Makes supplemental appropriations to the Department of Corrections for shortfalls in projected personnel costs. (BDR S-1236)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 468 made a supplemental appropriation to the Department of Corrections for shortfalls in projected personnel-related costs. The bill was heard by the Committee on April 6, 2015. Fiscal Analysis Division staff had worked with the Department of Corrections to update the projected needs of the Department for payroll cost shortfalls for the remainder of the fiscal year.

Fiscal Analysis Division staff recommended that the request for \$2,451,233 be reduced to \$2,395,367. The revised breakdown among budget accounts was as follows:

Office of the Director	\$1,265,718
Correctional Programs	\$39,255
Northern Nevada Correctional Center	\$540,338
Ely State Prison	\$121,981
High Desert State Prison	\$428,075

Fiscal Analysis Division staff would work with the Legal Division, Legislative Counsel Bureau, to draft the amendment. Any unused funds from the appropriation would revert to the State General Fund at the end of the fiscal year.



Assemblyman Kirner asked how the projections were miscalculated by such large numbers.

Cindy Jones replied that the projections were estimated when The Executive Budget was formulated in late fall 2014. As the fiscal year drew to a close, the projections became much more accurate because current and actual staff numbers and salaries were known. The amendment could also adjust for savings in other budget accounts that could be transferred to the payroll account.

Assemblyman Kirner asked, if the State General Fund was already in the hole, where the funds came from when the Committee approved supplemental appropriations.

Ms. Jones noted that the amounts were included in the Governor's recommended budget to start with.

Hearing no further discussion, Chair Anderson asked for a motion.

ASSEMBLYMAN KIRNER MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 468.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Anderson asked Assemblyman Edwards to provide the floor statement.

**Assembly Bill 448 (1st Reprint): Revises provisions relating to education.  
(BDR 34-746)**

Assembly Bill 448 (1st Reprint) was agendized but not heard.

Assembly Committee on Ways and Means

May 6, 2015

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Chair Anderson opened the floor to public comment. Hearing none, he adjourned the meeting at 7:24 p.m.

RESPECTFULLY SUBMITTED:

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Barbara Williams  
Committee Secretary

APPROVED BY:

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Assemblyman Paul Anderson, Chair

DATE: \_\_\_\_\_

**EXHIBITS**

**Committee Name:** Assembly Committee on Ways and Means

**Date:** May 6, 2015

**Time of Meeting:** 6:09 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
	C	Fiscal Analysis Division, Legislative Counsel Bureau	Assembly Committee on Ways and Means Closing List #12
A.B. 71	D	Caleb Cage, Office of the Governor	Memorandum Re: Assembly Bill 71
A.B. 482	E	Caleb Cage, Office of the Governor	Memorandum Re: Assembly Bill 482