

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-fifth Session
May 18, 2009**

The Senate Committee on Finance was called to order by Cochair Bernice Mathews at 8:07 a.m. on Monday, May 18, 2009, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Bernice Mathews, Cochair
Senator Steven A. Horsford, Cochair
Senator Bob Coffin
Senator Joyce Woodhouse
Senator William J. Raggio
Senator Dean A. Rhoads
Senator Warren B. Hardy II

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Patricia O'Flinn, Committee Secretary

OTHERS PRESENT:

Dennis Colling, Chief, Administrative Services Division, Department of Motor Vehicles
Andrew Clinger, Director, Department of Administration
Robert A. Ostrovsky, President, Ostrovsky and Associates, Government Affairs Consultants
Michael D. Hillerby, Vice President, Whittemore Peterson Institute for Neuro-Immune Disease
Gustavo Nunez, P.E., Manager, State Public Works Board
Jeanette K. Belz, Representative, Nevada Dental Association
Mendy K. Elliot, Deputy Chief of Staff, Office of the Governor

COCHAIR MATHEWS:

We will open the hearing with [Senate Bill \(S.B.\) 422](#).

[SENATE BILL 422](#): Makes a supplemental appropriation to the Department of Motor Vehicles for unanticipated shortfalls in revenue for Fiscal Year 2008-2009. (BDR S-1263)

DENNIS COLLING (Chief, Administrative Services Division, Department of Motor Vehicles):

[Senate Bill 422](#) is a supplemental appropriation for two different budgets. In Section 1 for budget account (B/A) 201-4735, we would like to reduce the amount requested from \$1,340,905 to \$980,000. In subsection 2 for B/A 201-4745, we would like to reduce the amount requested from \$1,410,427 to \$795,000.

PUBLIC SAFETY

MOTOR VEHICLES

DMV - Field Services – Budget Page DMV-64 (Volume III)
Budget Account 201-4735

DMV - Administrative Services – Budget Page DMV-23 (Volume III)
Budget Account 201-4745

COCHAIR MATHEWS:

Are you sure these reductions in your request are appropriate?

SENATOR RAGGIO:

The first amount was for unanticipated revenue shortfalls in sales tax commissions and the second amount was for revenue shortfalls in title processing fees. Are these reductions in the requested amounts based on increased receipts in these accounts?

MR. COLLING:

That is correct. In B/A 201-4735 the projected income from the Governmental Services Tax Commission and the penalties are higher than expected a couple of months ago. In B/A 201-4745, the authorized revenue is a direct reflection of sales of vehicles and title fees; these receipts are also better than projected.

SENATOR RAGGIO:

I am surprised at the latter one. Are more vehicles being sold than anticipated? We have been hearing how bad the auto sales market is.

MR. COLLING:

It is bad. At one time, we were down about 50 percent in month-to-month sales. When we made the projections for the supplemental request in S.B. 422, we used the worst case scenario. The receipts are above those projections.

SENATOR RAGGIO MOVED TO AMEND AND DO PASS S.B. 422.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND HARDY WERE ABSENT FOR THE VOTE.)

COCHAIR MATHEWS:

We will close the hearing on S.B. 422.

We will now open the hearing on S.B. 423.

SENATE BILL 423: Makes appropriations to the Interim Finance Committee for allocation to assist state agencies in paying electricity, heating and cooling costs. (BDR S-1265)

ANDREW CLINGER (Director, Department of Administration):
Senate Bill 423 makes appropriations to the Interim Finance Committee (IFC) Contingency Fund for allocations to assist State agencies in paying utility bills over the upcoming biennium. Section 1 of the bill appropriates General Funds of \$2,206,295 in FY 2009-2010 and \$3,126,269 in FY 2010-2011. There are Highway Fund appropriations of \$189,016 in FY 2009-2010 and \$275,075 in FY 2010-2011. These figures are based on inflation factors we received from the Public Utilities Commission (PUC) in December 2008. The inflation factor for electricity for FY 2009-2010 was 6.8 percent, for FY 2010-2011 the factor was 3 percent. For natural gas the inflation factor was 9 percent for FY 2009-2010 and 3 percent for FY 2010-2011. The PUC has recently given Fiscal Staff an update on these numbers. The projections have changed dramatically. However, given the short time period in which this change has occurred and the uncertain economic climate, we are not recommending changes to the amounts in S.B. 423.

COCHAIR MATHEWS:
Are there any questions from the Committee?

SENATOR RAGGIO:
Is there flexibility to utilize funding in the second year if it has not been used in the first year?

MR. CLINGER:
The bill is written as an appropriation for two separate fiscal years. However, the money can be balanced between the two fiscal years if necessary.

SENATOR RAGGIO MOVED TO DO PASS S.B. 423.

SENATOR WOODHOUSE SECONDED THE MOTION.

COCHAIR HORSFORD:
I will support the bill, but I have a question concerning the process. How will the process work of identifying and retrofitting public buildings for energy efficiency that we are promoting this biennium? There are two energy bills that speak specifically to public buildings and energy efficiency: we need to reduce the money we are spending for utilities.

MR. CLINGER:
I have not been tracking the energy efficiency bills. The appropriations in S.B. 423 are set aside for use by any State agency that runs short of funds for utility payments over the biennium. The money may or may not be allocated depending on the need for those funds.

THE MOTION CARRIED. (SENATORS COFFIN AND HARDY WERE ABSENT FOR THE VOTE.)

COCHAIR MATHEWS:
We will close the hearing on S.B. 423.

We will open the hearing on S.B. 424.

SENATE BILL 424: Makes an appropriation to the Fund for Insurance Premiums, commonly known as the Attorney General's Tort Claim Fund. (BDR S-1313)

MR. CLINGER:

Senate Bill 424 appropriates \$2 million to replenish the balance in the Attorney General's Tort Claim Fund. This request is related to the settlement the Board of Examiners approved last month related to the Nevada Highway Patrol's alleged mishandling of an investigation involving the wife of a Las Vegas Metropolitan Police officer. I have distributed a comparative statement of revenue receipts for the Highway Fund at the request of Senator Horsford, ([Exhibit C](#)). The \$2 million appropriation for the Tort Claim Fund is on page 2, column X, line 85. This is actually in the wrong column: the expenditure will be in FY 2008-2009 rather than FY 2009-2010.

SENATOR RAGGIO:

Is this table in error?

MR. CLINGER:

Because the bill is effective upon passage and approval, the \$2 million will be appropriated in FY 2008-2009.

SENATOR RAGGIO:

Is this a supplemental appropriation?

MR. CLINGER:

It is a one-shot appropriation. It does not change the ending fund balances when you get into the later years. On page 3, column T, line 132, the Other Highway Fund ending balance for FY 2008-2009 is \$219,073,784. The ending balance for FY 2010-2011 is \$99,868,105 which is within the approximate \$100 million balance the Nevada Department of Transportation (NDOT) wants to maintain in this account.

COCHAIR MATHEWS:

What page are you referring to?

MR. CLINGER:

I am looking at page 3, line 132 of [Exhibit C](#).

COCHAIR MATHEWS:

Why are we paying \$2 million when we have a \$50,000 limit?

MR. CLINGER:

In this case, because it was a federal court, the State statutory caps do not apply.

COCHAIR HORSFORD:

Can you explain line 135 on page 3, columns V, X and Y?

MR. CLINGER:

That is the net change in the Highway Fund balance. Page 1, line 44 shows total revenue and receipts for the Highway Fund. The sections below line 44 detail the uses of those funds. The net for each fiscal year are the figures on

line 135. Looking at FY 2009-2010, for example, the Highway Fund is spending more than it receives. It is using its reserve balances.

COCHAIR HORSFORD:

There are shortfalls of approximately \$239 million in FY 2008-2009, \$120 million in FY 2010-2011 and \$41 million in FY 2010-2011. Is that correct?

MR. CLINGER:

When you compare current revenues and expenses that is correct. But, in FY 2008-2009, the ending fund balance is approximately \$214 million. In FY 2010-2011, the ending fund balance is approximately \$102 million. We are essentially using the reserve balance through the next biennium.

COCHAIR HORSFORD:

Those reserve funds are in part dedicated toward paying off bonds, correct?

MR. CLINGER:

That is correct, yes. That is accounted for on line 118 in [Exhibit C](#), the projected NDOT bond expenditures: approximately \$171 million in FY 2008-2009 and \$20 million in FY 2009-2010.

COCHAIR HORSFORD:

To the extent we use the reserve to fund the revenue gap we are not able to use those funds for bonding capacity going forward.

MR. CLINGER:

That is correct. When the NDOT plans to issue bonds, they have to do a forecast of revenues and receipts. They must assure the underwriters they will have enough Highway Fund revenues to service the bonds. If there are no revenues moving forward, they cannot bond for projects.

COCHAIR HORSFORD:

Is the amount we are expending in line 68 on page 2 of [Exhibit C](#)?

MR. CLINGER:

That is the NDOT expenditures. Total expenditures are on line 99 of page 3.

COCHAIR HORSFORD:

Are those only for current and existing projects including the American Recovery and Reinvestment Act (ARRA) funds, and not any new projects?

MR. CLINGER:

This is based on existing law and the ARRA funds we are aware of. This includes expenditures the NDOT, The Department of Public Safety, the Department of Motor Vehicles and the Nevada Transportation Security Authority are planning for the next two years.

COCHAIR HORSFORD:

At what point will the reserve fund be depleted so we will be unable to use it as a revenue source to meet the gap?

MR. CLINGER:

At the end of FY 2010-2011, the balance will be approximately \$100 million. The NDOT has indicated if the balance falls below that threshold, they will begin holding back on projects.

COCHAIR HORSFORD:

Does that mean that at the end of FY 2010-2011 we would not have enough money to sustain the bonding programs we currently have in place?

MR. CLINGER:

No, they would have enough revenue to sustain the current projects that are bonded, they would just not have any excess to use for new projects.

COCHAIR MATHEWS:

Are there any other questions?

SENATOR RAGGIO MOVED TO DO PASS S.B. 424.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

COCHAIR MATHEWS:

We will close the hearing on S.B. 424.

We will now open the hearing on S.B. 234.

SENATE BILL 234 (1st Reprint): Makes various changes concerning the short-term leasing of passenger cars. (BDR 43-33)

ROBERT A. OSTROVSKY (President, Ostrovsky and Associates, Government Affairs Consultants):

I am here today representing the Hertz Corporation. Senate Bill 234 passed out of the Senate Committee on Taxation relative to the effects of the governmental services fee and the recovery surcharge fee charged by short-term lessors of passenger vehicles. A governmental services fee of 6 percent and a recovery surcharge fee of 4 percent are required by statute. The State receives the 6 percent fee and 1 percent of the 4 percent fee. In addition, the State has taken an additional 1 percent of the recovery surcharge fee to balance the General Fund. This bill would change that formula. The State would receive a 10 percent governmental services fee. In return, the rental car Industry will be able to charge a vehicle licensing fee on a daily rate which is consistent with the way the Industry operates across the country to recover those fees. There is a balancing mechanism in S.B. 234 to ensure customers are not overcharged for that fee. The revenue expected from the increase in fees has been calculated by Fiscal Staff based upon the new forecasts delivered by the Economic Forum on May 1, 2009.

The second matter before you today is a mock-up of proposed Amendment No. 5154 to S.B. 234, ([Exhibit D](#)). During the policy hearing there was some discussion about repeal of a section in this law. The original bill repealed *Nevada Revised Statutes* (NRS) 482.31575, "Advertisement of lease:

Disclosure of certain information required." After questions were raised by Senator Care and Staff, we determined the repeal of NRS 482.31575 took out consumer protections that were not adequately addressed in the language of S.B. 234.

SENATOR COFFIN:

The Senate Committee on Taxation heard a great deal of testimony on S.B. 234. There was no testimony against the bill. The proposed amendment will probably require several paragraphs of microscopic print which enumerates the potential fees that could be levied. I do not believe it is absolutely necessary as I am not sure most people will read them. The consumer must be told about these fees when they inquire about renting a car, whether on the phone or Online.

MR. OSTROVSKY:

That is correct. All the fees will be disclosed on the Website. All the fees will be disclosed at the time a rental agreement is signed. The customer will know there has been a good faith effort made to disclose the final cost of the rental. There is a problem in this Industry. The customer rents a car for \$49.95 and is charged \$85 upon return. The industry must pass on fees that are imposed by various jurisdictions. The customer needs to know they are paying these fees.

SENATOR RAGGIO:

Does this bill impact in any way the commitment to fund the bonds for the baseball stadium in Reno?

MR. OSTROVSKY:

This bill does not impact any of the other fees we collect for any other purposes such as the baseball stadium in Reno.

SENATOR COFFIN MOVED TO AMEND S.B. 234 WITH AMENDMENT No. 5154 AND DO PASS.

SENATOR RAGGIO SECONDED THE MOTION.

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Department of Taxation has indicated it will cost approximately \$25,000 to implement this legislation. Staff is working with the Department of Taxation to obtain cost estimates for any revenue bills approved this Legislative Session. Funds will be allocated to the IFC to facilitate implementation of S.B. 234 and other revenue measures.

THE MOTION CARRIED UNANIMOUSLY.

COCHAIR MATHEWS:

We will close the hearing on S.B. 234.

We will now open the hearing on S.B. 425.

SENATE BILL 425: Extends reversion for previous session appropriation for the Institute for Neuro-Immune Disease. (BDR S-1311)

MICHAEL D. HILLERBY (Vice President, Whittemore Peterson Institute for Neuro-Immune Disease):

The 74th Session of the Legislature provided \$2 million for construction funding for the Center for Molecular Medicine at the University of Nevada at Reno (UNR), a partnership between the UNR School of Medicine and the Institute for Neuro-Immune Disease. State law requires all the funding be on hand and available before construction contracts are signed. The State Public Works Department received approval at the June, 2008 IFC meeting to take control of the management and financing of this project. The project was bid in the fall and construction began on December 2, 2008. However, NRS 341.146 specifies the General Fund appropriation must be spent last. The predominant funding for the building is either University bonds or private funding. The \$2 million in General Funds allocated for this project in 2007 cannot be spent by June 30, 2009. Hence, S.B. 425 which requests the extension of the reversion of these funds until June 30, 2011.

COCHAIR MATHEWS:

Did we extend this allocation once before?

MR. HILLERBY:

No, you did not. The funds were appropriated during the last Session. In the last year we have secured \$2.2 million in federal non-construction equipment grants. Some of that equipment is already in use in our laboratories at the UNR.

GUSTAVO NUNEZ, P.E., (Manager, State Public Works Board):

We support S.B. 425. We have sufficient funds to complete this project if we are able to retain the \$2 million appropriated in 2007.

COCHAIR MATHEWS:

Are there any questions from the Committee? If not, I will entertain a motion.

SENATOR RHOADS MOVED TO DO PASS S.B. 425.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:

We will close the hearing on S.B. 425.

We will open the hearing on S.B. 415.

SENATE BILL 415: Establishes for the next biennium the maximum amount to be paid to the Public Employees' Benefits Program for group insurance for certain active and retired public officers and employees. (BDR S-1191)

MR. GHIGGERI:

Testimony heard on May 13 in opposition to S.B. 415 focused on language indicating the amounts for maximum rates for group insurance was "not more than" rather than a set rate. Proposed Amendment No. 824, ([Exhibit E](#)), strikes the language "not more than" in Sections 1 and 2 and inserts the rates adopted in the closure of the Public Employees Benefits Plan (PEBP) budget for the

2009-2011 biennium. The maximum rate for active employees in FY 2009-2010 is \$626.52 each month and in FY 2010-2011 is \$680.84. The maximum rate for retirees in FY 2009-2010 is \$317.30 and in FY 2020-2011 is \$344.30. This act becomes effective on July 1, 2009. If amended, this is similar to legislation that has been approved in the past concerning the establishment of rates for the group insurance program. At the May 13 Committee hearing there was discussion concerning the 10-year and 15-year eligibility for retirees. That discussion is ongoing. In order to expedite passage of S.B. 415 to the Assembly, Staff recommends approval of the bill as amended. There is other legislation that could be used for the insertion of the policy issue.

SENATOR HORSFORD MOVED TO AMEND S.B. 415 WITH AMENDMENT NO. 824 AND DO PASS.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:

We will close the hearing on S.B. 415.

We will now open the hearing on S.B. 318.

SENATE BILL 318 (1st Reprint): Revises provisions governing tuition paid by persons in the Armed Forces of the United States and by veterans at campuses of the Nevada System of Higher Education. (BDR 34-744)

MR. GHIGGERI:

Senate Bill 318 was heard on May 14. It provides tuition assistance for those who are in active military service. The testimony on the fiscal note by the Nevada System of Higher Education indicated that the amendment as processed on this bill on the first reprint removed the fiscal impact of this legislation.

COCHAIR MATHEWS:

Are there any questions? If not, I will accept a motion.

SENATOR HORSFORD MOVED TO DO PASS S.B. 318.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:

We will close the hearing on S.B. 318.

We will now open the hearing on S.B. 311.

SENATE BILL 311: Requires the fluoridation of water provided by certain public water systems and water authorities in certain counties. (BDR 40-924)

MR. GHIGGERI:

Senate Bill 311 was approved by the Committee on April 29. Subsequent to the approval by the Committee, the sponsor of the legislation has requested an amendment to the legislation based on Committee concerns. Amendment No. 852, ([Exhibit F](#)), requires an advisory question be placed on a general election ballot in order to implement the fluoridation of water.

COCHAIR MATHEWS:

Are there any questions or concerns from the Committee?

SENATOR HORSFORD MOVED TO RESCIND THE ACTION TAKEN BY THE COMMITTEE ON APRIL 29, 2009 AND TO AMEND AND DO PASS S.B. 311.

SENATOR COFFIN SECONDED THE MOTION.

SENATOR COFFIN:

Will this bill now require ballot approval?

MR. GHIGGERI:

The amendment requires the approval on an advisory ballot question a year after the implementation of fluoridation.

SENATOR RAGGIO:

This is the first time I have seen the amendment. Section 4 states "at the general election on November 2, 2010," in Washoe County "an advisory question must be placed on the general election ballot in substantially the following form." It does not require specific action related to the ballot, it is an advisory question only. Is S.B. 311 self-implementing?

JEANETTE K. BELZ (Representative, Nevada Dental Association):

Senate Bill 311 mirrors Assembly Bill No. 689 of the 70th Legislative Session for the fluoridation of water in Clark County.

SENATOR RAGGIO:

The bill requires the State Board of Health to adopt regulations requiring fluoridation. What is the effect of an advisory ballot if the people oppose it?

MS. BELZ:

Amendment No. 852 would allow the people to vote in 2010 and the result would go to the Truckee Meadows Water Authority to take under advisement. Again, this is similar to what happened in Clark County in 2000.

COCHAIR MATHEWS:

Are there any other questions?

SENATOR COFFIN MOVED TO RESCIND THE ACTION TAKEN BY THE COMMITTEE ON APRIL 29, 2009 AND TO AMEND AND DO PASS S.B. 311.

SENATOR HORSFORD SECONDED THE MOTION.

SENATOR RAGGIO:

I voted against the measure initially, I will vote to support the amendment. I may not support the bill.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:

We will close the hearing on S.B. 311.

We will now open the hearing on S.B. 420.

SENATE BILL 420: Prospectively reduces the annual salaries of the constitutional officers. (BDR 18-1195)

COCHAIR HORSFORD:

I have major concerns with S.B. 420. I understand the Governor is recommending that all constitutional officers take a pay cut comparable to that asked of State workers. However, it is not implemented until January 1, 2011. The current constitutional officers, specifically the Governor, will not necessarily be impacted by this legislation. I would like to understand why there is a delay for implementation.

MR. GHIGGERI:

The Nevada Constitution states in Article 15, Sec: 9: "The Legislature may, at any time, provide by law for increasing or diminishing the salaries or compensation of any of the Officers, whose salaries or compensation is fixed in this Constitution; Provided, no such change of Salary or compensation shall apply to any Officer during the term for which he may have been elected." I am not an attorney, but that basically indicates that the salaries of the elected officials cannot be increased or reduced while they are currently in office. This legislation would affect only those constitutional officers elected at the November 2010 general election.

SENATOR RAGGIO:

The reason for that is the balance of powers. The Legislative Branch is precluded from lowering salaries for the Executive Branch constitutional officers or the judicial officers. The ability to threaten or retaliate against the other two branches by reducing their salaries would endanger the balance of powers. Having said that, these constitutional officers can voluntarily reduce their own salaries. I think some of them have indicated they will do so, including the Governor. If they have, it should be placed on the record.

COCHAIR HORSFORD:

I appreciate the separation of powers issue. The Office of Administration requested S.B. 420. The Governor asked State employees to take pay cuts, but he will not abide by his own pay cut. I would like the Governor to come here and say on the record that he will take a pay cut. I would like him to tell the people of Nevada he will take a pay cut. Senate Bill 420 does not do that. Without that type of shared responsibility it puts the burden on the working people of this State, not on the elected leadership. I will not support the bill as proposed by the Governor.

SENATOR RAGGIO:

My recollection is that the Governor stated he would take a cut in his salary. I have not heard from the other constitutional officers. We should not focus on just the Governor. Let us ask all of the officers if they intend to reduce their salaries to conform to the action we have taken.

COCHAIR HORSFORD:

I am not attempting to focus only on the Governor. This bill is his recommendation. The Governor also recommended the pay cuts for all State workers including teachers. I have not heard that the Governor has said that he will take a pay cut. I would like to get some assurance he will voluntarily take a pay cut since we have already made those actions based on the budgets we have closed on behalf of the workers of this State.

SENATOR RAGGIO:

I think that is fair. We should ask all the constitutional officers to do the same.

SENATOR HARDY:

The initial attempt was to try to implement in statute what the Governor requested. We are precluded from doing that by the Constitution. I do not see any need for legislative action. There is time for the Legislature to look at this at a later date. If the constitutional officers would like to voluntarily reduce their pay, they should be encouraged to do so.

COCHAIR MATHEWS:

I agree we do not have to take any action for the constitutional officers to reduce their salaries. They have the authority to do so and they do not need to parade before us to do that.

SENATOR COFFIN:

If we do not pass S.B. 420, is there a mechanism for the next legislature to increase the salary of the constitutional officers if the economy improves?

MR. GHIGGERI:

I believe it would be the same Constitutional issue. I would have to check with Legal Division Counsel, but that is my understanding. There is a provision in statute that requires constitutional officers' salaries to be adjusted based upon any change in salaries as approved by the Legislature for classified employees.

SENATOR COFFIN:

If we do not pass this, there will not be an opportunity to enact a change in the constitutional officers pay until 2015.

MR. GHIGGERI:

Section 1, subsection 2 of S.B. 420 reads: "On the first Monday in January 2011 and on the first Monday of every fourth year thereafter, the salary of the Governor must be increased by an amount equal to the cumulative percentage increase in the salaries of the classified employees of this State during the immediately preceding term of the Governor." If there is no increase in the salaries of classified employees, there would be no increase in the salary of the Governor.

SENATOR HARDY:

The salary of an accountant in State or local government is approximately that which is paid to an accountant in the private sector. The Attorney General's salary is \$133,000 a year. I would submit that is substantially below what a person of our Attorney General's qualifications and ability would earn in the private sector. Constitutional officers have already taken a pay cut. It is a good will gesture to take a reduction when everyone else is being required to do so, but that should be left to the individual to do voluntarily.

COCHAIR MATHEWS:

Are there any other questions or comments?

MENDY K. ELLIOT (Deputy Chief of Staff, Office of the Governor):

For the record, the Governor has stated he will take the same pay cut that is agreed upon for the State employees. Whatever the final determination is, he will take that same percentage reduction in pay.

SENATOR COFFIN:

I think the point is that he cannot take it. There may be a mechanism for him to donate it, but no one, including us, can reduce his pay. He cannot reduce his own pay.

COCHAIR MATHEWS:

He can reduce his own pay.

SENATOR COFFIN:

I do not think so. He has to give a corresponding donation. There should be a mechanism for that somehow.

Ms. ELLIOT:

The Governor will do whatever is necessary to accomplish the reduction in his salary.

COCHAIR MATHEWS:

This Committee will be recessed at 9:07 a.m. until the Call of the Chair.

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COCHAIR MATHEWS:

The Committee will come back to order at 5:55 p.m. As there is no further business to come before this Committee today, we are adjourned at 5:58 p.m.

RESPECTFULLY SUBMITTED:

Patricia O'Flinn,
Committee Secretary

APPROVED BY:

Senator Bernice Mathews, Cochair

DATE: _____