

**EXCERPT OF DRAFT MINUTES
OF THE MEETING OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND THE
SENATE COMMITTEE ON FINANCE
JOINT SUBCOMMITTEE ON K-12 EDUCATION/HIGHER EDUCATION**

**Seventy-Fifth Session
March 27, 2009**

Following is an excerpt of the draft minutes of the Assembly Committee on Ways and Means and the Senate Committee on Finance Joint Subcommittee on K-12 Education/Higher Education held on March 27, 2009, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was called to order by Chair Morse Arberry Jr. at 8:12 a.m.

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblyman Morse Arberry Jr., Chair
Assemblywoman Barbara E. Buckley
Assemblyman Mo Denis
Assemblywoman Heidi S. Gansert
Assemblyman Tom Grady
Assemblyman John Ocegüera
Assemblywoman Debbie Smith

SENATE COMMITTEE MEMBERS PRESENT:

Senator Bernice Mathews, Chair
Senator Steven A. Horsford
Senator William J. Raggio
Senator Warren B. Hardy II

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Tracy Raxter, Principal Deputy Fiscal Analyst
Alexander Haartz, Staff Project Analyst
Linda Blevins, Committee Secretary

Alexander Haartz, Program Analyst for the Fiscal Analysis Division, outlined two alternatives for consideration by the Subcommittee as follows:

- Alternative #1

The General Fund appropriations recommended by the Governor to support the NSHE total \$423,385,960 in FY 2010 and \$418,636,976 in FY 2011. The NSHE had outlined an alternative to the Governor's recommendation that assumed funding equivalent to the \$555,533,378 in state support provided for FY 2006. The amount needed to close the gap between the Governor's recommended budget was \$132,147,418 in FY 2010 and \$136,896,402 in FY 2011.

Mr. Haartz pointed out that the amounts were discussed in the context of the state meeting the maintenance of effort (MOE) requirement for the federal stimulus funding. He noted that the alternative did not specify what the funding source for "filling the hole" would be. He commented that if the state received the waiver, a combination of federal stimulus funds and General Fund moneys could be used to meet the gap. However, if federal stimulus funds were used and a waiver was not granted, it would place the system's budgets in the position of having a shortfall because federal stimulus funds would not be allowed.

Mr. Haartz moved to the issue of iNtegrate funding. In testimony at earlier hearings, NSHE stated that federal stimulus funds should be used for restoration of the \$10 million for iNtegrate funding. After review of the proposal, Fiscal staff noted the federal stimulus funding was not included in the \$555,533,378.

Daniel J. Klaich, Executive Vice Chancellor and Chief Operating Officer, NSHE, clarified an issue from earlier testimony. In response to a question raised from Assemblywoman Smith regarding layoffs at certain levels in the NSHE, it was reported that Mr. Klaich indicated that there would be no layoffs at 2006 funding levels. According to Mr. Klaich, that was not his testimony. When he responded to the question, implicit in the response was that if 2006 funding levels were met through state General Funds and MOEs to free up stimulus funds, he believed significant layoffs could be avoided. That was not the way it was reported, and he wanted to clarify his statement for the record.

Regarding the iNtegrate issue and federal stimulus technology money available, Assemblywoman Smith inquired whether there were competitive funds available that NSHE could apply for in the stimulus grants. She was aware that NSHE

Assembly Committee on Ways and Means
Senate Committee on Finance
Joint Subcommittee on K-12/Higher Education
March 27, 2009
Page 3

was requesting the \$10 million, but the project was long-term and would require additional funding.

Mr. Klaich replied that NSHE was looking for any funds available.

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