

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

**Eightieth Session
February 21, 2019**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on General Government was called to order by Chair Heidi Swank at 8:15 a.m. on Thursday, February 21, 2019, in Room 2134 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 at www.leg.state.nv.us/App/NELIS/REL/80th2019.

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Heidi Swank, Chair
Assemblywoman Daniele Monroe-Moreno, Vice Chair
Assemblywoman Sandra Jauregui
Assemblyman Al Kramer
Assemblyman Jim Wheeler

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Yvanna D. Cancela, Chair
Senator David R. Parks, Vice Chair
Senator Pete Goicoechea

SUBCOMMITTEE MEMBERS EXCUSED:

Assemblywoman Teresa Benitez-Thompson

STAFF MEMBERS PRESENT:

Sarah Coffman, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Stephanie Day, Program Analyst
Janice Wright, Committee Secretary
Lisa McAlister, Committee Assistant



After a call of the roll, Chair Swank reminded the audience to silence electronic devices and reviewed the rules of the Subcommittees. The first item on the agenda was the budget presentation for the Judicial Branch.

**ELECTED OFFICIALS
JUDICIAL BRANCH
JUDICIAL EDUCATION (101-1487)
BUDGET PAGE JUDICIAL-56**

**ELECTED OFFICIALS
JUDICIAL BRANCH
STATE JUDICIAL ELECTED OFFICIALS (101-1490)
BUDGET PAGE JUDICIAL-27**

**ELECTED OFFICIALS
JUDICIAL BRANCH
SUPREME COURT (101-1494)
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**ELECTED OFFICIALS
JUDICIAL BRANCH
COURT OF APPEALS (101-1489)
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**ELECTED OFFICIALS
JUDICIAL BRANCH
SPECIALTY COURT (101-1495)
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**ELECTED OFFICIALS
JUDICIAL BRANCH
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**ELECTED OFFICIALS
JUDICIAL BRANCH
ADMINISTRATIVE OFFICE OF THE COURTS (101-1483)
BUDGET PAGE JUDICIAL-38**

**ELECTED OFFICIALS
JUDICIAL BRANCH
JUDICIAL PROGRAMS AND SERVICES DIVISION (101-1484)
BUDGET PAGE JUDICIAL-46**

ELECTED OFFICIALS

JUDICIAL BRANCH

UNIFORM SYSTEM OF JUDICIAL RECORDS (101-1486)

BUDGET PAGE JUDICIAL-51

ELECTED OFFICIALS

JUDICIAL BRANCH

JUDICIAL SUPPORT, GOVERNANCE AND SPECIAL EVENTS (101-1493)

BUDGET PAGE JUDICIAL-65

The Honorable Mark Gibbons, Chief Justice, Supreme Court, and The Honorable James W. Hardesty, Associate Justice, Supreme Court, presented [Exhibit C](#), a copy of a PowerPoint presentation titled "Judicial Branch Budget Hearing," dated February 21, 2019. They also presented [Exhibit D](#), an information sheet titled "Road Map to Success in Nevada," regarding successful enactment of a Statewide Juvenile Dependency Mediation Program. Justice Gibbons introduced his staff who were present.

Justice Hardesty testified that he was grateful to present the budget for the Judicial Branch. He referred to page 2 of [Exhibit C](#). The Judicial Branch represented roughly one-half of one percent of the total state budget. The primary funding sources for the Judicial Branch were the State General Fund and administrative assessments. He argued that the use of administrative assessments as a mechanism to fund the Supreme Court and the Administrative Office of the Courts was problematic. The Court operated with traffic fines and fees, and the state used traffic fees to support the appellate court system of the state. He thought it was odd that the Judicial Branch was expected to encourage crime and traffic violations to satisfy its budget needs. Justice Hardesty stated that administrative assessments had been difficult to track because of substantial fluctuations. The Court received a minor federal grant that was a source of revenue.

Justice Hardesty noted the General Fund paid for the salaries of judicial elected officials, and represented about 49 percent of the total General Fund requested for the Judicial Branch. About 21 percent of the General Fund total was budgeted to support the Supreme Court's operating costs. Recently, the Legislature had been generous in its support of the specialty courts, which represented about 9 percent of the General Fund total, and the Judicial Branch proposed some enhancements for the specialty courts. About 8 percent of the General Fund requested was budgeted to support the Court of Appeals, which was substantially the same as when voter approval was sought for the amendment to the *Nevada Constitution* creating the Court of Appeals. The Law Library represented about 4 percent of the Judicial Branch General Fund amount, and rendered services for the Supreme Court and state, legislative, and lawyers' offices. About 3 percent of the General Fund requested was directed to judicial programs and services. The Senior Judge Program received about 2 percent of the General Fund amount for its effective programs. Finally, Justice Hardesty noted that less than 1 percent of the General Fund requested was budgeted for the judicial selection process.

Justice Hardesty explained the General Fund appropriation by decision unit type. The adjusted base represented \$80,811,054 of the total requested or 87.3 percent. Other maintenance units were recommended at \$894,484 or 1 percent. The salary survey increases totaled \$3,034,632 or 3.3 percent. During the 79th Session (2017), the Legislature appropriated funds for the Court to conduct a salary survey of the Judicial Branch, and he tendered those results to the Legislature. He would present details of a plan to redistribute administrative assessments and explain some enhancements.

Justice Hardesty referred to page 3 of [Exhibit C](#) and stated that the General Fund increase was \$12.9 million above the legislatively approved amount for the 2017-2019 biennium. Part of the increase was a redistribution of the administrative assessments totaling \$3.1 million. The salary market survey proposed increases totaling \$3 million to adjust the salary ranges for a number of employees within the Judicial Branch. The other enhancements totaled \$4.7 million. The unfunded salary and maintenance decision units totaled \$2.1 million, and those decision units were standard in most state budgets.

Justice Hardesty turned to page 4 of [Exhibit C](#) and spoke about administrative assessments. He noted that the amount collected from administrative assessments depended on the number of misdemeanor fines or fees. The most recent changes to the statute occurred in the 26th Special Session (2010). The Legislature needed to balance the budget in 2010 and adjusted the administrative assessment by adding \$5 and dedicating that amount to the General Fund. That revenue enhanced the General Fund but adversely affected the agencies and the Judicial Branch that relied on administrative assessments for revenue. During the recession period, collections of the administrative assessments decreased significantly. The General Fund benefitted by participation in the administrative assessment revenue fees from the first \$5. Unfortunately, the other agencies and the Judicial Branch could only operate on collections. *Nevada Revised Statutes* (NRS) 176.059 provided for the following order of administrative assessment distribution:

- \$2 to the County Treasurer for Juvenile Court.
- \$7 to the Municipal/Justice Court.
- \$5 to the State General Fund.
- Not less than 51 percent of the remainder to the Judicial Branch.
- Not more than 49 percent of the remainder to the Executive Branch.

During the last two legislative sessions, Justice Hardesty had requested an increase of the 51 percent of the administrative assessments distributed to the Judicial Branch. He offered some considerations that might affect the amount of administrative assessment revenue. Bill draft request (BDR) 43-426 [later introduced as Assembly Bill 411 of the 80th Session (2019)] was proposed by an interim legislative committee to convert certain minor traffic offenses to civil offenses. [The Committee to Study the Advisability and Feasibility of Treating Certain Traffic and Related Violations as Civil Infractions (A.C.R. 9, 2017) submitted the BDR.] A question was raised about the effect on collections resulting from the

conversion. Reasonable individuals could differ about what that effect would be and whether it would be negative or positive. Until the Legislature acted on that legislation, Justice Hardesty had to assume and present the budget based on the current requirements. Often individuals who had to pay administrative fines and fees would have those obligations converted either to incarceration or community service. If some of the proposals referenced in the civil penalty bill were considered, then a collection process would be instituted. It was possible that if those civil fines and fees were subject to collection, then an increase in the amount of funds that were collected might occur, but he could only speculate on that until that system went into place.

Justice Hardesty stated that the second component that affected administrative assessments was Marsy's Law Crime Victim Rights, an amendment to the *Nevada Constitution* approved in the November 2018 general election. Marsy's Law required restitution to be collected first before any other fee, fine, or assessment. Marsy's Law reversed the order of collections, and he submitted that it would have a direct effect on the collection of administrative assessments. If the experience that the Court had seen from the \$5 priority change to the General Fund were to continue throughout the next decade, then he imagined that shifting restitution in cases in which restitution was being paid in misdemeanor cases could also affect the collection of administrative funds.

Justice Hardesty referred to page 5 of [Exhibit C](#) that projected the administrative assessments would increase by 0.5 percent each year. In 2010, the Court had collected \$30,827,641 in administrative assessments. In 2019, projected collections totaled \$21,685,306. Administrative assessments decreased by more than \$9 million in the past nine years. Last year a flattening occurred, but he decided to project administrative assessments using a slight increase of 0.5 percent in each year. That projection would be tempered by the two matters he previously referenced: the switch to civil penalties from criminal penalties and Marsy's Law.

Justice Hardesty commented that one of the things that had always troubled the Judicial Branch when it prepared its budget with administrative assessments was its concern for other agencies that were reliant on administrative assessments, including the Victims of Crime Fund, Peace Officers' Standards and Training Commission, and other agencies. When the Court prepared the budget for this year, it was reluctant to seek an increase in its percentage, because that would seriously impair the other agencies. The Judicial Branch proposed, and the Court endorsed, a new redistribution plan of the administrative assessments as detailed on page 6 of [Exhibit C](#).

Todd Myler, Manager of Budgets, Administrative Office of Courts, Supreme Court, explained page 7 of [Exhibit C](#). He said the redistribution of administrative assessments was a result of declining reserves. The Court had several budget accounts that were either wholly or mainly funded by administrative assessments. The declining reserves was not a new problem and had been discussed in previous legislative sessions. During the 2017 Session,

the Legislature held a lengthy discussion about declining reserves in those accounts. The solution in previous legislative sessions was to seek a higher percentage distribution of the administrative assessments. Pursuant to *Nevada Revised Statutes* (NRS) 176.059, the Supreme Court received not less than 51 percent of the remainder of the administrative assessments. However, the Court had been receiving 60 percent of the administrative assessments. Budget account (BA) 1483 [Administrative Office of the Courts] and BA 1486 [Uniform System of Judicial Records] would have a deficit cash balance in the 2019-2021 biennium, and that was not acceptable. The Court already received 60 percent of the administrative assessments distribution. When building the budgets for the upcoming biennium, the Court considered several options including increasing the percentage to 70 percent, but was unable to correct the deficit balance. It was clear that more General Fund would be needed. The Court proposed to increase General Fund support in BA 1494 [Supreme Court], and decrease administrative assessments by an equal amount, and redistribute the remaining administrative assessments to BA 1483 and BA 1486. He believed that if the Court received more than 60 percent, it would have an adverse effect on the other executive agencies. He said page 7 of [Exhibit C](#) provided the amounts needed to correct the deficiencies. If nothing was done to correct the problem, at the end of fiscal year (FY) 2021, BA 1483 would have a deficit of \$1,014,085 and BA 1486 would have a deficit of \$505,412. A redistribution of the administrative assessments and an additional \$3.1 million in General Fund in the Supreme Court's budgets would provide sufficient reserves to make it through the 2019-2021 biennium. That was the proposal the Court recommended. There might be other approaches to resolve the funding shortfall. He was willing to work with the staff of Fiscal Analysis Division, Legislative Counsel Bureau.

Chair Swank asked him to remind her of the optimal reserve levels for those two budget accounts.

Mr. Myler responded that the reserves should be about \$1 million for BA 1483 and about \$500,000 for BA 1486. He agreed to provide supplemental data to the Subcommittees.

Chair Swank knew that the Court could receive not less than 51 percent and asked whether a bill draft request would be presented to increase the percentage to 60 percent or would other plans be recommended as a more permanent strategy.

Justice Hardesty responded that the Court currently received a 60 percent distribution of the existing administrative assessment collections as provided by law, and no bill draft was required. The percent was adjusted during the budget process, and he expected no change. A significant change would have a material effect on the Judicial Branch. He recommended that the Legislature keep all of the administrative assessment revenue and fund the Judicial Branch with General Funds. Any increase or decrease in administrative assessment collections would be borne by the General Fund. The risk of administrative assessments would be placed on the Legislature, and the Supreme Court's budget would be converted to the General Fund. Then the Court would not constantly be in a precarious position. He had

proposed that change in the past, but there was a reluctance on the part of the Legislature to adopt his proposal. He said the most dramatic approach would be the Legislature more appropriately assuming the risk of the upside and the downside of the administrative assessment fluctuations. The Court would learn in the next year whether the projections were significantly adversely affected because of a change in a legitimate policy from incarcerating individuals over fees or converting the fees over to community service. A decrease in administrative assessments might also result from Marsy's Law, which was outside the influence of the Supreme Court. There was nothing the Court could do to change that. The Court would potentially be put in a position of seeking a significant supplemental appropriation from the Interim Finance Committee (IFC), and he was unsure if IFC had the authority to approve that request. The Judicial Branch could be placed in a terrible position in the 2019-2021 biennium where a substantial portion of the funding could be lost, and the reserves could decrease significantly. He thought that risk was unacceptable. He pointed out that the best solution was to fund the Court with General Fund and have the Legislature accept the benefit or the risk associated with the legislative or political decisions that were made by the Legislature or the individuals, not by the Court.

Mr. Myler referenced the left side of page 6 of [Exhibit C](#), which identified how the Judicial Branch share was specifically distributed pursuant to *Nevada Revised Statutes* 176.059. If the Judicial Branch share was not less than 51 percent, then it would be distributed as follows:

- The Supreme Court budget would receive 48 percent of the distribution.
- The Specialty Courts would receive 12 percent of the distribution.
- The Senior Judge Program would receive 3.5 percent of the distribution.
- The Administrative Office of the Courts would receive 36.5 percent of the distribution.

The Administrative Office of the Courts budget share would fund the Uniform System of Judicial Records (BA 1486) at 4.27 percent, and Judicial Education (BA 1487) at 6.03 percent. The percentages shown next to the three programs were distributions that were done internally and were not mandated by statute. The main distributions shown were the four percentages cited in the statutes, and any change to those distributions would require a bill draft request (BDR). The Judicial Branch was only allowed ten BDRs, and the Court had already submitted its ten BDRs. It was unable to submit another BDR to make that change. He asked for the Legislature's help in case the statute needed to be amended to make the budget balance.

Chair Swank looked at the budget for the 2019-2021 biennium and noted that the administrative assessment distribution did not follow those percentages that he had listed. According to her notes, the Supreme Court percentage that was 48 percent in fiscal year (FY) 2019 became 33 percent in FY 2020 and 29.2 percent in FY 2021. The Court needed to

work with the Fiscal Analysis Division staff to sort out the redistribution that was recommended, because the numbers did not match.

Mr. Myler agreed, because page 6 of [Exhibit C](#) provided the distribution as required now. No changes needed to be made if the recommended budget was approved as submitted.

Chair Swank asked about the salary market survey and whether that would be explained next.

Justice Hardesty stated that during the 79th Session (2017), the Legislature approved the recommendation of the Judicial Branch to conduct a salary market survey, and \$18,000 was appropriated for the study. The survey was conducted and completed in January 2018. The Executive Branch also performed a separate survey, and the results of that survey were presented to the Interim Finance Committee (IFC). The findings of both surveys were incorporated in a report to the Interim Committee to Study the Salaries of Certain Positions in the Unclassified and Nonclassified Service of the State on June 1, 2018. He asked his staff to provide details of the study. He offered some context about the reality of what the Court faced currently in regard to salary concerns. About 46 percent of the Judicial Branch's employees were topped out and had been topped out at the highest range of the pay scale for three years to six years. The Court was concerned that it continued to lose personnel to other private and governmental agencies, and the losses affected the Court. He was appreciative that the Legislature approved the survey and asked his staff to present details and describe the process that was used for the survey, who conducted it, and what some of the findings were that led to some of the choices made with respect to the recommended salary range adjustments.

McKenna McCormack, Personnel Officer, Administrative Office of the Courts, Supreme Court, provided background information about the survey that was conducted. The Court chose a third-party consulting firm called Trüpp HR. The consultant identified six jurisdictions and researched market salary data. Those jurisdictions were chosen based upon the comparative status to the Court. The jurisdictions reviewed were Carson City, Sparks, Clark County, Elko County, Washoe County, and the Sonoma County Superior Court in California. In addition to the data gathered from those six jurisdictions, Trüpp HR also collected market salary data from two leading online sources: www.salary.com/companalyst/ and Economic Research Institute (ERI) Salary Assessor. Those were market pricing databases. The [Salary.com/companalyst/](http://www.salary.com/companalyst/) database was composed entirely of employer-reported salary survey information. Companalyst collected, analyzed, and aggregated the data from those surveys. The Economic Research Institute Salary Assessor database was composed of data from thousands of available salary surveys. The salary data was evaluated for validity, reliability, and use. The ERI results were market-based and reflected current market values. In compiling the market salary data, Trüpp HR established criteria where the salary data would be filtered by the most relevant markets. Those criteria were location, industry, and the size of the organization to ensure that they were comparable with the Court. They selected 15 positions in the survey, and of those, 7 positions were

found to meet the market salary. Thus, about half of the positions were found to be paid on par with the other organizations surveyed, while seven position classes were below the market average, and one position class (the court marshal position) returned insufficient data. The position classes that were found to be below market data were the staff attorneys, legal counsel, court administrator, deputy court administrator, and the law librarian. All of those positions were included in the Unclassified Pay Bill. The other positions that were found to be under market were the administrative assistant and the accounting assistant.

Ms. McCormack noted that the report was completed in January 2018, and more than likely, the salary data that was reported at that time was from 2017. It was now 2019, and she imagined that if the salary survey were done today with new data, those wage gaps would probably be more significant because the data used had aged. The analysis included an examination of the data collected from the court salary survey as well as the Executive Branch unclassified salary report. Both surveys were considered in making the recommendations for the pay increases. She explained how the individual pay increase recommendations were determined. The legal counsel position was recommended for a 20 percent pay increase because the Court's market salary survey found the position to be 23.4 percent below market. She looked at the Executive Branch's nonclassified and unclassified salary survey as a comparable and found that the chief attorney general counsel position was 84 percent below the actual average minimum. Overall, the surveyed positions were around 24 percent below market compared with the Executive Committee's report on comparable positions. The Court recommended a 20 percent salary increase for the court administrator position because the market salary survey found the court administrator position to be 19.7 percent below market value. She said a comparable position was the Chief of the Administration Division for the Nevada Gaming Control Board. That position was comparable as far as status and pay. The Court recommended salary increases for 109 positions or 65 percent of the Court's staff. The total salary cost increase was \$3,244,355. The General Fund portion of the total cost was \$3,034,632.

Assemblywoman Monroe-Moreno said she had heard that many state agencies lacked sufficient staff and lost staff because of poor salary and benefits. She asked why Sonoma County Superior Court was included in the six jurisdictions chosen for the survey.

Ms. McCormack responded that she wanted to ensure that one jurisdiction included in the market survey was a court to make the position data more comparable. She knew that the Supreme Court had some positions that might not be comparable to positions in the counties. She could ensure that she had a complete picture of comparable positions to the Court's positions by choosing an actual court jurisdiction.

Assemblywoman Monroe-Moreno said the criteria that was taken into consideration were the location, the industry, and the size of the organization. She asked whether Sonoma County Superior Court was comparable as far as the size of the organization, the industry, the community, and the cost-of-living in comparison with Nevada.

Ms. McCormack replied that Trüpp HR recommended Sonoma County as a comparable county for those reasons.

Assemblywoman Monroe-Moreno asked what other counties were considered.

Ms. McCormack replied that the other counties that were considered comparable and used for the survey were Clark County, Washoe County, and Elko County.

Assemblywoman Monroe-Moreno asked whether any other court jurisdictions were recommended to be considered.

Ms. McCormack responded that only Sonoma County Superior Court was recommended to be considered. She wanted to focus on Nevada because of comparable cost-of-living location criteria. The only recommendation from Trüpp HR for a court jurisdiction was Sonoma County Superior Court. The salary database information had salary information in aggregate that contributed to the salary recommendations.

Chair Swank said there many moving pieces with all of those different positions. She asked for a crosswalk that would show the transition and comparisons of the different positions to be provided to the Fiscal Analysis Division staff. She wanted to understand how the salaries were compared. She said a 20 percent salary increase was substantial, and she asked for a priority list and options to increase the salaries in increments over several biennia and more alternatives to an immediate 20 percent salary increase.

Ms. McCormack replied that the Court had requested a 20 percent increase for some positions, but not all 109 positions were recommended for a 20 percent increase. She had a detailed report for every position that was listed for consideration for salary increases, and she would provide that to the Subcommittees.

Chair Swank asked for a priority list and alternatives across several biennia.

Assemblywoman Jauregui said 61 of the 109 positions were recommended for a 20 percent pay increase. The comparisons noted substantial variances in the pay gaps. She asked how the Court determined a 20 percent salary increase recommendation for those 61 positions.

Ms. McCormack reiterated that not all of the 109 positions were recommended for a 20 percent pay increase. Some other positions that were not in the Unclassified Pay Bill were recommended for a grade increase and not all the positions were recommended for a 20 percent salary increase. She looked at the data found in the Executive Branch's survey and the Court's survey. Those surveys examined more public entities and courts, and probably the Court's survey was a truer snapshot of the actual salaries in such markets. That review led to the decision to recommend the pay increases. She also did not think a

recommendation for an 84 percent pay increase for some of the attorney positions would be successful. The Court tried to recommend something that could be improved to put the staff on a more equal playing field without overdoing it at one time.

Justice Hardesty added that after the salary surveys were received and compared with the Executive Branch results, the Court believed its Trüpp HR survey was more comparable to the Court system and more conservative. The Executive Branch salary comparisons, particularly compared with the number of lawyers the Court had on the staff, would have resulted in dramatically larger increases than the recommended amounts. The justices made a concerted effort to go through each position and use the most conservative data. None of the recommendations were at the maximum of what was identified in the survey. Most of the recommendations were below what the maximum was in the survey, so that was the basis of those percentages. The Court had a spreadsheet that provided every position, how that position compared with the survey, and why that increase was adjusted. He could provide a list of priorities. He stressed that all of the Court positions were in the same situation and had been topped out without any increases for three to six years. He emphasized that there were a number of position increases where the salary increase was close to 6 percent. The spreadsheet outlined the increases, and the Court was not recommending a 20 percent salary increase for all of the positions.

Chair Swank said salaries were not a problem solely for the Judicial Branch, but for all state employees. The Subcommittees must consider salaries in light of all state employees. She asked for the supplemental data collected from Clark County, Washoe County, and the federal district courts for the positions of judicial chambers assistant, clerk of the court, and law clerk. She asked whether that supplemental data that was collected changed the results or the recommendations for those three positions; she wanted the details.

Ms. McCormack replied that she did not think the supplemental data changed the recommendations, but she thought it was used in conjunction with the other data. She found that some of the results from other jurisdictions were in line with what had been found in the survey. The data was used holistically in the methodology to determine each salary increase.

Justice Hardesty added that part of the reason the Court obtained a supplemental study was because it included courts that competed with the Supreme Court to secure the services of law clerks and administrative assistants. It was important to see the other pay offers and take them into consideration with respect to the competitive offers of the Court compared with other jurisdictions.

Chair Swank asked to move on and address some of the specific budget accounts. She said time was short, and the two major recommendations related to several budget accounts. Those had been discussed, and she asked the presenters to skip over those items [administrative assessments and salary increases] that had already been discussed. Any additional questions or small matters might come from the Fiscal Analysis Division staff, but

she thought the Subcommittees could limit the discussion today to those remaining budget accounts that had major items.

Justice Hardesty said he had shared the Court's view of the Unclassified Pay Bill in past legislative sessions. He did not believe the Unclassified Pay Bill should include the Judicial Branch. The statutes and the *Nevada Constitution* exempted the Judicial Branch from the Unclassified Pay Bill, and the Court should have the flexibility to adjust some of those salaries internally without having to be restricted by a bill that he argued was not consistent with the statutes. He would not go through the list of the Supreme Court duties unless a member of the Subcommittees had a question. He had covered that information during his presession budget overview.

Justice Hardesty referred to page 15 of [Exhibit C](#). He said the Court of Appeals had been a remarkable success for the Supreme Court. He did not know where the Supreme Court would be in regard to the caseload if it did not have the Court of Appeals. In fiscal year (FY) 2013, the number of filings in the Supreme Court was 2,313 cases. In FY 2014, the number of filings was 2,464 cases. In FY 2015, the number of filings was 2,363 cases. In FY 2016, the number of filings was 2,374. The Supreme Court saw increases in FY 2017 and FY 2018 and, based on those increases, projected additional increases for FY 2019, FY 2020, and FY 2021. The cases for FY 2019 would be 3,106; for FY 2020, 3,374; and for FY 2021, 3,647. The Supreme Court faced filings that had significantly increased, and he was concerned about the effect on the pending caseload. The Supreme Court was not seeking an additional panel of the appellate court, although those projected increases were creating some concerns. He had incorporated some additional systems recently and was hopeful those systems would help manage the docket. Justice Hardesty expressed concern about the filings numbers and the increased demands on the Supreme Court and its ability to get cases decided on a timely basis.

Turning to page 16 of [Exhibit C](#), Justice Hardesty said during the 78th Session (2015) and the 79th Session (2017), the Legislature made some major revisions to the guardianship compliance system in the state, and he was thankful for the Legislature's decisions. He said Kate McCloskey was the State Guardianship Compliance Officer who managed the office that the Legislature funded. The State Guardianship Compliance Office (GCO) was fully staffed, and the GCO results were included on page 16 of the exhibit. The GCO was established by Assembly Bill (A.B.) 130 of the 79th Session (2017). No enhancements were sought. It had been extremely helpful, because the steps taken by the Legislature were beneficial to the guardianship and aging problems in the state. He asked Ms. McCloskey to briefly explain the chart on page 16 of [Exhibit C](#).

Kate McCloskey, State Guardianship Compliance Officer, Supreme Court, referred to page 16 of [Exhibit C](#). The chart provided the number of district court orders received in calendar year 2018. The GCO started to actively receive court orders to conduct investigations into guardianships or audit guardianship estates beginning on March 21, 2018.

Since then and through December 2018, the GCO received 214 district court orders and had resolved 131 orders. The term "resolved" meant the GCO was dismissed from the case by the district court. The activity with the district court in a specific case could occur over time. Typically, it was a 90-day period, but some cases lingered. The GCO conducted a variety of audits depending on what concerns arose during the audit. The total value of the estates that were audited in the past year was \$33,210,729. Staff identified a misuse of \$1,900,398, and that result was reported back to the district courts. Often a guardian might be unaware of the requirements to obtain court approval before spending estate funds. In some cases, a guardian was found using estate funds for personal benefit and not for the benefit of the protected person. The district court judges who had used the services had expressed gratitude to the Legislature because the guardianship office was a resource that was unavailable in the past. The office could work with protected individuals and attorneys to recover some of those lost funds. The types of investigations conducted included preinvestigations for minor guardianships to determine who the appropriate guardian might be or whether there were alternatives for disabled adults or less restrictive alternatives than guardianship. That was how the GCO had been used in the past year. She planned to expand the GCO and appreciated the Legislature's support during the 79th Session. One judge described the services provided as liquid gold, and she was proud of the GCO.

Todd Myler, Manager of Budgets, Administrative Office of the Courts, Supreme Court, referred to page 17 of [Exhibit C](#). The Supreme Court budget recommended one new full-time-equivalent (FTE) marshal position in decision unit Enhancement (E) 353 in budget account (BA) 1494 [Supreme Court]. An upgrade to a lieutenant position in Carson City was recommended in decision unit E-354. The marshal section lacked a ranking officer in Carson City because the chief marshal was based in Las Vegas. The Court decided it was important that there be a chain of command in Carson City. More travel was needed for the marshal's staff to cover the state.

Mr. Myler continued, noting that a surveillance system was recommended in decision unit E-351. He speculated that a decision unit similar to E-351 would be found in the Buildings and Grounds, State Public Works Division, Department of Administration budget. If not, however, the court recommended decision unit E-351. The existing surveillance system was old and expensive to fix and was no longer as secure as necessary. When cameras and monitors broke, the parts were difficult to obtain. Another key failure in that system would render it difficult to maintain the security of the Supreme Court building in Carson City. The system needed to be upgraded at a cost of \$200,517.

Several other technology changes were recommended. Decision unit E-360 included an upgrade to a switch for the Multi-County Integrated Justice Information System (MCIJIS) that was a result of a Department of Public Safety (DPS) upgrade to its Nevada Criminal Justice Information System (NCJIS). The upgrade to the DPS system resulted in the Court being unable to communicate with the NCJIS. All the criminal data could no longer be uploaded, and the Court would need to send paper documents across the state to let

individuals know about various cases. The Court's upgrade was the result of the DPS upgrade. Recommendations also included additional training and replacement of electronic devices as outlined on page 17 of [Exhibit C](#).

Chair Swank asked about the upgrade to the MCIJIS system and wanted details about the projected timeline for the full completion of the upgraded surveillance system.

John R. McCormick, Assistant Court Administrator, Administrative Office of the Courts, Supreme Court, responded that if the appropriation was approved, the staff could begin the upgrade of the system quickly, and it would be complete within 8 to 12 months.

Chair Swank asked why the current marshal coverage was inadequate and whether the proposed lieutenant position in Carson City would report to the chief marshal based in Las Vegas. She asked for details of that arrangement.

Daryl Keithley, Chief Marshal, Marshal's Office, Supreme Court, responded that previously the Court had a contract with Allied Burton Security to monitor and maintain surveillance of the cameras in the Carson City location. The Court no longer had a contract with Allied Burton Security to provide that service. Former Chief Justice Michael L. Douglas (ret.) believed another marshal position would improve security compared with contracting with a security company. A Peace Officers' Standards and Training (P.O.S.T.) certified category 1 officer would have responsibility beyond monitoring the cameras. Currently, the marshals had to forward calls to their cell phones because the marshal's office was unable to retain sufficient staff to maintain security. Inadequate staff adversely affected the capability to keep the Court secure, because existing staff were out doing other security functions within the courthouse. The new position would allow the marshal to assign staff 12 hours per day to watch the cameras and respond to any threat in the law library or any part of the building right away. The staff currently lacked that capability.

Mr. Keithley stated that the lieutenant position was needed because he had zero chain of command other than himself. Everybody else was a deputy marshal in Las Vegas or in Carson City. A new lieutenant position would provide him with a chain of command in Carson City and everybody would be able to work more effectively with a chain of command. A person in the chain of command would be able to ensure security protocols were being followed. If a civil disturbance happened, the Court needed someone in charge to ensure everyone was able to work as a synchronized team compared with everyone doing their own thing. A supervisor would help improve the security and safety of the Court.

Senator Cancela asked about the MCIJIS system and whether it communicated with the Nevada Criminal Justice Information System (NCJIS). She asked what other systems NCJIS communicated with and what type of data the upgrades in the MCIJIS system would allow staff to access.

Rick Stefani, Chief Technology Officer, Deputy Director of Information Technology, Administrative Office of the Courts, Supreme Court, said the MCIJIS currently communicated with the Department of Public Safety (DPS). The Court transmitted the Department of Motor Vehicles (DMV) convictions straight from the courts, warrants from Clark County to the repository, and electronic citations from the Nevada Highway Patrol, Department of Public Safety, to all the justice partners of the courts. Currently about 40 different agencies used the system. Because DPS replaced the backend message switch (the piece of software that controlled that data flow), the Court needed to update its system as well. If DPS replaced its system, then the Court needed to replace its system to allow all the electronic transfers to be completed.

Chair Swank asked to move to budget account (BA) 1483 [Administrative Office of the Courts] because of time constraints. She said there might be a few questions on some of the budgets that she would skip, but the Fiscal Analysis Division staff, Legislative Counsel Bureau, would be in touch with the Judicial Branch with those questions.

Mr. Myler referred to page 21 of [Exhibit C](#) and said one new full-time-equivalent (FTE) audit position was recommended in decision unit Enhancement (E) 229 for the Administrative Office of the Courts (AOC) BA 1483. Additional travel for the audit staff was also recommended in decision unit E-230. Both decision units were needed. The audit position and the increased travel would enhance the Supreme Court's audit unit. The Court's audit unit ensured that courts across the state met with the minimum accounting standards (MAS) set by the Supreme Court. Such fiscal compliance increased trust in the judiciary. The audit unit was composed of only two FTE positions. The limited audit staff mandated a prioritization and a timeline schedule. When the audit staff learned about a compliance problem, they might revise the priority list and move ahead a court on the list. An insufficient number of proactive audits were currently conducted to prevent problems from arising. The audits were generally more reactive in nature, because auditors responded to rumors or personal observations of staff. An additional audit position would enhance the ability to travel around the state and improve the audit process. A court order required a MAS audit of the Supreme Court every four years to ensure compliance. That audit was scheduled for fiscal year (FY) 2020. Additional training and some replacement of computer equipment was also recommended for BA 1483.

Assemblywoman Jauregui asked about the current annual audit caseload and how many more cases would be audited annually with the new position.

Robin L. Sweet, Director and State Court Administrator, Administrative Office of the Courts, Supreme Court, responded that the current audit team tried to audit a couple of specialty courts each year and conduct at least one financial audit of a trial court. The audit team might discover some problems, which would extend the time required to complete the audit. If someone was not responsive or there had been staff turnover, that also could extend the time required to complete the audit. The Office lost an auditor recently: that auditor went

through the training and became effective but then accepted a position with the city of Las Vegas. The Office then had to start recruiting, training, and orienting a new auditor. The Office had an audit team leader. The recently hired auditor was almost ready to begin audits independently and complete the training segment. Once that happened, the Office would be able to complete audits of three to four courts each year, depending on what the auditors found when they began each audit. She noted that with the success of the specialty courts and the support of the Legislature, the Office had expanded specialty courts and now had over 60 specialty courts and more than 76 trial courts. Two auditors would require a long time to complete that many audits. The new auditor position would help to shorten that timeframe.

Senator Cancela said she understood that staff conducted about three audits a year, but one auditor had left and a new auditor was recommended. She asked how many audits would be completed with the full staff of auditors.

Ms. Sweet responded that once the recommended auditor was trained, each auditor would be able to complete two or three audits each year depending on what was found during the audit. A person with audit training could examine the finances, but understanding the finances of the courts and the different uses of the administrative assessments required substantial auditor time.

Chair Swank asked about the higher risk audits and how the Judicial Branch determined the cost for recommended additional travel in decision unit Enhancement (E) 230. She also asked whether the new auditor position recommended in decision unit E-229 would require additional travel.

Ms. Sweet responded that a previous auditor quit during the base year. The new auditor position would require additional travel. The recently hired auditor had completed training and was ready to travel to perform audits both locally in Las Vegas and throughout the state. That travel was recommended in decision unit E-230. The recommended new auditor would not be sent alone to conduct an audit, so additional travel for two auditors was recommended as part of the training plan.

Justice Hardesty added that he did not want to assume that the Subcommittees knew the tasks assigned to auditors. He shared that an auditor would travel to a district court in a rural county to assess the district court, its staff, and its judge on the level of compliance with the statutes and accounting standards enacted by the Supreme Court a decade ago. An auditor might find that a court either had not complied or struggled to comply because of a lack of technology or other resources to ensure compliance. It was important to ensure that specialty courts met best practices and standards for the disbursement of funds. The Supreme Court took compliance very seriously. The expenditure of funds by the courts was required to be consistent with the best practices that had been adopted by the Supreme Court. Those audits could be challenging. The geographical dispersion of the courts required significant travel

throughout the state. One small rural district court audit required the auditor to work for months to investigate the various problems identified. Findings of embezzlement or lost money must be addressed quickly. The new auditor position would support that proactive effort.

Senator Goicoechea said he understood that court funds were held by the district court clerks individually in White Pine and Lincoln Counties. He asked whether each individual court clerk would be audited in Eureka, Ely, and Pioche.

Justice Hardesty confirmed Senator Goicoechea's understanding was correct. He added that it was not solely the district courts that were audited, but also the limited jurisdiction courts in those areas. Funds were received by the court and distributed to various entities pursuant to statute. Some funds were held by a county treasurer, and at times there was confusion locally about the interpretation of the requirements of the statutes. The Legislature recently provided a funding mechanism for legal aid support for guardianship lawyers [lawyers appointed to guardianship cases]. Several rural courts had held funds because of uncertainties regarding the distribution requirements. The audit findings provided important information about compliance, but also provided educational opportunities.

Chair Swank moved to budget account (BA) 1484 [Judicial Programs and Services Division].

John R. McCormick, Assistant Court Administrator, Administrative Office of the Courts, Supreme Court, testified that BA 1484 for the Judicial Programs and Services Division funded a number of services, particularly for the trial courts. The services provided to assist the judiciary included:

- Court interpreters' certification.
- Collection, analysis, and dissemination of statewide statistics.
- Specialized assistance for rural courts.
- Staff support for committees and commissions, including the rules of criminal procedure commission to create those uniform rules for the state.
- Federal court improvement program grants (federal funding of about \$800,000 to improve the court's process for juvenile dependency mediation programs and dependency cases so abused children might seek termination of parental rights).

The juvenile dependency mediation program was a facilitated mediation model that allowed courts to identify cases for mediation to engage the parents, children, and stakeholders to facilitate and agree on resolution instead of using more confrontational court proceedings. The juvenile dependency mediation program was an evidence-based program that the Court had evaluated. That evaluation found an 88 percent reunification rate for cases that were subject to mediation versus a 50 percent reunification rate for parents with children for nonmediated cases. A 72 percent increase in the engagement of fathers resulted from cases participating in mediation. Mediation surveys found that 100 percent of the families said

they were treated fairly, while 95 percent agreed they were listened to, contributed more, and felt better about the resolution of the case. The facilitated mediations reduced future court costs. The mediation program could save about \$420,000 solely in court costs alone when fully funded and applied statewide. Mr. McCormick thought it was a great program to ensure better outcomes in dependency cases. Decision unit Enhancement (E) 225 would fund the true best-practice comediated model that included two mediators to work each case.

Chair Swank understood from information in [The Executive Budget](#) that a small amount of federal grant funding was used to begin the program; however, that grant funding had to be used for different purposes in the future. She asked for an explanation of how the Court planned to use that federal funding in the future.

Mr. McCormick replied that the federal funding was the court-improvement program funding received from the Children's Bureau [Children's Bureau, Office of the Administration for Children and Families, U.S. Department of Health and Human Services]. The Children's Bureau had changed focus for the use of the grant dollars and redirected the use of those funds. The Court was no longer allowed to use those funds to support the mediation program. The Court planned to spend the grant to support the Families First Prevention Services Act to change the way courts assessed the placement of children.

Justice Hardesty turned to page 23 of [Exhibit C](#) that related to the new case-management system in the Uniform System of Judicial Records budget account (BA) 1486. He reported that a dispute developed with the vendor that he hoped to resolve. The recommended funds would pay to replace the case-management system. The dispute would be resolved either amicably, through arbitration or litigation. He would keep the Legislature informed about the progress of that effort.

Chair Swank asked for recommendations for the Subcommittees' consideration in light of the dispute. She would appreciate any recommendations before the budgets were closed. She asked whether the case-management system needed to be replaced.

Justice Hardesty replied that he would provide an updated report on the dispute within the next couple of weeks. He turned to page 24 of [Exhibit C](#) and said budget account (BA) 1487 was for Judicial Education and contained no major recommendations. Page 25 of [Exhibit C](#) provided details of BA 1495, for Specialty Court, which funded 63 programs statewide. The funds were distributed by the Specialty Courts Funding Committee. The Committee was cochaired by Chief Justice Gibbons and the Honorable Lidia S. Stiglich, Associate Justice, Supreme Court. The next meeting would be in April 2019. The approach to disbursement and accounting of those funds would be discussed at that meeting.

Justice Hardesty had continually recommended funding for the Driving Under the Influence (DUI) courts that were generally funded with DUI fees. The DUI fees had repeatedly sunsetted since the program began. He urged the Subcommittees to make the DUI fees

permanent. If that was approved, he would no longer need the General Fund appropriations recommended in decision unit E-275, which totaled \$1,281,432. He believed that the statistics had clearly demonstrated the success of the program. The vision of the Legislature had been successful, and he urged a repeal of the sunset.

Justice Hardesty stated that the Nevada Sentencing Commission recommended \$6 million in additional funds over the 2019-2021 biennium to be added to the funds already appropriated to the Specialty Court. The report by the Nevada Sentencing Commission to the judiciary would be provided soon. The Court believed the Legislature should continue to take a proactive effort in dealing with substance abuse. Specialty courts successfully mitigated the effects on individuals' lives and the criminal justice system.

Assemblyman Kramer said he had the privilege of sitting with the Carson City mental health court and recognized that mental health courts addressed not solely mental health but also substance abuse and other problems. His false impression was that staff and the mental health court were funded through the federal grant and not with Carson City funds. He said many individuals from different areas attended mental health court and were responsible for supervision of the clients. Those individuals received salaries, and his understanding was the salaries were paid with county funds for the regular jobs. He asked for an explanation of the funding provided by the Court.

Mr. McCormick responded that the funding provided by the Court was used for services including mental health treatment and transitional housing. The county funds paid the salary costs of the staff. The federal grant funds from the Court sometimes paid for the salary of the program coordinator. Generally, the funding was a blend, because the Supreme Court paid for the treatment services and the county paid for the salaries of the court staff.

Justice Hardesty added that part of the reason the Nevada Sentencing Commission sought additional funds was due to the testimony of then Chief Justice Michael L. Douglas, on behalf of the committee that dispersed those funds and specialty court judges who testified that the needs of the state were not being met. The deficit was estimated at \$15 million. The funds supplemented other funds obtained by specialty courts, including funds for the county staff and services. The fee funds and administrative assessments contributed to the specialty courts. The state had not contributed any General Fund until the Legislature approved an appropriation during the 78th Session (2015). The General Funds allowed for expansion of the treatment needs that existed in those programs.

Assemblywoman Monroe-Moreno observed that the specialty court budget had a special reserve fund and a first-quarter distribution reserve fund. She noted that the recommended reserves for fiscal year (FY) 2020 was \$106,131, but only \$5,657 for FY 2021. That amount was significantly less than the historical level of \$300,000 annually. She asked whether the special reserves recommended were at the appropriate level for the biennium.

Mr. Myler responded that he had made a budget mistake. The regular reserve in category 86 should be \$300,000 each year. The Fiscal Analysis Division staff might make that adjustment when the budget closed. If not, when he closed that budget for FY 2019 and transferred the cash to FY 2020, he would set that reserve level at \$300,000 and adjust the first-quarter distribution accordingly with the remaining funds.

Chair Swank asked why the Judicial Branch recommended a first-quarter distribution reserve level that was equivalent to 124 days at the end of the 2019-2021 biennium.

Mr. Myler responded that the typical assumption was that a 90-day reserve was sufficient. When he started his job with the Court last February, he learned about reserves. He was instructed by former Chief Justice Michael L. Douglas (ret.) that the account needed more reserves to ensure that there was sufficient cash for the programs. Insufficient cash meant that individuals would not receive treatment services to keep them out of prison. The Court had instructed him that 90 days was insufficient as a reserve. The reserve level should be in the range of \$2.3 million to \$2.5 million to fund those programs.

Stephanie Day, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, asked for clarification. She asked whether the \$2.3 million in total reserves included the \$300,000 of special reserves, or if the recommendation of \$2.3 million for the first quarter distribution was in addition to the \$300,000 of special reserves.

Mr. Myler replied that his understanding was \$300,000 was needed in the background as the ultimate failsafe because the budget was funded with administrative assessments and specialty court assessments. If those administrative assessments failed to materialize, the Supreme Court would use the reserves to fund specialty courts at the necessary level. The \$2.3 million to \$2.5 million reserve amounts would still be required. The first-quarter distribution was still going to be one quarter of the total need for the courts. He said the \$2.3 million to \$2.5 million was the aggregate of the two. He agreed to work with the Fiscal Analysis Division staff to further define the reserves. He believed the \$300,000 in category 86 plus the \$2 million to \$2.2 million in the first-quarter distribution category would provide sufficient operating cash for the first quarter plus the extra buffer that he was instructed to maintain by former Chief Justice Douglas.

Justice Hardesty added that the reserves was another example of the uncertainties created around the administrative assessments. Insufficient cash prevented the courts from operating programs needed by defendants. Those treatment programs needed to remain consistent. That was why former Chief Justice Douglas was concerned about the distribution committee maintaining higher reserve balances.

Chair Swank moved on to budget account (BA) 1493.

Justice Hardesty turned to page 26 of [Exhibit C](#) and said budget account (BA) 1493 related to Judicial Support, Governance and Special Events. The budget was funded by peremptory challenge fees paid when the parties asked to preempt a judge. Those fees were used by the Supreme Court to pay for district court judge travel, especially for rural court judges who covered a large geographical area, such as the judges in District 11 and the judges in the eastern portion of Nevada. The budget also included other expenses that the Court deemed necessary to effectuate different programs such as the e-filing system study. The Court wanted all of the courts around the state to use the e-filing system to save money for the Court and the counties. The e-filing study would cost \$95,000 [Enhancement 225].

An item of note not included in the recommended budget was a top-to-bottom survey of the family court system in the state initiated by the Court through a contract with the National Council of Juvenile and Family Court Judges. The family court system had not been studied since it was started in 1991. Much legislation and operational problems affected the family court system. A thorough evaluation of the entire system would determine whether the courts consistently applied best practices, operated properly, and completed business in a timely manner. The study would reveal changes needed by the Supreme Court or provide recommendations to the Legislature. Staff from the National Center for Juvenile Justice and the Research Division of the National Council of Juvenile Justice were conducting the study and collecting data. Preliminary results will be provided in the next four to five months.

Chair Swank asked what benefits were anticipated from a statewide e-filing system.

Justice Hardesty responded that the court systems would be coordinated to enable easy communication and transfer of data. The Honorable Kristina Pickering, Associate Justice, Supreme Court, and Chief Justice Gibbons completed an extensive review of Nevada civil procedures. Those rule changes affected electronic filing rules, as well as rules of the appellate procedure, and become effective on March 1, 2019. It was critical to have the e-filing system to ensure all e-filed documents were handled consistently throughout the state. It was not only a matter of efficiency, but a matter of rule compliance. All Nevada systems needed to communicate effectively with each other.

Chair Swank asked how many vendor proposals were received for the e-filing solution phase.

Mr. Stefani responded that he contacted a group called MTG consultants that had worked for the Department of Public Safety and the Judicial Branch in the past. That was the only vendor who had been contacted.

Chair Swank asked whether Mr. Stefani planned to solicit other proposals from other vendors.

Mr. Stefani confirmed that he would solicit proposals from other vendors. He had contacted MTG to obtain a general budgetary quote to use in preparing the budget.

Chair Swank asked which courts would be included in the state e-filing system.

Mr. Stefani responded that eventually he would like to have statewide e-filing available to all courts in the state. Some courts in Washoe and Clark Counties already used e-filing, but the rural courts lacked the capability to use e-filing. He wanted to create a system that was all-encompassing and could communicate with all the other systems throughout the state.

Chair Swank asked how long it would take to install e-filing throughout the court system in the state, because some of the rural areas lacked reliable Internet service.

Mr. Stefani replied that the initial system install could be completed within one to two years. However, the interfaces would need to be built into each of those case-management systems. A vendor would have to be willing to complete that work, but it may require several more years.

Chair Swank was pleased it would not require a decade to complete. She asked about reserves in the account. The peremptory challenge fee revenue was projected to generate \$364,950 in each year of the 2019-2021 biennium, and annual expenditures were \$276,374 in fiscal year (FY) 2020 and \$183,364 in FY 2021. She asked whether the peremptory challenge fee of \$450 should be reduced. She also asked whether the Judicial Branch planned on spending the reserves to fund the statewide e-filing system.

Justice Hardesty confirmed that the reserves would be spent for the e-filing system.

Mr. Myler added that the initial cost of \$95,000 would pay to begin the process of determining the scope of the project. Once that work was completed, the Judicial Branch would report the findings to the Legislature. Peremptory challenge fees could then be used to fund some of the project, but the completed project would exceed the revenue in the account.

Chair Swank asked whether the \$450 peremptory fee would be reduced to keep reserves at the existing level.

Justice Hardesty responded that there were policy reasons that required the peremptory fee to be set at the existing level. A reduced fee would encourage lawyers to preempt judges, and that was not desired. A person who wanted to preempt a judge should pay a substantial fee. That fee provided funds for discretionary projects of the Supreme Court. The Court would have been unable to initiate the study of the family court system without the revenue from peremptory fees. The Court was also in the process of reevaluating the legal summits it conducted. The summits had been eliminated to reduce costs to balance the budget. The peremptory fee provided the Court with flexibility to develop special projects such as the

study of the e-filing system or the family courts. A reduction of the peremptory fee would create the ancillary problem of encouraging the peremptory challenge of judges. The Court did not want to encourage the peremptory challenges for an overloaded judiciary.

Chief Justice Gibbons added that the peremptory challenge process only occurred in civil cases and not in criminal cases. A judge could not be challenged in a criminal case. At the beginning of a civil case, before a judge ruled on any issues, litigants could exercise a peremptory challenge against that particular judge. The case would be randomly assigned to another judge. Douglas County only had two judges, so the case would be assigned to the other district court judge there. A peremptory challenge could only be made once per side and could not be a serial exercise.

Mr. Myler added that the last item on page 26 of [Exhibit C](#) listed an amount of \$114,500 for the contract to examine the family court system operations. A decision was made recently to study the family courts, and the contract was not included in any budget documentation. The \$114,500 amount would reduce the reserve levels. The study would be completed by the end of summer 2019.

Chair Swank asked for details of the anticipated benefits of combining the Judicial Selection budget [BA 1498] with the State Judicial Elected Officials, BA 1490.

Justice Hardesty responded that he asked for a special supplemental appropriation of \$5,000 because the budget lacked sufficient funds to pay for the required judicial selections during the 78th Session (2015) and the 79th Session (2017). The Supreme Court would conduct judicial selection hearings in March and April for three vacant judge positions in Clark County and one vacant position in Washoe County. The Judicial Selection budget was out of funds for fiscal year (FY) 2019. Justice Hardesty thought it was inefficient to return to the Legislature each time \$5,000, \$10,000, or \$15,000 was needed to fund judicial selection. He proposed to use the excess funds available in BA 1490 to fund Judicial Selection. It was easier to transfer an excess of \$5,000 or \$10,000 within BA 1490 than to request funds from the Legislature and require staff time to process a special supplemental appropriation. He asked the Subcommittees to consider a supplemental appropriation of \$10,500 in FY 2019 to conduct judicial selections for four vacant positions. The funds were needed by the middle of April to pay for the selection process; otherwise, those positions would remain vacant and the Supreme Court would be unable to fulfill its constitutional duties. The purpose of his request to transfer the Judicial Selection account was to avoid the process he had gone through for the last three years. He was unable to project the proper amount for judicial selection. He could not predict who would retire, resign, or be removed by the judicial discipline commission. His request was as much for the convenience of the Legislature as it was for the Court.

Chair Swank asked for further questions from the members, but there were no further questions. She thanked the Court for the presentation.

The Honorable Lidia S. Stiglich, Associate Justice, Supreme Court, testified about budget account (BA) 1495 [Specialty Court] because Assemblyman Kramer had asked a question about the use of those funds for staff salaries. She was unsure of how Carson City distributed its funds. She said assessments and fees were used in some jurisdictions to supplement staff. She cited an example: Washoe County had seven specialty court officers, but only the salaries of two mental health specialty court officers were county-funded. The other five salaries were partially funded by assessments and fees. The other funds came from the salary savings bucket, but that was not an ideal way to fund those salaries. She emphasized that additional funding should be considered. Individuals had to administer those courts and provide services to the participants. The funds were not only used for treatment, but also for salaries. She did not want there to be a misapprehension that none of the money would be used for staffing.

Chair Swank asked for public comment, but there was no public comment. There being no further business before the Subcommittees, Chair Swank adjourned the meeting at 10:08 a.m.

RESPECTFULLY SUBMITTED:

Janice Wright
Committee Secretary

APPROVED BY:

Assemblywoman Heidi Swank, Chair

DATE: _____

Senator Yvanna D. Cancela, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a copy of a PowerPoint presentation titled "Judicial Branch Budget Hearing," dated February 21, 2019, presented by The Honorable Mark Gibbons, Chief Justice, and The Honorable James W. Hardesty, Associate Justice, Supreme Court.

[Exhibit D](#) is an information sheet titled "Road Map to Success in Nevada," regarding successful implementation of a Statewide Juvenile Dependency Mediation Program, presented by The Honorable Mark Gibbons, Chief Justice, and The Honorable James W. Hardesty, Associate Justice, Supreme Court.