

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

**Seventy-ninth Session  
April 12, 2017**

The joint meeting of the Subcommittees on General Government of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Aaron D. Ford at 8:26 a.m. on Wednesday, April 12, 2017, 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.

**SENATE SUBCOMMITTEE MEMBERS PRESENT:**

Senator Aaron D. Ford, Chair  
Senator David R. Parks  
Senator Becky Harris

**ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:**

Assemblywoman Heidi Swank, Chair  
Assemblywoman Olivia Diaz  
Assemblyman Chris Edwards  
Assemblyman John Hambrick  
Assemblywoman Ellen B. Spiegel

**COMMITTEE MEMBERS ABSENT:**

Assemblywoman Teresa Benitez-Thompson, Vice Chair (Excused)

**STAFF MEMBERS PRESENT:**

Mark Krmpotic, Senate Fiscal Analyst  
Cindy Jones, Assembly Fiscal Analyst  
Jay Kriebel, Program Analyst  
Colby Nichols, Committee Secretary  
Edgar Cervantes, Committee Secretary

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CHAIR FORD:

We will begin the budget closing process with the Supreme Court budget account (B/A) 101-1494. The details of this account are discussed on pages 3 through 7 of the General Government Joint Subcommittee Closing List #3 ([Exhibit C](#)).

## LEGISLATIVE - JUDICIAL

### JUDICIAL BRANCH

Supreme Court — Budget Page JUDICIAL-11 (Volume I)  
Budget Account 101-1494

JAY KRIEBEL (Program Analyst):

There are four major closing issues in B/A 101-1494. The first major closing issue is position classification changes. The Judicial Branch recommends converting all unclassified positions within the Judicial Branch, excluding positions in the Judicial Discipline Commission, to nonclassified positions. The change is included in the base decision unit rather than an enhancement decision unit for the Subcommittees consideration.

*Nevada Revised Statutes* (NRS) 284.013, subsection 2, allows the Judicial Branch, as appointing authority of its employees, to set salaries “within the limits of the legislative appropriations or authorizations.” Currently, salaries for unclassified positions are established by the Legislature in the Pay Bill, while salaries for nonclassified positions are set at the discretion of the appointing authority within the limits of funding available. Therefore, establishing existing unclassified positions in the Judicial Branch as nonclassified would remove position compensation oversight by the Legislature. While there is no fiscal impact in the 2017-2019 biennium, once positions are removed from the Pay Bill and placed into the nonclassified service, salaries could be modified by the Judicial Branch without legislative review or approval.

Fiscal staff notes that the Judicial Branch recommended changing unclassified positions to nonclassified positions during the previous two Legislative Sessions. The change was not approved by the Legislature.

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During the budget hearing on February 15, 2017, the Judicial Branch indicated that cost savings and increased efficiency are the reasons for the recommendation to transfer all Judicial Branch unclassified positions to nonclassified State service. Additionally, the Judicial Branch indicated that pursuant to NRS 284.139 and NRS 284.140, the positions in the unclassified services of the State refer to the Executive Branch only. The table on page 4 of [Exhibit C](#) lists the 60 unclassified positions of the Judicial Branch.

Do the Subcommittees wish to approve the reclassification of all unclassified positions within the Judicial Branch, excluding the Commission on Judicial Discipline budget, to nonclassified State service as included in the *Executive Budget*?

ASSEMBLYWOMAN SWANK MOVED TO RECOMMEND TO THE FULL COMMITTEES TO NOT APPROVE THE RECLASSIFICATION OF ALL UNCLASSIFIED POSITIONS WITHIN THE JUDICIAL BRANCH IN B/A 101-1494.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRIEBEL:

The second major closing issue of B/A 101-1494, described on page 5 of [Exhibit C](#), is the replacement of the document management system. The Judicial Branch recommends, in decision unit E-712, a replacement document management system, called OnBase, supported by a General Fund appropriation of \$590,089 over the 2017-2019 biennium. The recommendation includes contract costs of \$423,320, and software and licensing fees of \$48,369 in FY 2017-2018. Also included are ongoing annual maintenance costs of \$59,200 for each year of the biennium. The new document management system (DMS) would be integrated with the Supreme Court's case management system, C-Track, and electronic filing system, eFlex. The Court's current system, SIRE, is no longer supported by its vendor. The Judicial Branch

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recommends replacing SIRE with OnBase. Additionally, the Judicial Branch states that if the enhancement is not approved and a DMS failure were to occur, the electronic files would cease requiring manual submission, storage and copying of files.

#### E-712 Equipment Replacement — Page JUDICIAL-14

CINDY JONES (Assembly Fiscal Analyst):

The body of the closing information indicates that the replacement of the document system is a General Fund appropriation of \$590,089 over the 2017-2019 biennium. However, the decision indicated that it is a reserved reduction but Fiscal staff would like to clarify that it is actually a General Fund supported item as opposed to a reserved reduction.

MR. KRIEBEL:

Do the Subcommittees wish to approve a General Fund appropriation of \$590,089 over the 2017-2019 biennium to support a new document management system as included in the *Executive Budget*?

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-1494, A GENERAL FUND APPROPRIATION OF \$590,089 OVER THE 2017-2019 BIENNIUM TO SUPPORT A NEW DOCUMENT MANAGEMENT SYSTEM AS INCLUDED IN DECISION UNIT E-712 OF THE EXECUTIVE BUDGET.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRIEBEL:

The third major closing item, decision unit E-850, described on page 5 and 6 of [Exhibit C](#) is the market salary analysis. The *Executive Budget* includes a General Fund appropriation of \$13,525 to support a Market Salary Analysis, Benchmark Salary Survey for 15 position types identified by the Judicial Branch.

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The proposal includes a project plan, job-specific market salary analysis, benchmarking, comparison organizations, salary grades and ranges, and a compensation plan and report. The positions that would be included are listed on the bottom of page 5 of [Exhibit C](#).

#### E-850 Special Projects — Page JUDICIAL-16

During testimony at the budget hearing on February 15, 2017, the Judicial Branch indicated that the recommended wage survey would show possible Judicial Branch compensation inequities as compared to similar positions in the marketplace and in local government. The Judicial Branch staff recruitment and staff retention issues are listed on the middle of page 6 of [Exhibit C](#).

Do the Subcommittees wish to approve a General Fund appropriation in decision unit E-850 of \$13,525 in fiscal year (FY) 2017-2018 to fund a market salary analysis, benchmark salary survey as included in the *Executive Budget*?

ASSEMBLYMAN EDWARDS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-850 A GENERAL FUND APPROPRIATION OF \$13,525 IN FY 2017-2018 TO FUND A MARKET SALARY ANALYSIS, BENCHMARK SALARY SURVEY AS INCLUDED IN THE EXECUTIVE BUDGET.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRIEBEL:

The fourth major closing issue, page 6 of [Exhibit C](#), is an increase for a nonclassified position. The *Executive Budget* decision unit E-848 includes a General Fund appropriation of \$6,753 or a 11.3 percent increase in each year of the 2017-2019 biennium to increase the salary of a nonclassified executive assistant 1 to an executive assistant 3 position. The Judicial Branch indicates

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this position is responsible for secretarial and administrative support for the Supreme Court's central legal staff that was previously supported by four executive assistants.

#### E-848 Non-Classified Position Changes — Page JUDICIAL-15

Do the Subcommittees wish to approve a 11.3 percent salary increase in each year of the 2017-2019 biennium for a nonclassified executive assistant position as included in the *Executive Budget*?

ASSEMBLYWOMAN SWANK MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-848 AUTHORIZING A 11.3 PERCENT SALARY INCREASE IN EACH YEAR OF THE 2017-2019 BIENNIUM FOR A NONCLASSIFIED EXECUTIVE ASSISTANT POSITION AS INCLUDED IN THE EXECUTIVE BUDGET.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRIEBEL:

There are four other closing items covering various expenditures types beginning on page 6 of [Exhibit C](#). Items 1 through 3, decision units E-226, E-710, E-711 and E-720 appear reasonable to staff.

E-226 Efficient and Responsive State Government — Page JUDICIAL-13

E-710 Equipment Replacement — Page JUDICIAL-14

E-711 Equipment Replacement — Page JUDICIAL-14

E-720 New Equipment — Page JUDICIAL-15

Item 4, decision unit E-849, page 11 of [Exhibit C](#) relates to a 2 percent salary increase for staff in each year of the 2017-2019 biennium.

E-849 Non-Classified Salary Adjustments — Page JUDICIAL-16

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This item will be found in all Judicial Branch budgets containing staff and was developed prior to the Court's knowledge of the Governor's recommended 2 percent increase for all State employees and is not an addition to the Governor's 2 percent cost of living increase. Staff recommends other closing items 1 through 3 be approved as included in the *Executive Budget* and seeks authority to make adjustments related to any salary increases that may be determined at a later date and to make technical adjustments as necessary.

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS 1 THROUGH 3, DECISION UNITS E-226, E-710, E-711, AND E-720 OF B/A 101-1494 AS INCLUDED IN THE EXECUTIVE BUDGET AND GRANT FISCAL STAFF AUTHORITY TO MAKE ADJUSTMENTS RELATED TO ANY SALARY INCREASES THAT MAY BE DETERMINED AT A LATER DATE AND TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR FORD:

I need to disclose that my wife, Berna Rhodes-Ford, is currently being considered by the Judicial Selection Committee for a judgeship. Therefore, I am abstaining from voting only on the Judicial Selection budget, B/A 101-1498. I will now relinquish the gavel to Chair Swank.

Judicial Selection — Budget Page JUDICIAL-26 (Volume I)  
Budget Account 101-1498

CHAIR SWANK:

We will now hear the Court of Appeals, B/A 101-1489 beginning on page 9 of [Exhibit C](#).

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Court of Appeals — Budget Page JUDICIAL-18 (Volume I)  
Budget Account 101-1489

MR. KRIEBEL:

There are two major closing issues in B/A 101-1489. The first closing issue is the case management system enhancements, decision units E-720 and E-721, discussed page 10 of [Exhibit C](#).

E-720 New Equipment — Page JUDICIAL-21  
E-721 New Equipment — Page JUDICIAL-21

The Judicial Branch recommends General Fund appropriations of \$185,250 in FY 2017-2018 to develop and implement an in-house Web-based case management system (CMS) used to track case information and integrate the new CMS with the Supreme Courts CMS, called C-Track, and the electronic filing system, eFlex. The Court of Appeals currently uses Microsoft Access as its CMS that was originally used by the Supreme Court. The Court of Appeals CMS has been modified to meet their needs; however, the Judicial Branch reports that the Microsoft Access platform is outdated, the system is cumbersome to use and difficult to update.

The new CMS would be integrated with the Supreme Court's electronic filing system allowing attorneys, trial courts, and settlement judges to electronically file documents with the court, view electronic versions of all documents and receive electronic notifications for cases in both the Supreme Court and the Court of Appeals.

The Judicial Branch states that the new CMS would require four in-house information technology (IT) staff for development and implementation, and that the new CMS project would not shift existing technology resources away from other Judicial Branch tasks. The Judicial Branch stated that if the recommended enhancements are not approved, the manual process of transferring cases between the Supreme Court and the Court of Appeals would continue, current projections for case dispositions for the 2017-2019 biennium would not be met, and total pending cases would increase.



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Fiscal staff notes, this closing document includes a technical adjustment to eliminate duplicative charges related to the server quantity in decision unit E-720, resulting in a General Fund reduction of \$18,808 in FY 2017-2018, and reducing the total recommendation to \$166,442.

Do the Subcommittees wish to approve General Fund appropriations of \$166,442 over the 2017-2019 biennium, as adjusted by staff, for the development and implementation of an integrated case management system?

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNITS E-720 AND E-721 OF B/A 101-1489, GENERAL FUND APPROPRIATIONS OF \$166,442 OVER THE 2017-2019 BIENNIUM, AS ADJUSTED BY FISCAL STAFF, FOR THE DEVELOPMENT AND IMPLEMENTATION OF AN INTEGRATED CASE MANAGEMENT SYSTEM.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRIEBEL:

The second major closing issue for B/A 101-1489 discussed on page 11 of [Exhibit C](#) is the increase for nonclassified positions.

The *Executive Budget* includes a General Fund appropriation of \$6,753 in decision unit E-848 for a salary increase to upgrade a nonclassified executive assistant I to an executive assistant III position. The recommended salary increase equates to a 9.1 percent increase. To justify the increase, the Judicial Branch indicates this position is solely responsible for all secretarial and administrative support for the Court of Appeals' central legal staff. In addition to experiencing an increase in workload, the Judicial Branch states that the position has also taken on tasks previously performed by paralegals.

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Do the Subcommittees wish to approve a 9.1 percent salary increase in each year of the 2017-2019 biennium for a nonclassified executive assistant position as included in the *Executive Budget*?

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN DECISION UNIT E-848 OF B/A 101-1489 A 9.1 PERCENT SALARY INCREASE IN EACH YEAR OF THE 2017-2019 BIENNIUM FOR A NONCLASSIFIED EXECUTIVE ASSISTANT POSITION AS INCLUDED IN THE EXECUTIVE BUDGET.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRIEBEL:

There are four other closing items covering various expenditure types as set forth on page 11 of [Exhibit C](#). Items 1 through 3, decision units E-225, E-226, E-710 and E-711 appear reasonable to staff. Fiscal staff recommends other closing items 1 through 3 be approved as included in the *Executive Budget* and seeks authority to make adjustments related to any salary increases that may be determined at a later date, and to make technical adjustments as necessary.

E-225 Efficient and Responsive State Government — Page JUDICIAL-19  
E-226 Efficient and Responsive State Government — Page JUDICIAL-20  
E-710 Equipment Replacement — Page JUDICIAL-20  
E-711 Equipment Replacement — Page JUDICIAL-20

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS 1 THROUGH 3, DECISION UNITS E-225, E-226, AND E-710 IN B/A 101-1489, AS INCLUDED IN THE EXECUTIVE BUDGET AND GRANT FISCAL STAFF AUTHORITY TO MAKE ADJUSTMENTS RELATED TO ANY SALARY INCREASES THAT MAYBE BE DETERMINED AT A LATER DATE AND TO MAKE TECHNICAL ADJUSTMENTS.

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ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRIEBEL:

Budget account 101-1490 is the State Judicial Elected Officials account. The discussion of this account begins on page 13 of [Exhibit C](#). Fiscal staff is responsible for developing closing recommendations for this budget, which has not been previously heard by the Subcommittees. This budget funds the annual base salaries, longevity and fringe benefit costs of the Supreme Court justices, Court of Appeals justices and District Court judges and is funded entirely with General Fund appropriations. There are no major closing issues and no other closing items. Fiscal staff recommends this budget be closed as included in the *Executive Budget* and requests authority for Fiscal staff to make technical adjustments, as needed.

State Judicial Elected Officials — Budget Page JUDICIAL-24 (Volume I)  
Budget Account 101-1490

ASSEMBLYMAN EDWARDS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-1490 AS INCLUDED IN THE EXECUTIVE BUDGET AND ALLOW FISCAL STAFF TO MAKE ANY TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRIEBEL:

Budget account 101-1498 is the Judicial Selection budget. Discussion of this account begins on page 15 of [Exhibit C](#). Fiscal staff is responsible for

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developing closing recommendations for this budget, which has not been previously heard by the Subcommittees. The Commission on Judicial Selection selects three nominees to present to the Governor to fill judicial vacancies. This budget is entirely funded with General Fund appropriations. There are no major closing issues and no other closing items.

Fiscal staff recommends this budget be closed as included in the *Executive Budget*, and requests authority for Fiscal staff to make technical adjustments, as needed.

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO CLOSE B/A 101-1498 AS INCLUDED IN THE EXECUTIVE BUDGET AND GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR FORD ABSTAINED FROM THE VOTE.)

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MR. KRIEBEL:

Budget account 101-1496 is the Senior Justice and Senior Judge Program. Discussion on this account begins on page 17 of [Exhibit C](#). Fiscal staff is responsible for developing closing recommendations for this budget. The Subcommittees have not previously reviewed this budget. This budget funds the costs associated with recalling former justices and judges to expedite judicial business, to assist in districts with congested calendars, and to act for those who are disqualified or unable to perform for any reason. This budget is supported with General Fund appropriations and administrative court assessments. There are no major closing issues and no other closing items. Fiscal staff recommends this budget be closed as included in the *Executive Budget* and requests authority for fiscal staff to make adjustments as needed.

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Senior Justice & Senior Judge Program — Budget Page JUDICIAL-27 (Volume I)  
Budget Account 101-1496

ASSEMBLYMAN EDWARDS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-1469 AS INCLUDED IN THE EXECUTIVE BUDGET AND GRANT FISCAL STAFF AUTHORITY TO MAKE ADJUSTMENTS AS NEEDED.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRIEBEL:

Budget Account 101-2889 is the Law Library account and begins on page 19 of [Exhibit C](#). Fiscal staff is responsible for developing closing recommendations for this budget. The Subcommittees have not previously reviewed this budget. The Supreme Court Law Library serves as a comprehensive, current resource for legal research performed by the staff of the Supreme Court and the Court of Appeals. This budget is primarily supported through General Fund appropriations. There are no major closing items. There are other closing items covering various expenditure types. Item 1, decision unit E-710, appears reasonable to staff. Fiscal staff recommends this budget be closed as included in the *Executive Budget*, as adjusted, excluding other closing Item 2, decision unit E-711 and requests authority to make other technical adjustments as necessary.

Law Library — Budget Page JUDICIAL-29 (Volume I)  
Budget Account 101-2889

E-710 Equipment Replacement — Page JUDICIAL-30  
E-711 Equipment Replacement — Page JUDICIAL-31

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-2889, DECISION UNIT E-710, AS

INCLUDED IN THE EXECUTIVE BUDGET, AS ADJUSTED, EXCLUDING OTHER CLOSING ITEM 2, DECISION UNIT E-711 AND GRANT FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRIEBEL:

The Administrative Offices of the Courts, B/A 101-1483, begins on page 21 of [Exhibit C](#). There are three major closing items. The first issue is administrative assessments. Pursuant to NRS 176.059, not less than 51 percent of the administrative court assessment revenues received by the State Controller must be distributed to the Office of Court Administrator for allocation among the various Judicial Branch budgets. Not more than 49 percent of the administrative court assessment revenues must be allocated to various Executive Branch budgets. For each year of the upcoming biennium, 60 percent of the projected administrative assessments, as compared to 56.5 percent for the 2015-2017 biennium are requested to be allocated to the Judicial Branch budgets. As shown on the table on page 22 of [Exhibit C](#), even though the percentage of total administrative assessments to support the Judicial Branch is requested to increase to 60 percent, the *Executive Budget* projects a 0.4 percent increase from FY 2016-2017 to FY 2017-2018, and a 1 percent decrease from FY 2017-2018 to FY 2018-2019 in administrative assessments to be dedicated to support Judicial Branch programs. Total collections of administrative assessments are projected to decrease by 5.4 percent in FY 2017-2018 compared to FY 2016-2017, and an additional 1 percent decrease is projected in FY 2018-2019 from FY 2017-2018.

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The table on page 23 of [Exhibit C](#) shows the allocation of administrative assessments to judicial branch budgets. The Judicial Branch stated that the decline in administrative assessments is due to a decrease in the number of traffic tickets written and a reduction in the collection of fines related to traffic tickets. Court participation levels of administrative assessments would need to increase from the current 56.5 percent to 60 percent over the 2017-2019 biennium.

Fiscal staff has projected administrative assessments through the end of FY 2016-2017 based on collections to date and has determined a shortfall of approximately \$876,000, which is a combination of Judicial Branch and Executive Branch shares. However, based on the projection of administrative assessments made by the Judicial Branch for FY 2017-2018 and FY 2018-2019, it appears the levels are reasonable compared to staff's projection through the end of FY 2016-2017.

Do the Subcommittees wish to approve administrative assessments of \$25.1 million over the 2017-2019 biennium for the Judicial Branch, as included in the *Executive Budget*?

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE ADMINISTRATIVE ASSESSMENT OF \$25.1 MILLION OVER THE 2017-2019 BIENNIUM FOR THE JUDICIAL BRANCH IN B/A 101-1483, AS INCLUDED IN THE EXECUTIVE BUDGET.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRIEBEL:

The second major closing issue in B/A 101-1483 is the declining reserves. The Judicial Branch projects a FY 2018-2019 ending reserve balance of \$115,914, compared to the FY 2016-2017 projected reserve of \$1,822,657. The Judicial Branch has indicated that an appropriate reserve for this budget is

90 days, or \$1 million. The Administrative Office of the Courts (AOC) is funded by administrative court assessments, which have been declining since FY 2012-2013. The decline in reserves can be attributed to spending in excess of revenues on an actual and projected basis, resulting in the reserve declining to a projected 14 days of expenses in FY 2018-2019, as shown in the table on the top of page 24 of [Exhibit C](#). It should be noted that the *Executive Budget* includes IT enhancements totaling \$330,133, funded by reserves over the 2017-2019 biennium.

During the budget hearing on February 15, 2017, the Judicial Branch indicated that it has kept vacant positions unfilled over the current biennium to support an adequate reserve level. Currently, the AOC has six vacant positions; one is requested to be eliminated and three have been vacant greater than one year. The Judicial Branch stated that, although they have work for the vacant positions, they would not hire staff only to lay them off due to decreasing court assessments.

It should be noted that with the budget amendments included in this closing document, the reserve at the end of FY 2018-2019 is projected at an 11-day reserve balance instead of the 90-day reserve recommended by the Judicial Branch. The Judicial Branch has indicated they are comfortable with this level of reserve for the 2017-2019 biennium. The table on page 24 of [Exhibit C](#) shows the AOC's vacant positions as of April 4, 2017.

Eliminating 3 positions with vacancies greater than 1 year would increase reserves by \$268,196 in each year of the 2017-2019 biennium, and increase the FY 2018-2019 reserve level from an 11-day reserve, as included in the *Executive Budget*, to a 37-day reserve. Alternatively, eliminating 2 positions with vacancies greater than two years would increase reserves by \$149,544 in each year of the 2017-2019 biennium, increasing the reserve level in FY 2018-2019 from the 11-day reserve, as included in the *Executive Budget*, to a 25-day reserve.

The Subcommittees may wish to consider the following options:

- a. Approve an 11-day reserve as included in the *Executive Budget* for FY 2018-2019.



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- b. Eliminate three positions vacant greater than one year, increasing the FY 2018-2019 reserve by \$268,196.
- c. Eliminate two positions vacant greater than one year, increasing the FY 2018-2019 reserve by \$149,544.

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES OPTION B TO ELIMINATE THREE POSITIONS VACANT GREATER THAN ONE YEAR, INCREASING THE FY 2018-2019 RESERVE BY \$268,196 AND GRANTING FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED IN B/A 101-1483.

SENATOR PARKS SECONDED THE MOTION.

SENATOR HARRIS:

I will be voting yes, but I reserve the right to change my vote at a later date.

ASSEMBLYMAN EDWARDS:

I want to stick with the *Executive Budget* recommended by the Governor so I will be voting against this motion to eliminate the three vacant positions.

THE MOTION CARRIED (ASSEMBLYMEN EDWARDS AND HAMBRICK VOTED NO.)

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MR. KRIEBEL:

The third major closing issue in B/A 101-1483 is decision unit E-712 regarding the document management system replacement. Discussion of this item begins on page 25 of [Exhibit C](#).

E-712 Equipment Replacement — Page JUDICIAL-36

The Judicial Branch recommends a new document management system called OnBase, decreasing reserves of \$113,711 over the 2017-2019 biennium. The recommendation includes software, licensing, training, and ongoing annual maintenance costs of \$17,040. The Judicial Branch indicates that the current

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SIRE DMS is used by the AOC to store all documents electronically. The DMS is also used to scan hard copy documents into electronic format. Since the current system is no longer supported by its vendor, the Judicial Branch recommends replacing SIRE with OnBase.

Additionally, the Judicial Branch states that if this enhancement were not approved and a DMS system failure were to occur, the electronic case filing would cease, which would require manual submission of documents, manual storage and copying of files, and additional assistance would be needed to provide the public with court documents.

Do the Subcommittees wish to approve reserve reductions of \$113,711 over the 2017-2019 biennium to support a new document management system?

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE RESERVE REDUCTIONS OF \$113,711 OVER THE 2017-2019 BIENNIUM IN DECISION UNIT E-712 B/A 101-1483 TO SUPPORT A NEW DOCUMENT MANAGEMENT SYSTEM.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRIEBEL:

There are five other closing items for B/A 101-1483, beginning on page 25 of [Exhibit C](#) covering various expenditure types. Items 1, 3 and 4, decision units E-490, E-710, E-720 and E-721 appear reasonable to staff.

E-490 Expiring Grant/Program — Page JUDICIAL-35  
E-710 Equipment Replacement — Page JUDICIAL-36  
E-720 New Equipment — Page JUDICIAL-37  
E-721 New Equipment — Page JUDICIAL-37

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Do the Subcommittees wish to approve the other closing items as recommended in the *Executive Budget*, excluding other closing items 2 and 5, decision unit E-849 and the Statewide salary adjustment for IT positions which will be determined at a later date, and approve authority for staff to make other technical adjustments as needed?

E-849 Non-Classified Salary Adjustments — Page JUDICIAL-38

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE OTHER CLOSING ITEMS, DECISION UNITS E-490, E-710, AND E-720 AS RECOMMENDED IN THE EXECUTIVE BUDGET FOR B/A 101-1483, EXCLUDING OTHER CLOSING ITEMS 2 AND 5, DECISION UNITS E-671 AND E-849, WHICH WILL BE DETERMINED AT A LATER DATE, AND GRANT FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUS.

\* \* \* \* \*

MR. KRIEBEL:

The Judicial Programs and Service Division, B/A 101-1484 begins on page 29 of [Exhibit C](#). There is one major closing item; an increase for a nonclassified position. The *Executive Budget* decision unit E-848 includes a General Fund appropriation of \$3,399 each year of the 2017-2019 biennium for a salary increase for a court research analyst position due to increased duties. The recommended salary increase relates to a 4.8 percent increase. The Judicial Branch indicates the position is responsible for providing research and statistical information to the Legislature and to the public regarding court programs. Additionally, the position would oversee another court research analyst position, assist with the Uniform System of Judicial Records (USJR) statistics program, and manage requests and issues related to the USJR statistics.

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Judicial Programs and Services Division — Budget Page JUDICIAL-40 (Volume I)  
Budget Account 101-1484  
E-848 Non-Classified Position Changes — Page JUDICIAL-43

Do the Subcommittees wish to approve a 4.8 percent salary increase in each year of the 2017-2019 biennium for a nonclassified court research analyst position as included in the *Executive Budget*?

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE IN B/A 101-1484 DECISION UNIT E-848, A 4.8 PERCENT SALARY INCREASE IN EACH YEAR OF THE 2017-2019 BIENNIUM FOR A NONCLASSIFIED COURT RESEARCH ANALYST POSITION AS INCLUDED IN THE EXECUTIVE BUDGET.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

There are three other closing items in B/A 101-1484, including decision units E-710, E-711 and E-849 covering various expenditure types. Fiscal staff recommends other closing item 1, decision units E-710 and E-711 be approved as included in the *Executive Budget*, and seeks authority to make adjustments related to any salary increases that may be determined at a later date, and to make other technical adjustments as needed.

E-710 Equipment Replacement — Page JUDICIAL-42  
E-711 Equipment Replacement — Page JUDICIAL-42  
E-849 Non-Classified Salary Adjustments — Page JUDICIAL-43

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-1484 OTHER CLOSING ITEMS 1 DECISION UNITS E-710 AND E-711 AS INCLUDED IN THE EXECUTIVE

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BUDGET AND GRANT FISCAL STAFF THE AUTHORITY TO MAKE ANY  
SALARY INCREASES AND TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR HARRIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

The Uniform System of Judicial Records, B/A 101-1486, begins on page 31 of [Exhibit C](#). There are two major closing issues, decision units E-225 and E-227.

Uniform System of Judicial Records — Budget Page JUDICIAL-45 (Volume I)  
Budget Account 101-1486

E-225 Efficient and Responsive State Government — Page JUDICIAL-47

E-227 Efficient and Responsive State Government — Page JUDICIAL-48

The first major closing issue is the system enhancements to the Multi-county Integrated Justice Information System (MCIJIS). The Judicial Branch recommends two enhancements to the MCIJIS and improvements to interface capabilities pertaining to dispositions. The MCIJIS is an electronic justice information exchange system that facilitates data integration between courts, law enforcement, prosecuting offices, and between courts and state agencies.

The recommendations reduce reserves in FY 2017-2018 of \$18,130 for the monitoring queue and \$26,140 for the interface capability for dispositions. The Judicial Branch indicates that backlogs in the MCIJIS arise due to a lack of network resources when warrants or warrant-clear documents are sent to receiving agencies. Additionally, network document processing failures cause delays and require staff to manually research and enter information. The recommended monitoring queue would notify staff as issues arise to allow the appropriate actions be taken to ensure all documents are processed timely, and to avoid manual document entry, errors or backlogs.

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Do the Subcommittees wish to approve reserve funding of \$18,130 in FY 2017-2018 to support a monitoring queue for the MCIJIS electronic justice information exchange system?

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-1486, DECISION UNIT E-225, RESERVE FUNDING OF \$18,130 IN FY 2017-2018 TO SUPPORT A MONITORING QUEUE FOR THE MCIJIS ELECTRONIC JUSTICE INFORMATION EXCHANGE SYSTEM.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

The interface enhancement would provide the capability of the MCIJIS interface to include additional information to the existing disposition interface provided by the Nevada Department of Public Safety's (DPS). Currently, defendant information, dispositions, and charges are sent electronically to DPS; however, the court has to manually send sentencing information to DPS. The Judicial Branch states that the enhancement would help eliminate some of the manual processes relating to entering data into the Criminal History Repository, shorten delays in providing criminal history information to courts and other agencies, and reduce data entry errors.

Do the Subcommittees wish to approve reserve funding of \$26,140 in FY 2014-2018 to support improvements to the interface capabilities of the MCIJIS system?

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-1486 DECISION UNIT E-227, RESERVE FUNDING OF \$26,140 IN FY 2017-2018 TO SUPPORT IMPROVEMENTS TO THE INTERFACE CAPABILITIES OF THE MCIJIS SYSTEM.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

The second major closing issue described on page 32 and 33 of [Exhibit C](#) is the declining reserves. The Judicial Branch projects a reserve balance of \$127,042 at the end of FY 2018-2019, as compared to the projected FY 2016-2017 ending reserve of \$1.4 million. The Judicial Branch has indicated that a 90-day reserve is appropriate for this budget, which would be approximately \$380,000. The USJR is funded by filing fees, user fees and administrative assessments, which have been declining since FY 2012-2013. Recognizing this decline, the Judicial Branch has increased its share of administrative assessments from a 56.5 percent share for the current biennium to a 60 percent share for the 2017-2019 biennium to stabilize revenues. The decline in reserves can be attributed to spending in excess of revenues on an actual and projected basis, resulting in the reserve declining to a projected 30 days of expenses in FY 2018-2019, as shown in the table at the top of page 33 of [Exhibit C](#).

In addition to expending reserves for daily operating expenditures, the Judicial Branch has addressed decreasing administrative assessments by keeping positions vacant. Specifically, the *Executive Budget* includes one nonclassified information systems manager position that has been vacant since March 2015.

Fiscal staff notes that if all decision units in this budget are approved, the reserve balance at the end of FY 2018-2019 would be reduced to a 12-day reserve, instead of the 90-day reserve recommended by the Judicial Branch. The Judicial Branch indicates they are comfortable with a 12-day reserve balance.

Fiscal staff provides the following options for consideration by the Subcommittees: A) approve the reserve level as included in the *Executive Budget*, or B) eliminate the information systems manager position,

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increasing the FY 2018-2019 reserve from a 12-day reserve to a 46-day reserve.

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OPTION B TO ELIMINATE THE INFORMATION SYSTEMS MANAGER POSITION INCREASING THE FY 2018-2019 RESERVE FROM A 12-DAY RESERVE TO A 46-DAY RESERVE AND GRANT FISCAL STAFF AUTHORITY TO MAKE ANY TECHNICAL ADJUSTMENTS AS NEEDED FOR B/A 101-1486.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

It should be noted that if option B is selected, Fiscal staff seeks authority to make technical adjustments to adjust the reserve amount based on the decisions made at a later date regarding the Statewide one-grade salary increase for IT Professionals, and decision unit E-849, the 2 percent increase for all State employees.

E-849 Non-Classified Salary Adjustments — Page JUDICIAL-49

ASSEMBLYWOMAN SPIEGEL MOVED TO GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS TO ADJUST THE RESERVE AMOUNT BASED ON THE DECISIONS MADE AT A LATER DATE REGARDING THE STATEWIDE ONE-GRADE SALARY INCREASE FOR IT PROFESSIONALS AND DECISION UNIT E-849 OF B/A 101-1486.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*



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MR. KRIEBEL:

There are five other closing items for decision units E-226, E-710, E-711, E-720, E-849 and the Statewide salary adjustments for IT positions. Do the Subcommittees wish to approve the other closing items, excluding other closing items 2, the Statewide salary adjustments for IT positions and other closing item 5, decision unit E-849 which will be determined at a later date, and authorize Fiscal staff to make technical adjustments as needed?

E-226 Efficient and Responsive State Government — Page JUDICIAL-47  
E-710 Equipment Replacement — Page JUDICIAL-48  
E-711 Equipment Replacement — Page JUDICIAL-49  
E-720 New Equipment — Page JUDICIAL-49  
E-849 Non-Classified Salary Adjustments — Page JUDICIAL-49

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS 1, 3 AND 4 FOR B/A 101-1486 DECISION UNITS E-226, E-710, E-711 AND E-720 EXCLUDING OTHER CLOSING ITEM 2 AND ITEM 5 DECISION UNIT E-849, AND GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

The Judicial Education, B/A 101-1487, begins on page 35 of [Exhibit C](#). There are no major closing issues. There are two other closing items covering various expenditure types, decision units E-710, E-711 and E-849. Fiscal staff recommends this budget be closed as included in the *Executive Budget*, excluding other closing item 2, decision unit E-849 with the technical adjustment noted and authority to make other technical adjustments, as needed.

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Judicial Education — Budget Page JUDICIAL-51 (Volume I)  
Budget Account 101-1487

E-710 Equipment Replacement — Page JUDICIAL-53  
E-711 Equipment Replacement — Page JUDICIAL-54  
E-849 Non-Classified Salary Adjustments — Page JUDICIAL-54

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-1487, DECISION UNITS E-710 AND E-711 AS INCLUDED IN THE EXECUTIVE BUDGET, EXCLUDING OTHER CLOSING ITEM 2 DECISION UNIT E-849, AND GRANT FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

The Specialty Court, B/A 101-1495 begins, on page 37 of [Exhibit C](#). There are two major closing issues. The first major issue is the continuation of program funding, decision unit E-350.

Specialty Court — Budget Page JUDICIAL-56 (Volume I)  
Budget Account 101-1495

E-350 Safe and Livable Communities — Page JUDICIAL-57

The Judicial Branch recommends continuing the 39 new Specialty Court programs established with one-time General Fund appropriations and DUI fees approved by the 78th Legislative Session for the 2015-2017 biennium. The recommendation is supported by General Fund appropriations totaling \$3 million for each year of the 2017-2019 biennium. For comparison, the 2015 Legislature approved a combination of \$2.5 million in General Fund appropriations and

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\$478,308 in DUI fees, totaling \$3 million in each year of the 2015-2017 biennium.

The Judicial Branch indicates that there are 39 specialty court programs for FY 2015-2016 supported by General Fund appropriations and DUI fees. Funding approved for the 2015-2017 biennium was projected to serve an additional 800 to 900 participants. The Court indicates funding supported 717 new participants in FY 2015-2016 and projects an increase of 1,000 participants per fiscal year during the 2017-2019 biennium, should this recommendation be approved. The funding is anticipated to maintain and expand program participation; however, the Courts do not anticipate any new programs for the next biennium. The table on page 38 of [Exhibit C](#) shows the number of Specialty Court programs funded by administrative court assessments and General Fund plus DUI fees, including total active participants and graduates for all Specialty Court programs.

In order to maintain stable funding for existing programs, the Specialty Court Funding Committee has kept distributions to existing programs flat to conserve revenues. Additionally, the Specialty Court Funding Committee has not funded any new programs using administrative assessments as a result of declining revenue.

During testimony at the budget hearing on February 15, 2017, the Judicial Branch indicated it would like the 2017 Legislature to consider this recommendation as an ongoing base budget item for the Specialty Court budget, rather than one-time funding as approved by the 2015 Legislature, stating it is difficult to start a Specialty Court program when future funding is uncertain. Further, a consistent funding source would allow the Judicial Branch to develop and expand mental health court and drug court programs.

Do the Subcommittees wish to approve a General Fund appropriation of \$3 million in each year of the 2017-2019 biennium to continue support of Specialty Court programs approved by the 2015 Legislature?

ASSEMBLYMAN EDWARDS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-1495, DECISION UNIT E-350, A GENERAL FUND APPROPRIATION OF \$3 MILLION IN EACH YEAR OF

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THE 2017-2019 BIENNIUM TO CONTINUE SUPPORT OF THE SPECIALTY COURT PROGRAMS APPROVED BY THE 2015 LEGISLATURE.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

The second major closing issue of B/A 101-1495, decision unit E-351 is the stabilization fund.

E-351 Safe and Livable Communities — Page JUDICIAL-57

To stabilize the budget and ensure sufficient funding for the Specialty Court programs, the *Executive Budget* includes a General Fund appropriation of \$1.2 million in each year of the 2017-2019 biennium. The Judicial Branch projects a continued decline in administrative court assessments based on recent trends. By policy, this budget retains special reserve funds of \$300,000 to ensure funding is available to continue transfers to the specialty courts and avoid reductions to specialty court programs. The Judicial Branch indicates that the additional funding would be used to maintain existing fee-funded programs due to declining administrative assessments.

Fiscal staff notes that the 2015 Legislature approved General Fund appropriations of \$1.1 million for FY 2016-2017 only to stabilize funding and to ensure sufficient funding for the first quarter of FY 2017-2018. Stabilization funding is now recommended for both years of the upcoming biennium. the *Executive Budget* includes the \$300,000 reserve, plus a \$1.3 million reserve for FY 2018-2019 representing 90 days of operating expenses for cash flow purposes, compared to an \$850,852 reserve approved for FY 2016-2017.

The table on page 40 of [Exhibit C](#) shows the reserve balances as approved by the 2015 Legislature for the 2015-2017 biennium, compared to the recommendations included for the 2017-2019 biennium inclusive of the

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\$1.2 million of General Fund appropriations recommended to stabilize the budget.

Fiscal staff has calculated the 90-day reserve based on expenditures funded from sources other than the General Fund for each year of the biennium. Based on staff's calculations, it appears a 90-day reserve equates to \$1.1 million. Therefore, the request for General Fund appropriations to stabilize the budget could be reduced by \$240,000 in FY 2017-2018 to target a 90-day reserve of \$1.1 million.

*Nevada Revised Statutes* 484C.515 currently requires a DUI fee of \$100 per offense to support the Specialty Court programs; however, the statute is scheduled to sunset on June 30, 2017. The Subcommittees could consider recommending a bill draft request (BDR) to extend the sunset to provide the DUI fee as a revenue stream for the Specialty Courts for the upcoming biennium. This fee has generated in excess of \$600,000 annually in FY 2014-2015 and FY 2015-2016. The revised budgeted level for FY 2016-2017 is established at \$575,000, which appears to be a reasonable estimate given the revenue activity over recent years. If the Subcommittees wish to reestablish this fee, staff would indicate that the \$575,000 estimate appears to be a reasonable amount to project for FY 2017-2018 and FY 2018-2019. If the Subcommittees choose to reestablish this fee through the biennium at \$575,000 each year, the Subcommittees should consider reducing General Fund appropriations by like amounts given the projected funding needs for the Specialty Courts programs and the reserve requirements.

Do the Subcommittees wish to recommend a BDR to extend the sunset date to June 30, 2019, which reestablishes a \$100 fee for the Specialty Courts programs per DUI offense?

ASSEMBLYMAN EDWARDS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO DRAFT A BDR TO EXTEND THE SUNSET DATE TO JUNE 30, 2019, WHICH REESTABLISHES A \$100 FEE FOR SPECIALTY COURTS PROGRAMS PER DUI OFFENSE.

SENATOR PARKS SECONDED THE MOTION.

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THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

If the Subcommittees wish to extend the sunset date of the \$100 DUI fee, Fiscal staff would recommend General Fund reductions in decision unit E-351 by \$575,000 each year and an additional \$240,000 reduction in FY 2017-2018 based on staff's 90-day reserve calculation.

Do the Subcommittees wish to approve the General Fund reductions to decision unit E-351 as noted by staff?

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GENERAL FUND REDUCTIONS TO B/A 101-1495 DECISION UNIT E-351 AS NOTED BY FISCAL STAFF.  
SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

There are no other closing items for B/A 101-1495. Fiscal staff requests authority to make technical adjustments as necessary.

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS TO B/A 101-1495 AS NECESSARY.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

The Judicial Support, Governance and Special Events, B/A 101-1493, begins on page 41 of [Exhibit C](#).

Judicial Support, Governance and Special Events — Budget Page JUDICIAL-60  
(Volume I)  
Budget Account 101-1493

There are no major closing issues. There is one other closing item regarding increased reserves. The Judicial Branch projects a reserve balance of \$451,141 at the end of FY 2018-2019, as compared to the projected FY 2016-2017 ending reserve of \$73,748. The Judicial Branch has indicated that a 60-day reserve balance is appropriate for this budget, or approximately \$28,000. The 60-day reserve level is based on the judicial travel and governance categories as the budget includes minimal operating expenditures, does not support any staff, and most costs are discretionary. The projected FY 2018-2019 ending reserve balance of \$451,141, as included in the *Executive Budget*, equates to a 979-day reserve level.

This budget also supports court improvement grants and court projects. Unknown expenses attributed to the Court of Appeals building are not budgeted for the 2017-2019 biennium and would be expensed from this budget.

The table on page 42 of [Exhibit C](#) shows a stable revenue stream coupled with declining expenditures for FY 2012-2013 through FY 2018-2019 leading to an increased projected reserve in FY 2018-2019. Fiscal staff would note that expenditures for this budget are recommended to be flat over the 2017-2019 biennium, and no court projects have been recommended.

The Judicial Branch has indicated that it had built up reserves to address any unknown costs for the new Court of Appeals building in Las Vegas. The Judicial Branch stated it is considering using reserves to address the following programs or processes: 1) recommendations of the Commission to Study the Administration of Guardianships; 2) adherence to Federal child support guidelines; and 3) staff support for various Judicial Branch commissions. In response to Fiscal staff follow-up questions, the Judicial Branch indicated that this budget also funds costs associated with justice investitures and retreats.

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Fiscal staff recommends this budget be closed as included in the *Executive Budget*, and requests authority for Fiscal staff to make technical adjustments, as needed.

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-1493 AS INCLUDED IN THE EXECUTIVE BUDGET AND GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR HARRIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

Page 43 of [Exhibit C](#) begins discussions on B/A 101-1491. Fiscal staff is responsible for developing closing recommendations for this budget. The Subcommittees have not previously reviewed this budget. This budget is an actuarial reserve system administered in a separate trust fund by the Public Employees' Retirement System (PERS). This budget serves as a pass-through budget to PERS for amounts legislatively appropriated to fund the unfunded liability portion of the Judicial Retirement System. There are no major closing issues and no other closing items. Fiscal staff recommends this budget be closed as included in the *Executive Budget* and requests authority for Fiscal staff to make technical adjustments as needed.

Judicial Retirement System State Share — Budget Page JUDICIAL-62 (Volume I)  
Budget Account 101-1491

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-1491 AS INCLUDED IN THE EXECUTIVE BUDGET AND GRANT FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.



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THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRIEBEL:

The Foreclosure Mediation Program B/A 101-1492 begins on page 45 of [Exhibit C](#). There are no major closing issues. The first other closing item is the program elimination, decision unit E-490.

Foreclosure Mediation Program — Budget Page JUDICIAL-64 (Volume I)  
Budget Account 101-1492

E-490 Expiring Grant/Program — Page JUDICIAL-65

MR. KRIEBEL:

As Nevada's housing market was improving and defaults were declining, the 2015 Legislature passed Senate Bill (S.B.) No. 512 of the 78th Session, which repeals NRS 40.437 and NRS 107.086 that required the closure of the Foreclosure Mediation Program (FMP) effective June 30, 2017. The *Executive Budget* excludes funding for the FMP over the 2017-2019 biennium, ending the program.

Pursuant to S.B. No. 512 of the 78th Session, enrollments into the mediation program ended December 31, 2016. Pursuant to a court order issued by the Supreme Court on September 22, 2016, all mediations must be completed by April 30, 2017. Effective July 1, 2017, the \$45 Notice of Default (NOD) fee will no longer be collected, ending FMP funding. Follow-up information from the Judicial Branch indicates that \$613,318 is projected in program funds to revert to the State General Fund as required per S.B. No. 512 of the 78th Session.

The reversion amount is based on NOD fees received and expenses incurred as of April 6, 2017, and projected costs through fiscal year end. The Judicial Branch also indicates ongoing costs associated with records storage and destruction costs are projected to be \$17,769 over the 5-year retention schedule. Funding for these costs will be transferred at the close of the program to the Administrative Office of the Courts budget. Further, in response to Fiscal

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staff inquiry, the Judicial Branch has confirmed that unused mediation fees would be returned to lenders and homeowners, as applicable. Finally, six positions would be eliminated, three of which are currently filled, due to closure of the FMP. Fiscal staff recommends this budget be closed as included in the *Executive Budget*.

SENATOR FORD MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-1492 AS INCLUDED IN THE EXECUTIVE BUDGET AND GRANT FISCAL STAFF AUTHORITY TO MAKE ANY TECHNICAL ADJUSTMENTS AS NECESSARY SHOULD S.B. 490 BE APPROVED.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

**SENATE BILL 490**: Revises provisions relating to the Foreclosure Mediation Program. (BDR 9-488)

CHAIR SWANK:

This has been a very important program. The program has helped out a lot of homeowners. There is a bill aiming to move these services into the Division of Housing. We are out of the foreclosure era, but we sadly have many Nevadans who are underwater. There will still be some services that will remain as part of this program if S.B. 490 passes.

CINDY JONES (Assembly Fiscal Analyst):

Fiscal staff would like to clarify on the motion made by Senator Ford that staff would be allowed to make any technical adjustments as necessary, should S.B. 490 be approved. This might include the transfer of the funds that are indicated to revert to a new account.

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CHAIR SWANK:  
Senator Ford has agreed to add that to his motion.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Remainder of page intentionally left blank; signature page to follow.

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CHAIR SWANK:

Seeing no public comment, this meeting is adjourned at 9:25 a.m.

RESPECTFULLY SUBMITTED:

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Edgar Cervantes,  
Committee Secretary

APPROVED BY:

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Senator Aaron D. Ford, Chair

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

---

Assemblywoman Heidi Swank, Chair

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

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EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
	C	46		Closing List 3 April 12 2017