

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-Eighth Session
March 23, 2015**

The Senate Committee on Finance was called to order by Chair Ben Kieckhefer at 8:06 a.m. on Monday, March 23, 2015, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Ben Kieckhefer, Chair
Senator Michael Roberson, Vice Chair
Senator Pete Goicoechea
Senator Mark A. Lipparelli
Senator David R. Parks
Senator Joyce Woodhouse
Senator Aaron D. Ford

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Joi Davis, Senior Program Analyst
Emily Cervi, Committee Assistant
Lona Domenici, Committee Manager
Jackie L. Cheney, Committee Secretary
Jason Gortari, Committee Secretary
Jeanne Harrington-Lloyd, Committee Secretary
Susan McArthur, Committee Secretary
Trish O'Flinn, Committee Secretary
Cynthia Clampitt, Committee Secretary

OTHERS PRESENT:

Robin Sweet, State Court Administrator; Secretary to the Court on Judicial Selection, Supreme Court
Yvonne Nevarez-Goodson, Esq., Executive Director, Commission on Ethics

Chair Kieckhefer:

I will now open the hearing on Assembly Bill (A.B.) 265.

ASSEMBLY BILL 265: Makes a supplemental appropriation to the Nevada Supreme Court for unexpected expenses related to the Commission on Judicial Selection. (BDR S-1257)

Robin Sweet (State Court Administrator; Secretary to the Commission on Judicial Selection, Supreme Court):

The Commission on Judicial Selection only meets when there is a vacant seat for a district court judge, Supreme Court Justice, or Court of Appeals judge. Following the 2014 elections, the Commission met to fill the three new seats in the Court of Appeals. Because those seats were filled by three district court judges, selections to fill the three district court vacancies are necessary.

The average budget is approximately \$5,800 to fill each seat. The Court of Appeals' budget contained funding of approximately \$8,000; therefore, a supplemental budget request is needed to complete the process.

Senator Goicoechea:

Will the total impact to the General Fund be approximately \$14,000? The appropriation request in A.B. 265 is \$5,000.

Ms. Sweet:

The projected total expenses are \$16,680. The \$5,000 requested by this legislation covers the projected need and retains current funding in the event another selection is necessary prior to June 30, 2015. The funds will be reverted if another selection is not needed.

Chair Kieckhefer:

Does the \$16,680 cover the entirety of judicial selection or is that only for the Appellate Court appointments?

Ms. Sweet:

The \$16,680 is the Supreme Court's estimate, for fiscal year (FY) 2015, for all three selections.

Chair Kieckhefer:

When the Executive Budget was drafted in 2013, was it not anticipated that three district court judges would be appointed to the Court of Appeals, if the Appellate Court were approved by the voters?

Ms. Sweet:

It was not anticipated.

Chair Kieckhefer:

That is probably our fault.

The Supreme Court had an option to overspend its budget. Instead, they made a choice to correctly submit A.B. 265, requesting a supplemental appropriation. I will entertain a motion.

SENATOR ROBERSON MOVED TO DO PASS A.B. 265.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Kieckhefer:

I will read the Floor statement on A.B. 265.

I will now open the budget closings with the budget for the Office of the Attorney General (AG).

Joi Davis (Senior Program Analyst):

These budgets are staff closing recommendations beginning on page 12 of the Senate Committee on Finance Closing List #1 ([Exhibit C](#)). There are 12 budgets within the Office of the AG. Nine of those budgets were heard on March 2, 2015. These are the remaining three budgets. I will begin with budget account (B/A) 101-1002, the Extradition Coordinator.

ELECTED OFFICIALS

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AG - Extradition Coordinator — Budget Page ELECTED-80 (Volume I)
Budget Account 101-1002

This budget account is supported with a General Fund appropriation and recovery revenue based on court-ordered restitution. This budget includes no major closing issues.

There is one other closing item in decision unit E-710 for replacement equipment.

E-710 Equipment Replacement — Page ELECTED-82

Staff recommends this budget be closed as recommended in the Executive Budget.

I will now present B/A 101-1037, the Medicaid Fraud budget.

AG - Medicaid Fraud — Budget Page ELECTED-113 (Volume I)
Budget Account 101-1037

Medicaid Fraud is a federally mandated program. It is 75 percent federally funded and 25 percent funded through the investigations and prosecution of Medicaid fraud issues. There are no major closing items in this budget.

There is one enhancement decision unit, E-710, for replacement equipment that appears reasonable to staff.

E-710 Equipment Replacement — Page ELECTED-115

Staff recommends this account be closed as recommended in the Executive Budget.

The next budget account for consideration is the Violence Against Women Grants, B/A 101-1040.

AG - Violence Against Women Grants — Budget Page ELECTED-122 (Volume I)
Budget Account 101-1040

This budget is 100 percent federally funded and includes a variety of grants that support programs. The funding is passed through to governmental and nonprofit agencies to enhance victim safety and recovery and increase offender accountability. This budget includes no major closing issues.

There is also one decision unit, E-710, to provide replacement equipment.

E-710 Equipment Replacement — Page ELECTED-124

Staff recommends this budget be closed as recommended in the Executive Budget.

Chair Kieckhefer:

Staff has indicated that, while the AG's Office will be submitting budget amendments for their accounts, we do not anticipate those amendments will affect the three accounts just presented.

In previous years, it appeared there was a mixture of funding sources for B/A 101-1040 through interagency transfers shown on page 14 of [Exhibit C](#). Those funding sources are not reflected in the current Executive Budget. Do you recall what those were?

Ms. Davis:

In the past, there were private grants and grants from the Justice Assistance Grants Program through the Department of Public Safety that are not included.

Chair Kieckhefer:

Will those items be added through work programs at a later date?

Ms. Davis:

They can be. They are annual grants that must be applied for each year.

SENATOR ROBERSON MOVED TO CLOSE BUDGET ACCOUNTS 101-1002, 101-1037 AND 101-1040 AS RECOMMENDED IN THE EXECUTIVE BUDGET.

SENATOR GOICOCHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGETS CLOSED.

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Chair Kieckhefer:

We will now discuss B/A 101-1011, the Governor's Washington Office.

Governor's Washington Office — Budget Page ELECTED-15 (Volume I)
Budget Account 101-1011

Mark Krmpotic (Senate Fiscal Analyst):

The remaining budget account closing recommendations are also developed by staff. The Governor's Washington, D.C., Office was established by legislation in the 63rd Legislative Session to identify, monitor and provide information on selected federal issues of high priority in Nevada. The Office staff acts as the primary lobbyist for Nevada in Washington, D.C. and functions as Nevada's point of contact for the U. S. Congressional Delegation.

The funding in B/A 101-1011 is listed on page 3 of [Exhibit C](#). It includes the Governor's Office of Economic Development, the Commission on Tourism and the Department of Transportation. Those amounts total \$259,433, which provides for the contract lobbyist services.

Staff has identified no major issues with this budget and recommends it be closed as recommended by Governor Brian Sandoval.

Chair Kieckhefer:

A report from District Strategies, the contract lobbyist, is included on pages 4 through 9 of [Exhibit C](#).

SENATOR ROBERSON MOVED TO CLOSE B/A 101-1011 AS
RECOMMENDED BY THE GOVERNOR.

SENATOR LIPPARELLI SECONDED THE MOTION,

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Mr. Krmpotic:

The next budget is B/A 101-1020, Lieutenant Governor.

Lieutenant Governor — Budget Page ELECTED-70 (Volume I)
Budget Account 101-1020

There is one major closing issue in B/A 101-1020. Decision unit E-225 reflects the increase of a .50 full-time equivalent (FTE) administrative secretary position to full time. Total funding is included in the Executive Budget at \$28,338 in FY 2016 and \$28,345 in FY 2017. This item is funded with a General Fund appropriation.

E-225 Efficient and Responsive State Government — Page ELECTED-71

The Office of the Lieutenant Governor included 6 staff positions in 2009 and has been reduced to 3.51 FTE staff excluding the Lieutenant Governor. This recommendation would allow partial restoration of staff to four FTE, of which two positions will be located in Carson City and two will be located in Las Vegas. Does the Committee wish to approve increasing a .50 FTE administrative secretary position to full time?

Staff has reviewed other closing recommendations and those recommendations appear to be reasonable. Staff recommends all items be closed as recommended by the Governor with authority to make technical adjustments as necessary.

A supplemental appropriation not included in B/A 101-1020 has been submitted to provide for unanticipated payroll and travel costs of the Lieutenant Governor's Office in FY 2015.

Chair Kieckhefer:

There is a supplemental appropriation for the current year, but does the budget, as proposed by the Executive Branch, include the travel increases in FY 2017?

Mr. Krmpotic:

That is correct. The Lieutenant Governor's Office testified to that as well.

Senator Parks:

Are we only considering the 2015-2017 Executive Budget proposals and not the supplemental appropriation?

Chair Kieckhefer:

That is correct. The supplemental request is pending in separate legislation.

SENATOR GOICOECHEA MOVED TO CLOSE B/A 101-1020 AS RECOMMENDED IN THE EXECUTIVE BUDGET.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now consider the budgets of the Office of the Treasurer.

Mr. Krmpotic:

These budgets begin on page 15 of Exhibit C. First is B/A 745-1086, the Municipal Bond Bank Revenue.

Treasurer - Municipal Bond Bank Revenue — Budget Page ELECTED-189
(Volume I)
Budget Account 745-1086

There are no major issues included in this budget account. The Municipal Bond Bank was created during the 61st Legislative Session and is administered by the State Treasurer to assist municipalities in undertaking local projects that foster and promote the protection and preservation of properties. The Bond Bank allows the State to sell general obligation bonds, subject to the statutory limitation of \$1.8 billion and exempt from the Constitutional debt limitation.

There are no major closing issues included in this budget account and staff recommends closure as recommended in the Executive Budget.

SENATOR PARKS MOVED TO APPROVE CLOSING B/A 745-1086 AS RECOMMENDED IN THE EXECUTIVE BUDGET.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

BUDGET CLOSED.

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Mr. Krmpotic:

Page 17 of [Exhibit C](#) is the overview of B/A 395-1087, the Municipal Bond Bank Debt Service.

Treasurer - Municipal Bond Bank Debt Service — Budget Page ELECTED-191
(Volume I)
Budget Account 395-1087

This budget account was created in 1981. It serves as the redemption account for the general obligation bonds issued under B/A 745-1086. Funds are transferred into this account to pay the interest and principal payments on the State-issued general obligation bonds.

There are no major closing issues in this budget account and staff recommends it be closed as recommended in the Executive Budget.

SENATOR PARKS MOVED TO CLOSE B/A 395-1087 AS RECOMMENDED IN THE EXECUTIVE BUDGET.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Mr. Krmpotic:

The overview of B/A 101-1343, the Commission on Ethics, begins on page 19 of [Exhibit C](#).

Commission on Ethics — Budget Page ELECTED-245 (Volume I)
Budget Account 101-1343

The Commission consists of eight members, four appointed by the Governor and four appointed by the Legislative Commission. It is responsible for receiving and investigating inquiries and complaints involving the ethical conduct of public officials and employees and providing ethical guidance through published opinions.

There are no major closing issues included in this budget account. Decision unit E-225 includes training funds recommended at \$1,622 of General Fund appropriation and \$6.102 in county reimbursements, which appears reasonable to staff.

E-225 Efficient and Responsive State Government — Page ELECTED-247

The cellular telephone reimbursement request in decision unit E-226 and the telephone system replacement in decision unit E-711 also appear reasonable to staff.

E-226 Efficient and Responsive State Government — Page ELECTED-247
E-711 Equipment Replacement — Page ELECTED-248

Staff considered the possibility of utilizing services of the Department of Administration, Division of Enterprise Information Technology Services for the telephone system replacement, but found that would be cost prohibitive.

The final decision unit in B/A 101-1343 is E-804, cost allocations.

E-804 Cost Allocation — Page ELECTED-248

Staff recommends this budget be closed as recommended in the Executive Budget and requests authority to make technical adjustments.

Chair Kieckhefer:

As part of its agency requests, the Commission on Ethics submitted the 2015 salary enhancement requests ([Exhibit D](#)) that were not included in the Governor's recommendations. A decision is not needed today, as the request will be included in the unclassified pay bill. No presentation was given when this budget was heard.

Yvonne Nevarez-Goodson, Esq. (Executive Director, Commission on Ethics):

In the agency request to the Governor, the Commission made certain salary enhancement requests for the executive director, Commission counsel, senior legal researcher and the administrative assistant position. The Commission's position is that the requests for the executive director and Commission counsel positions were not enhancements; rather, we perceive them as attempts to correct errors from the previous budget cycle.

During the 2013 Session, the Legislature approved an associate counsel position for the Commission. When the position was included in the unclassified pay bill, it was included as a second Commission counsel position—rather than as an associate counsel—at the same salary as the Commission counsel. An attempt to correct the situation was made through technical amendments to the unclassified pay bill, which proved to be unsuccessful.

The Commission would also like to correct the title of the associate counsel position in the 2015 Legislative Session. It is currently listed as a Commission counsel II position. *Nevada Revised Statutes* 281A authorizes one Commission counsel appointed by the Commission. The Commission's intention for the associate counsel position was for it to be subordinate to the executive director and Commission counsel positions.

Salaries for the aforementioned positions should be comparable to positions in other agencies. For example, similar work accomplished by the administrative assistant at the Commission is the equivalent to the management analyst II position within the Commission on Judicial Discipline. The Ethics Commission believes both the salary and job title of the position should be changed comparably.

Our Vice Chair, Commissioner Gregory J. Gale, has a history of working with salary realignments and adjustments and has offered his assistance to this Committee as appropriate.

Chair Kieckhefer:

We will make [Exhibit D](#) a part of the record and it will be at our disposal when we undertake the unclassified pay bill.

Senator Parks:

Are some of the positions for which salary enhancements are being requested classified positions, specifically the management analyst II position?

Ms. Nevarez-Goodson:

All of the positions are in the unclassified service.

SENATOR ROBERSON MOVED TO CLOSE B/A 101-1343 AS RECOMMENDED IN THE EXECUTIVE BUDGET WITH AUTHORITY FOR STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now close the budget hearing and consider Committee bill draft request (BDR) introductions.

I have BDR S-1133. This BDR authorizes the Supreme Court to enter into a long-term lease for space in Clark County that is outside the current Regional Justice Center.

BILL DRAFT REQUEST S-1133: Revises provisions governing the Administrative Office of the Courts. (Later introduced as [Senate Bill 431](#).)

SENATOR ROBERSON MOVED TO INTRODUCE BDR S-1133.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Kieckhefer:

We will now consider BDR S-1186, which is the budget implementation for the Zoom School expansion.

BILL DRAFT REQUEST S-1186: Provides for funding and administration of Zoom schools. (Later introduced as Senate Bill 430).

SENATOR ROBERSON MOVED TO INTRODUCE BDR S-1186.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Kieckhefer:

Bill Draft Request S-1187 is the budget implementation bill for Victory Schools.

BILL DRAFT REQUEST S-1187: Provides for funding and administration of Victory schools. (Later introduced as Senate Bill 432.)

SENATOR ROBERSON MOVED TO INTRODUCE BDR S-1187.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Kieckhefer:

Bill Draft Request S-1223 is an appropriation to the State Department of Conservation and Natural Resources for the replacement of emergency response, firefighting and other critical equipment and vehicles.

BILL DRAFT REQUEST S-1223: Makes an appropriation from the State General Fund to the Division of Forestry of the State Department of Conservation and Natural Resources for replacement emergency response and firefighting equipment and vehicles. (Later introduced as [Senate Bill 428](#).)

SENATOR GOICOECHEA MOVED TO INTRODUCE BDR S-1223.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Kieckhefer:

Bill Draft Request S-1226 makes a supplemental appropriation to the Office of the AG for projected extradition costs.

BILL DRAFT REQUEST S-1226: Makes a supplemental appropriation from the State General Fund to the Office of the Attorney General for projected extradition costs. (Later introduced as [Senate Bill 427](#).)

SENATOR ROBERSON MOVED TO INTRODUCE BDR S-1226.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Kieckhefer:

The final introduction is BDR S-1231, requesting a supplemental appropriation to the State Distributive School Account for the shortfall in the current biennium for kindergarten through Grade 12 enrollment. The total is \$77,704,344.

BILL DRAFT REQUEST S-1231: Makes a supplemental appropriation from the State General Fund to the State Distributive School Account for a shortfall resulting from an unanticipated increase in K-12 enrollment for the 2013-2014 and 2014-2015 school years. (Later introduced as [Senate Bill 429](#).)

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SENATOR ROBERSON MOVED TO INTRODUCE BDR S-1231.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Kieckhefer:

Having no further business or public comment before the Committee, we stand adjourned at 8:33 a.m.

RESPECTFULLY SUBMITTED:

Cynthia Clampitt,
Committee Secretary

APPROVED BY:

Senator Ben Kieckhefer, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit		Witness or Agency	Description
	A	2		Agenda
	B	1		Attendance Roster
	C	20	LCB, Fiscal Analysis Division	Senate Committee on Finance Closing List 1 March 23, 2015
	D	3	Commission on Ethics	Nevada Commission on Ethics 2015 Salary Realignment Request