

MINUTES OF THE JUNE 26, 2008
MEETING OF THE
INTERIM FINANCE COMMITTEE
LEGISLATIVE COUNSEL BUREAU
Carson City, Nevada

Chairman Morse Arberry Jr. called a regular meeting of the Interim Finance Committee (IFC) to order on June 26, 2008, at 9:13 a.m. in Room 4100 of the Legislative Building. [Exhibit A](#) is the agenda. [Exhibit B](#) is the guest list. All exhibits are available and on file at the Fiscal Analysis Division of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Assemblyman Morse Arberry Jr., Chairman
Senator William J. Raggio, Chairman
Senator Bob Beers
Senator Barbara Cegavske
Senator Bob Coffin
Senator Bernice Mathews
Senator Dean Rhoads
Senator Dina Titus
Assemblywoman Barbara E. Buckley
Assemblyman Moises (Mo) Denis
Assemblywoman Heidi S. Gansert
Assemblyman Tom Grady
Assemblyman Joseph P. (Joe) Hardy
Assemblyman Joseph Hogan
Assemblywoman Ellen Koivisto
Assemblywoman Sheila Leslie
Assemblyman John W. Marvel
Assemblywoman Kathy McClain
Assemblyman David R. Parks
Assemblywoman Debbie Smith
Assemblywoman Valerie E. Weber

OTHER LEGISLATORS IN ATTENDANCE:

Assemblyman Bernie Anderson

LEGISLATIVE COUNSEL BUREAU STAFF:

Lorne Malkiewich, Director, Legislative Counsel Bureau
Brenda J. Erdoes, Legislative Counsel
Eileen O'Grady, Chief Deputy Legislative Counsel
Mark W. Stevens, Fiscal Analyst, Assembly
Gary L. Ghiggeri, Fiscal Analyst, Senate

Steve Abba, Principal Deputy Fiscal Analyst
Brian Burke, Principal Deputy Fiscal Analyst
Tracy Raxter, Principal Deputy Fiscal Analyst
Connie Davis, Interim Finance Committee Secretary
Becky Lowe, Fiscal Analysis Division Secretary
Patti Sullivan, Fiscal Analysis Division Secretary

A. ROLL CALL.

Lorne Malkiewich, Director, Legislative Counsel Bureau and Secretary of the Interim Finance Committee, called the roll and announced a quorum of each House was present.

*B. APPROVAL OF MINUTES FROM THE MARCH 6, 2008, MEETING.

ASSEMBLYMAN DENIS MOVED APPROVAL OF THE
MARCH 6, 2008 MEETING MINUTES.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley,
Assemblywoman Leslie, and Assemblywoman Smith were
not present for the vote.)

*C. APPROVAL OF MINUTES OF THE APRIL 9, 2008, MEETING.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF THE
APRIL 9, 2008 MEETING MINUTES.

ASSEMBLYWOMAN KOIVISTO SECONDED THE
MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley,
Assemblywoman Leslie, and Assemblywoman Smith were
not present for the vote.)

*D. STATE PUBLIC WORKS BOARD - REPORT FROM IFC'S SUBCOMMITTEE
TO REVIEW PUBLIC WORKS BOARD MATTERS IN ACCORDANCE WITH
NRS 218.6827.

Senator Raggio reported that a document entitled, *Interim Finance Committee's Subcommittee to Review Public Works Board Matters - Chairman's Report of Meeting Held June 25, 2008* ([Exhibit D](#)), was distributed to the members of the Committee. The report contained a comprehensive review of the SPWB projects as well as the Subcommittee's recommendations.

Gary Ghiggeri, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that staff had recommended an amendment to the actions of the Subcommittee, which, if approved, would provide for the reallocation of an additional \$20,000 of bond funds from Project 07-M44 Upgrade Electric Power Distribution, Stewart Facility to Project 07-S04 Statewide Advance Planning, and the reversion of a similar amount of General Funds from Project 07-S04.

Gustavo Nunez, Manager, P.E., State Public Works Board (SPWB) identified himself for the record and at the request of Chairman Arberry briefly reviewed several of the Subcommittee's recommendations.

Mr. Nunez advised that the Subcommittee had reviewed the scope of projects that accommodated budget reductions through the deferral of construction, reallocation of the bond funding to other Capital Improvement Program (CIP) projects, and reversion of the funds appropriated for those projects to the General Fund.

Additionally, Mr. Nunez reported that the Subcommittee recommended that "the Interim Finance Committee reconsider its April 9, 2008, approval of the reversion of remaining bond funds approved for CIP Project 07-M28 to the Bond Interest and Redemption Budget account and instead approve reallocation of remaining bond funds to other agency projects with an adjustment to reduce the amount of remaining bond funds by \$71 to pay the amended total project cost of \$5,589."

Assemblywoman Buckley expressed her thanks to members of the Interim Finance Committee's Subcommittee for their review and recommendations and indicated that with the Chairman's approval she would move to accept the Subcommittee's recommendations.

Chairman Arberry agreed.

ASSEMBLYWOMAN BUCKLEY MOVED APPROVAL TO
ACCEPT THE JUNE 25, 2008, RECOMMENDATIONS OF
THE SUBCOMMITTEE TO REVIEW PUBLIC WORKS
BOARD MATTERS.

SENATOR MATHEWS SECONDED THE MOTION.

Senator Raggio pointed out that the motion should include the recommendation by staff to reduce Project 07-M44 by an additional \$20,000 and reallocate bond funds to Project 07-S04.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the State's Bond Counsel had requested that the Committee approve a Resolution ([Exhibit E](#)) that defined the transfer of monies for capital projects.

Assemblywoman Buckley agreed to include both recommendations in her motion.

ASSEMBLYWOMAN BUCKLEY MOVED APPROVAL TO ACCEPT THE JUNE 25, 2008, RECOMMENDATIONS OF THE SUBCOMMITTEE TO REVIEW PUBLIC WORKS BOARD MATTERS INCLUDING STAFF'S RECOMMENDATION TO REDUCE PROJECT 07-M44 BY AN ADDITIONAL \$20,000 AND THAT A RESOLUTION BE ADOPTED THAT DEFINED THE FUNDING MODIFICATIONS FOR CAPITAL PROJECTS.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED.

- E. WORK PROGRAM REVISION APPROVED BY THE GOVERNOR DUE TO AN EMERGENCY IN ACCORDANCE WITH NRS 353.220(5)(a). INFORMATIONAL ONLY. **WITHDRAWN, JUNE 10, 2008.** .

Office of the Treasurer – Bond Interest and Redemption – FY 08 – Addition of \$17,657,945.00 in Real Property Taxes, \$1,119,952.00 in Settlement Income, \$3,603,143.00 in Treasurer's Interest Distribution, \$3,951,414.00 in funds transferred from Environmental Protection and \$2,712,557.00 in Transfer from Capital Projects Fund to provide funding for anticipated debt service and issuance costs related to capital improvement bonds. Requires Interim Finance approval since the amount added to the Capital Improvement Bonds category exceeds \$50,000.00. **Work Program #C33650**

Submittal of the work program under Item E was for informational purposes only. There was no action required by the Committee.

- F. WORK PROGRAM REVISION IN ACCORDANCE WITH NRS 363.220(5)(c). INFORMATIONAL ONLY – REQUIRED ACTION WITHIN 45 DAYS.

Department of Conservation and Natural Resources — Division of Forestry — FY 08 — Addition of \$250,000.00 in United States Forest Service Woody Biomass Utilization Grant funds to obtain equipment and maximize the opportunities to move biomass from the woods to the Northern Nevada Correctional Center. Requires Interim Finance approval since the amount of the grant exceeds \$100,000.00.

Chairman Arberry announced that submittal of the work program under Item F was for informational purposes only and that there was no action required by the Committee.

- *G. APPROVAL OF WORK PROGRAM REVISIONS IN ACCORDANCE WITH CHAPTER 353, *NEVADA REVISED STATUTES*, TO IMPLEMENT FISCAL YEAR 2008 BUDGET RESERVES DUE TO ELIMINATING THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)

PRE-FUNDING OF THE OTHER POST-EMPLOYMENT BENEFITS
LIABILITY.

Andrew Clinger, Director, Department of Administration, requested Committee approval of the work programs listed under Item G ([Exhibit H](#)) which reflected a reduction of the Retired Employee Group Insurance rate from 4.29 percent to 2.58 percent. Mr. Clinger advised that the rate reduction eliminated the pre-funding of the Retired Employee Group Insurance approved during the 2007 Legislative Session and as a part of the Administration's budget reduction plan saved \$2,184,940 in the General Fund.

Senator Beers recalled that some past rate variations were attributed to overcharges, which led to reducing the overall rate in the following budget period only to encounter medical inflation along with a nonsubsidized rate. Senator Beers questioned whether the current reduction of the Retired Employee Group Insurance rate would encounter a similar scenario.

Mr. Clinger responded that being aware of the past problems with medical inflation and a nonsubsidized rate, he had made a presentation to representatives of the Public Employees Benefit Board asking them to make adjustments to keep the rates flat for the 2010-11 biennium.

SENATOR RAGGIO MOVED APPROVAL OF ITEM G.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

*H. APPROVAL OF GIFTS, GRANTS, WORK PROGRAM REVISIONS,
ALLOCATION OF BLOCK GRANT FUNDS AND POSITION CHANGES IN
ACCORDANCE WITH CHAPTER 353, *NEVADA REVISED STATUTES*.

Chairman Arberry announced that Items 49 and 112 were withdrawn, and the Committee would consider the following agenda items listed under Items H, J, and R 13.

Items H.6 and 100, 19 as revised, 25, 26, 27, 28, 29, and 30, 33, and 34, 54, 58, and 62, 59, 60, 61, 66, 67, 68, 70, 71, 74, 76, 77, 87 as revised, 93, 94, 95, 96, 98, 99, 100, 105, 106, 108, 110, 111, and J.5, Items H.134, and 146, 167, 179, 181, 196 as revised, 206, J.3, R.13, and Item H. Department of Health and Human Services, Division of Child and Family Services' reclassification for position 506

Senator Coffin asked if any of the items that the Chairman had not mentioned were affected by the budget reductions.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, indicated that it was likely that some items not delineated by the Chairman were affected by budget reductions, but those items were not separately identified.

Senator Coffin indicated that all of the items that were affected by budget reductions should be considered by the Committee.

Chairman Arberry expressed his appreciation for Senator Coffin's concern and advised him that the Committee would consider any specific items that the Senator identified.

Senator Coffin indicated that it would be difficult to identify all of the items that would be affected by the budget reductions either by looking at the agenda or the Committee highlights and expressed his intent to oppose a motion for approval.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF ALL
WORK PROGRAMS AND POSITION CHANGES OTHER
THAN THOSE DELINEATED BY CHAIRMAN ARBERRY.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was
not present for the vote. Senator Coffin voted nay.)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that in order to move through the agenda as quickly as possible, the Chairman suggested that all of the work program items that included block grant funding, but not contained in the Committee's highlights, be voted on as a group. Mr. Stevens indicated that it was the Chairman's intention to hold the motion to approve the work programs with block grants for thirty minutes.

Mr. Stevens advised that the Committee could vote to approve the following work programs as a group:

Department of Education

Item 25 Nutrition Education Programs

Department of Health and Human Services

Items 54 and 56 Division of Health Care Financing and Policy-Administration

Items 59, 60, and 61 Division of Health Care Financing and Policy-Nevada
Check-up Program

Items 66, 67, 68, 70, and 71 Division of Mental Health and Developmental
Services-Administration

Item 74 Division of Mental Health and Developmental Services-Mental Health Information System

Items 76 and 77 Division of Mental Health and Developmental Services-Bureau of Alcohol and Drug Abuse

Items 93 and 94 Division of Welfare and Supportive Services–Administration

Items 95, 96, and 98, Division of Welfare and Supportive Services–Field Services

Item 108 Division of Child and Family Services–Child Care Services

After taking several other agenda items into consideration, Chairman Arberry asked if there were questions from the Committee members regarding the block grant work program items.

There were no questions from the Committee members.

Chairman Arberry opened the hearing to public comment.

Hearing no response to the request for public comment, Chairman Arberry closed the hearing.

ASSEMBLYMAN HARDY MOVED APPROVAL OF THE
AFOREMENTIONED BLOCK GRANT WORK PROGRAMS.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley and
Senator Coffin were not present for the vote.)

Later in the morning, Senator Coffin pointed out that it appeared the Committee did not take the entire thirty minutes to review the work programs containing block fund grants and that a motion for approval was initiated when he was out of the room. Senator Coffin asked that the minutes reflect that he opposed the motion.

1. **Office of the Governor – Office of Homeland Security – FY 08 –** Transfer of \$14,000.00 from the Personnel Services category to the Homeland Security Grant Program-Fusion Center category to change the Terrorism Liaison Officer Coordinator position from a state position to a contracted Master Service Agreement contractor. Requires Interim Finance approval since the cumulative amount added to the Homeland Security Grant Program-Fusion Center category exceeds \$50,000.00. **Work Program #C40527**

Refer to motion for approval under Item H.

2. **Office of the Governor – Office of Homeland Security – FY 08** – Transfer of \$15,000.00 from the Personnel Services category to the Homeland Security Grant Program Interoperable Communications category to change the Certified Project Manager position from a state position to a contracted Master Service Agreement vendor. Requires Interim Finance approval since the cumulative amount added to the Homeland Security Grant Program-Interoperable Communications category exceeds \$50,000.00. **Work Program #C40528**

Refer to motion for approval under Item H.

3. **Office of the Governor – Office of Homeland Security – FY 09** – Addition of \$556,100.00 in Federal Homeland Security Grant funds transferred from the Division of Emergency Management to provide funding for the Nevada Fusion Center. Requires Interim Finance approval since the amount added to the Homeland Security Grant Program-Fusion Center category exceeds \$50,000.00. **Work Program #C40525**

Refer to motion for approval under Item H.

4. **Office of the Governor – Office of Homeland Security – FY 09** – Addition of \$787,593.00 in Office of Homeland Security Interoperable Communications Grant funds transferred from the Division of Emergency Management to provide contract staff to manage multiple projects, including the Public Safety Interoperable Communications Grant. Requires Interim Finance approval since the amount added to the Homeland Security Grant Program Interoperable Communications category exceeds \$100,000.00 in new governmental grants. **Work Program #C40524**

Refer to motion for approval under Item H.

5. **Office of the Governor – Nevada State Office of Energy – Petroleum Overcharge Rebate – FY 08** – Transfer of \$16,922.00 from the Reserve category to the Petroleum Violation Escrow Account category to fulfill obligations to Aging Services from funds made available as a result of a court-ordered settlement of alleged oil company violations of the federal oil pricing controls. Requires Interim Finance approval since the cumulative amount transferred to the Petroleum

Violation Escrow Account exceeds 10 percent of the legislatively approved level for that category. **Work Program #C29728**

Refer to motion for approval under Item H.

6. **Office of the Attorney General – Administrative Account – FY 09** – Addition of \$168,364.00 in Transfer from Welfare Division to increase authority for one Senior Deputy Attorney General position with ancillary items to accommodate the transfer of Child Support Enforcement caseload from Washoe County and Churchill County to the Attorney General's Office. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00 and includes new staff. **Work Program #C33856. RELATES TO 100.**

Chairman Arberry announced that the Committee would consider Items H.6 and 100 concurrently.

Teri Sulli, Chief Financial Officer, Office of the Attorney General, identified herself for the record and introduced Cindy Pyzel, Chief Deputy Attorney General, Nancy Ford, Administrator, and Romaine Gilliland, Administrative Services Officer, Division of Welfare and Supportive Services (DWSS), Department of Health and Human Services (DHHS).

Ms. Sulli appeared before the Committee to request approval under Item H.6 to establish authority to accept \$168,364 from the DWSS. If approved, the funding would support one Senior Deputy Attorney General position to assist with the transfer of cases from Washoe County and Churchill County after a decision by both counties to decline further participation in the administration of the Child Support Enforcement Program for their respective counties.

Chairman Arberry noted the DWSS' request under Item H.100 to establish authority for \$1,169,462 in federal Child Support funds and to accept a transfer of \$602,450 from the Child Support Enforcement Program reserve that would provide funding to add 20 positions to the Child Support Enforcement Program. Chairman Arberry asked the Welfare Administrator to comment on why Washoe County had decided to turn over non-public assistance cases to the state.

Ms. Ford advised that some discussion had taken place regarding Washoe County's intent to return former Medicaid assistance cases to the state. She indicated, however, that a recently issued DWSS policy memo advised that former Medicaid cases were considered ongoing non-public assistance cases since the DWSS lacked the authority to collect retroactive Medicaid funding. Ms. Ford advised that although discussion had not yet taken place with Washoe County representatives, it was her opinion that the county would not turn over non-public assistance cases to the state.

Assemblywoman Leslie asked Ms. Ford to explain the Churchill County situation.

Ms. Ford advised that the current contracts between the DWSS and district attorneys' offices for county administration of the Child Support Enforcement Program would expire on June 30, 2008. Ms. Ford indicated that in negotiations for a new contract, Churchill County and Washoe County determined that they would no longer administer their respective caseloads for the Child Support Enforcement Program.

In response to questions from Assemblywoman Leslie regarding the date the state would assume the caseloads from the two counties, Ms. Ford advised that the DWSS would assume responsibility for the Churchill County cases effective July 1, 2008. She said, however, that Washoe County agreed to continue to administer their public assistance cases until September 1, 2008 with 66 percent of the cost provided by the Federal Child Support grant and 34 percent from state funding.

Assemblywoman Leslie asked whether other counties were contemplating turning over their administration of the Child Support Enforcement Program to the state.

Ms. Ford advised that although the counties were evaluating their position, they had signed new contracts, and six months notice was required for termination of their responsibility.

Assemblywoman Leslie questioned whether in view of the impact of the additional positions to the Child Support Enforcement Program, the DWSS could comply with the recommendations for improvements identified in the Maximus performance audit.

Ms. Ford advised that taking on the responsibility for the increased caseload would affect the ability of her office to comply with the Maximus audit recommendations and that many of the information technology endeavors that would have improved the efficiency of the program would be delayed with funding diverted instead toward staffing and operating expenses. Ms. Ford further advised that the deadline for a September 1, 2008 report to the Legislature would be met.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF
ITEMS H.6 AND 100.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley and
Senator Coffin were not present for the vote.)

7. **Office of the Secretary of State – Help America Vote Act (HAVA) Election Reform – FY 08** – Addition of \$262,286.00 in Federal Voting Access for Individuals with Disabilities Grant funds to expand, establish and improve access and participation in the election process by individuals with a full range of disabilities. Requires Interim Finance approval since the amount added to the Polling

Place/Election Day Equipment category exceeds \$50,000.00. **Work Program #C29256**

Refer to motion for approval under Item H.

8. **Office of the Secretary of State – Help America Vote Act (HAVA) Election Reform – FY 08** – Transfer of \$825,540.00 from the Reserve-Title II category to the Voting Machine Replacement category to provide funding for the ongoing support and maintenance of voting equipment. Requires Interim Finance approval since the amount transferred to the Voting Machine Replacement category exceeds \$50,000.00. **Work Program #C29255**

Refer to motion for approval under Item H.

9. **Office of the Secretary of State – Help America Vote Act (HAVA) Election Reform – FY 08** – Transfer of \$730,000.00 from the Reserve-Title II category to the Voting Machine Replacement category and \$200,000.00 from the Reserve-Title I category to the Administration of Elections category to provide funding for replacement equipment, customer support with voting machines, construction of an election help desk command center, installation of a toll-free line so that voters can obtain answers to voting questions and to improve the accessibility of polling places for individuals with disabilities. Requires Interim Finance approval since the amount transferred to the Voting Machine Replacement category exceeds \$50,000.00. **Work Program #C29254**

Refer to motion for approval under Item H.

10. **Office of the Treasurer – Millennium Scholarship Administration – FY 09** – Addition of \$30,491.00 in funds transferred from the Millennium Scholarship Trust Fund to provide funding for additional Department of Information Technology hours necessary to improve the operation of the Millennium Scholarship database. Requires Interim Finance approval since the amount added to the Information Services category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C33645**

Refer to motion for approval under Item H.

11. **Department of Administration – Information Technology Projects – FY 08** – Deletion of \$2,400,000.00 in federal grant funds transferred from the Division of Emergency Management to allow the Division of Emergency Management to administer the remaining Interoperable Communications and Use Grant funds. Requires Interim Finance approval since the amount deducted from the Interoperable Sub-Grant category exceeds \$50,000.00. **Work Program #B94802**

Refer to motion for approval under Item H.

12. **Department of Administration – Purchasing Division – Commodity Food Program – FY 08** – Addition of \$1,020,819.00 in Federal Reimbursement for

Hallmark/Westland Beef Recall and \$431,445.00 in Direct Sales to allow federal reimbursement for costs incurred by local school districts and processors for the disposal and/or destruction of all Hallmark and Westland associated beef products, and to cover expenditures associated with an increase in orders from school districts to replace product that was destroyed. Requires Interim Finance approval since the amount added to the Hallmark/Westland Beef Recall category exceeds \$100,000.00 in new governmental grants. **Work Program #B94796**

Refer to motion for approval under Item H.

13. **Department of Administration – Buildings and Grounds – FY 08** – Transfer of \$97,101.00 from the Reserve category to the Utilities category to provide funding for projected utility costs for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Utilities category exceeds \$50,000.00. **Work Program #B94798**

Refer to motion for approval under Item H.

14. **Department of Administration – Buildings and Grounds – Mail Services – FY 08** – Addition of \$146,521.00 in Mail Service Charge to increase authority for postage as a result of a 7.5 percent rate increase effective May 2007 and an additional 2.9 percent in May 2008. Requires Interim Finance approval since the amount added to the Postage category exceeds \$50,000.00. **Work Program #B94797**

Refer to motion for approval under Item H.

15. **Department of Information Technology – Director's Office – FY 08** – Deletion of \$3,351,001.00 in Homeland Security Sub-Grant funds transferred from the Division of Emergency Management to allow the Division of Emergency Management to administer the remaining Interoperable Communications and Use Grant funds. Requires Interim Finance approval since the amount deducted from the Emergency Management Grant Funds category exceeds \$50,000.00. **Work Program #C22053**

Refer to motion for approval under Item H.

16. **Department of Information Technology – Network Transport Services – FY 08** – Transfer of \$28,959.00 from the Reserve category to the Personnel Services category to provide funding for anticipated expenditures, including overtime costs and comp time payout for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred from the Reserve category exceeds \$50,000.00. **Work Program #C22056**

Refer to motion for approval under Item H.

17. **Department of Education – Distributive School Account – FY 08** – Transfer of \$15,397,498.00 from the Aid to Schools category to the Reserve for Reversion category, \$22,916.00 from the Early Childhood Programs category to the Reserve for Reversion category, \$10,073.00 from the Special Counseling Services category to the Reserve for Reversion category and \$134,791.00 from the High School Diploma Programs category to the Reserve for Reversion category to implement required budget reductions as approved by the local school districts. Requires Interim Finance approval since the amount transferred from the Aid to Schools category exceeds \$50,000.00. **Work Program #C34837**

Refer to motion for approval under Item H.

18. **Department of Education – Other State Education Programs – FY 08** – Transfer of \$670,172.00 from the Gifted and Talented category to the Reserve for Reversion category and \$51,151.00 from the Career and Technical Education category to the Reserve for Reversion category to implement required budget reductions as approved by the local school districts. Requires Interim Finance approval since the amount transferred from the Gifted and Talented category exceeds \$50,000.00. **Work Program #C34839**

Refer to motion for approval under Item H.

19. **Department of Education – Other State Programs – FY 09** – Addition of ~~\$159,882.00~~ **\$134,167.00** in Charter School Fees to provide funding for one new Management Analyst position for increased technical assistance and monitoring required by Charter Schools. Requires Interim Finance approval since the amount includes new staff. **Work Program #C34830. REVISED JUNE 9, 2008.**

Keith Rheault, Ph.D., Superintendent of Public Instruction, Department of Education, appeared before the Committee to request approval for the addition of \$134,167 in Charter School Fees. If approved, the Department would use the funding to hire one new Management Analyst position, at a grade 33 level, to provide increased technical assistance and monitoring required for state-sponsored charter schools.

Senator Raggio questioned whether the new position would be sufficient for the State Board of Education to lift the temporary moratorium on the approval of new charter school applications.

Dr. Rheault indicated that the new position would help, and he said that it was his intent to recommend to the State Board of Education, during their August 2008 board meeting, that they remove the moratorium. Dr. Rheault pointed out that the application to continue a federal grant for charter schools that provided funding for one analyst was not approved and that because of the loss of funds that position would, most likely, not be renewed in September.

Assemblywoman Smith questioned whether the Department would have sufficient staff in September to do the work with the loss of the position funded by the federal grant.

Dr. Rheault advised that the federally funded position provided some support to state responsibilities and while the loss would be felt, the Department would address staffing concerns to administer the charter school program in the 2010-2011 budget.

Assemblywoman Smith questioned the reason why the application for the federal grant was not approved.

Dr. Rheault expressed uncertainty regarding the reason for the disapproval since the Department had received approval for two previous grants. However, Dr. Rheault said staff had requested a response regarding the reason, and he indicated that an appeal might be possible. Dr. Rheault said that funding was available and that based on past Legislative action that deemed individual charters could be considered local education agencies for federal purposes, it was possible the charter schools could individually apply for funding.

Assemblywoman Smith questioned whether the Department would make charter schools aware of the information.

Dr. Rheault indicated that U.S. Department of Education representatives had contacted Ricci Rodriguez-Elkins, Executive Director of the Center for Charter School Development, who coordinated some activities in the state, and Ms. Elkins would conduct a conference call in a week or two to discuss the possibility that individual charters could directly applying for funding.

SENATOR RAGGIO MOVED APPROVAL OF ITEM 19.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

- 20. Department of Education – School Remediation Trust Fund – FY 08 –** Transfer of \$210,000.00 from the Innovation and Prevention of Remediation category to the Administration/Commission on Excellence category to provide funding for contract costs for the evaluation of the S.B. 185 Innovation and Prevention of Remediation Programs per the 2007 Legislative Session. Requires Interim Finance approval since the amount transferred from the Innovation and Prevention of Remediation category exceeds \$50,000.00. **Work Program #C34828**

Refer to motion for approval under Item H.

- 21. Department of Education – School Remediation Trust Fund – FY 08 –** Transfer of \$9,144,102.00 from the Innovation and Prevention of Remediation category to

the Reserve for Reversion category, \$324,424.00 from the Secondary School Funding category to the Reserve for Reversion category and \$76,929.00 from the Empowerment category to the Reserve for Reversion category to implement required budget reductions as approved by the local school districts. Requires Interim Finance approval since the amount transferred from the Innovation and Prevention of Remediation category exceeds \$50,000.00. **Work Program #C34838**

Refer to motion for approval under Item H.

- 22. Department of Education – Education Support Services – FY 08** – Transfer of \$39,077.00 from the Reserve category to the Operating category to provide funding for projected moving, rent and operating costs for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred from the Reserve category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C34835**

Refer to motion for approval under Item H.

- 23. Department of Education – Discretionary Grants - Restricted – FY 08** – Transfer of \$10,583.00 from the English Language Acquisition-Administration category to the Personnel Services category to provide funding for projected Personnel costs for the remainder of the fiscal year. ***Requires Interim Finance approval since the cumulative amount transferred to the Personnel Services category exceeds \$50,000.00. Work Program #C34834 REVISED JUNE 3, 2008***

Refer to motion for approval under Item H.

- 24. Department of Education – Career and Technical Education – FY 08** – Transfer of \$19,975.00 from the Occupational Education Basic category to the Personnel Services category to provide funding for projected Personnel costs for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Occupational Education Basic category exceeds \$50,000.00. **Work Program #C34833**

Refer to motion for approval under Item H.

- 25. Department of Education – Nutrition Education Programs – FY 09** – Addition of \$3,170,012.00 in Federal School Breakfast Program funds, \$441,060.00 in Federal Child/Adult Care Program funds, \$250,000.00 in United States Department of Agriculture Fruit and Vegetable Grant funds, \$13,135,462.00 in National School Lunch Program funds, \$349,087.00 in Summer School Program funds, \$130,309.00 in Federal Administrative Cost Allowance funds, \$25,462.00 in Federal Child/Adult Care Audit funds, \$18,812.00 in Summer School Program Administrative funds, \$23,518.00 in Reallocation funds and \$24,000.00 in Prior Year Refunds to provide funding for school nutrition programs for the upcoming

summer and school year. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C34831**

- 26. Nevada System of Higher Education – University of Nevada, Reno – FY 09 –** Addition of \$1,586,000.00 in Registration Fees to authorize receipt of a \$5.00 per hour credit surcharge from students in order to partially offset budget reductions. Requires Interim Finance approval since the amount added to the University Operations category exceeds \$50,000.00. **Work Program #C30668**

Chairman Arberry announced that the Committee would consider Items H.26, 27, 28, 29, and 30 concurrently.

Dan Klaich, Executive Vice Chancellor, Nevada System of Higher Education (NSHE), appeared before the Committee to request approval for the addition of \$4,036,796 in registration surcharge fees assessed at five NSHE institutions as a part of the Board of Regents 4.5 percent budget reduction plan. Mr. Klaich advised that the student surcharge fees were to sunset in the fall of 2009.

Chairman Arberry asked Mr. Klaich whether the Board of Regents might continue or expand the per-credit surcharges beyond fiscal year 2009 after taking into account the State Budget Division's directive to develop 2009-11 budget requests that reflected General Fund budget reductions of 14.12 percent.

Mr. Klaich advised that a 14.12 percent reduction would "dramatically change the nature of all of the institutions within the system" and while the Board of Regents had discussed the possibility of extending the fee increases, they had not specifically acted to do so.

Senator Mathews asked Mr. Klaich to explain why the University of Nevada, Reno (UNR) imposed a \$5.00 per-credit surcharge while the other institutions imposed a \$2.75 surcharge fee.

Mr. Klaich explained that the Board of Regents attempted to minimize the surcharge fee to community college students since that population of students was sensitive to cost increases. The Regents kept the surcharge lower at the lower-cost institutions to ensure access.

In response to Assemblyman Marvel, who asked whether the per-credit surcharge fee might work against enrollment, Mr. Klaich indicated that it would not help since students, like all other consumers, were sensitive to price increases. Mr. Klaich indicated that if tuition was going to be a part of any solution to the budget deficit, it was possible that increasing tuition would decrease enrollment.

In response to Senator Mathews, who expressed concern for minority students who would be facing not only increased tuition but requirements for higher grade-point

averages, Mr. Klaich reported that the amount of financial aid provided to low-income students in Nevada was among the lowest in the nation. Mr. Klaich said that while searching for good solutions among bad alternatives, the NSHE presidents as well as Student Affairs and Admissions' staff faced the challenge of redoubling their efforts on behalf of underserved communities. Mr. Klaich advised that in one such effort, Dr. Milton Glick, President of UNR, helped to initiate a mentoring program at Hug High School that would pair "successful members of the community with ambitious high school sophomores to help them reach their goal of attending the University."

In response to Assemblywoman Weber, who asked why the University of Nevada, Las Vegas (UNLV) and Nevada State College were not included on the list of those institutions imposing a per-credit surcharge fee, Mr. Klaich advised that Nevada State College and UNLV did not recommend a surcharge as a part of their budget reduction plan.

Senator Raggio recalled learning that provisions for special talent and special circumstances were made for the newly required 3.0 grade average and asked for additional information regarding those provisions.

Mr. Klaich advised that in an effort to remove any stigma attached to "alternative admissions," the term was modified to "additional path to admissions" because of the occurrence of special circumstances that reflected the ability of students to succeed beyond just a grade-point average or a test score. Mr. Klaich advised that the staff in the Admissions Office were encouraged to review those special circumstances and abilities using a more holistic approach to try to find students who could succeed.

Assemblywoman Leslie expressed concern regarding a fee-related issue, voted on by the members of the Association Student Union of Nevada (ASUN) and approved by the Board of Regents that would institute in the fall of 2009 a permanent \$5.00 per-credit fee dedicated to student government operations. Assemblywoman Leslie noted that UNR currently retained \$4.34 of an existing per-credit fee paid by students to support ASUN, and the new \$5.00 per-credit-hour fee would replace the existing \$4.34 fee that UNR would redirect for other expenditures. Assemblywoman Leslie pointed out that UNR appeared to be circumventing the Legislature's intent related to fee distribution and that UNR's action could lead to similar actions by other NSHE campuses.

Mr. Klaich advised that NSHE representatives were approaching the concept of earmarking the fee with "great caution" and while he confirmed that Assemblywoman Leslie's comments were correct, he wanted the members of the Committee to know that that UNR officials were sensitive to the concept of a fee they considered "edgy."

Assemblywoman Leslie said that UNR should not take advantage of the students and although the issue was not before the Committee for approval, UNR's action, relative to the ASUN fee, could be subject to review by the 2009 Legislature.

Mr. Klaich provided clarification that the ASUN \$5.00 per-credit fee was a student proposition and not an initiative of the system office or President Glick. Additionally, Mr. Klaich indicated that how the Legislature viewed the concept in the funding of higher education would be subject to further discussion.

Assemblyman Denis questioned whether the per-credit hour surcharges would be expanded beyond fiscal year 2009.

Mr. Klaich reiterated that the fee surcharges approved as a part of the initial 4.5 percent budget reduction were set to sunset after fiscal year 2009. Mr. Klaich said, however, that because of additional financial constraints that had occurred since the initial budget reduction, the Board of Regents might have to take action to expand the fee surcharge beyond fiscal year 2009.

Senator Coffin recalled being present at the January 2008 meeting of the Board of Regents and heard discussion relative to a tax rather than a surcharge on the students to support the university. Senator Coffin recalled the University of Nevada, Las Vegas' (UNLV) decision not to impose the tax because they did not want to increase the cost to students to attend school.

Mr. Klaich provided clarification that Senator Coffin's comments and earlier discussion regarding the ASUN \$5.00 per-credit fee were two separate subjects. Mr. Klaich confirmed that Senator Coffin was correct in recalling that the NSHE campuses were not unanimous with respect to imposing student per-credit surcharges as part of each institution's required 4.5 percent budget reduction.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF
ITEMS 26, 27, 28, 29, AND 30.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Coffin, Senator Beers,
and Senator Cegavske voted nay. Assemblywoman Buckley
was not present for the vote.)

- 27. Nevada System of Higher Education – Great Basin College – FY 09** – Addition of \$133,147.00 in Registration Fees to authorize receipt of a \$2.75 per hour credit surcharge from students in order to partially offset budget reductions. Requires Interim Finance approval since the amount added to the University Operations category exceeds \$50,000.00. **Work Program #C30670**

Refer to narrative and motion for approval under Item 26.

- 28. Nevada System of Higher Education – Western Nevada College – FY 09** – Addition of \$210,884.00 in Registration Fees to authorize receipt of a \$2.75 per hour credit surcharge from students in order to partially offset budget reductions.

Requires Interim Finance approval since the amount added to the University Operations category exceeds \$50,000.00. **Work Program #C30671**

Refer to narrative and motion for approval under Item 26.

29. **Nevada System of Higher Education – College of Southern Nevada – FY 09** – Addition of \$1,656,765.00 in Registration Fees to authorize receipt of a \$2.75 per hour credit surcharge from students in order to partially offset budget reductions. Requires Interim Finance approval since the amount added to the University Operations category exceeds \$50,000.00. **Work Program #C30669**

Refer to narrative and motion for approval under Item 26.

30. **Nevada System of Higher Education – Truckee Meadows Community College – FY 09** – Addition of \$450,000.00 in Registration Fees to authorize receipt of a \$2.75 per hour credit surcharge from students in order to partially offset budget reductions. Requires Interim Finance approval since the amount added to the University Operations category exceeds \$50,000.00. **Work Program #C30672**

Refer to narrative and motion for approval under Item 26.

31. **Department of Cultural Affairs – Nevada State Library – Cooperative Libraries Automated Network (CLAN) – FY 08** – Addition of \$6,100.00 in Federal Library Grant funds, \$1,135.00 in User Charges, \$5,258.00 in County Participation funds, \$182.00 in Receipts from Local Governments and \$9,788.00 in funds transferred from the Nevada State Library to align various participation fees and grant funds with actual and projected receipts for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the CLAN category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C33367**

Refer to motion for approval under Item H.

32. **Department of Agriculture – Administration – FY 08** – Transfer of \$17,263.00 from the Personnel Services category to the Utilities category to provide funding for projected utility costs for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred from the Personnel Services category exceeds \$50,000.00. **Work Program #C35040**

Refer to motion for approval under Item H.

33. **Department of Agriculture – Plant Industry – FY 09** – Deletion of \$24,553.00 in Transfer from Livestock Inspection and transfer of \$70,045.00 from the Personnel Services category to the Reserve for Reversion to the General Fund category, \$3.00 from the Operating category to the Reserve for Reversion to the General Fund category, \$3,098.00 from the Agriculture Enforcement Unit category to the Reserve for Reversion to the General Fund category, \$327.00 from the Information

Services category to the Reserve for Reversion to the General Fund category and \$188.00 from the Voucher Uniform System category to the Reserve for Reversion to the General Fund category to transfer an Agriculture Enforcement Officer III position and related costs to Livestock Inspection. Requires Interim Finance approval since the amount transferred from the Personnel Services category exceeds \$50,000.00. **Work Program #C35037**

Chairman Arberry announced that the Committee would consider Items 33 and 34 concurrently.

Maureen Groach, Administrative Services Officer, Department of Agriculture, identified herself for the record and introduced Dr. Tony Lesperance, Director, Department of Agriculture.

Ms. Groach appeared before the Committee to request approval to transfer an Agriculture Enforcement Officer III position from the Plant Industry Division's Agriculture Enforcement Unit (AEU) to the Livestock Inspection Division. If approved, the position, currently funded with a 25 percent transfer from the Livestock Inspection Division and a 75 percent transfer from the General Fund, would be funded in its entirety from Livestock Inspection fee revenue, and \$73,661 would revert from the Plant Industry Division to the General Fund.

In response to Chairman Arberry, who questioned shifting the position's duties from the Plant Industry Division's Agriculture Enforcement Unit to the Livestock Inspection Division, Dr. Lesperance discussed his intent to simplify the budget and the generation of fees after a recent audit questioned funding sources and the placement of positions. Dr. Lesperance advised that since accepting the position of Director in March and the continued decline in the state's financial situation, staff had attempted to find ways to return money to the General Fund. Dr. Lesperance advised, however, that although the position was being transferred, the job description had not changed.

In response to Chairman Arberry, who asked Dr. Lesperance how much of the position's time would be devoted to livestock issues compared to agriculture material issues, Dr. Lesperance said that four fulltime inspectors were trained to conduct livestock inspections as well as plant material inspections. He said, however, that the position before the Committee would continue, if approved, to primarily conduct livestock inspections.

Assemblyman Marvel questioned whether the Livestock Inspection Division would generate enough fee income to support the position.

Dr. Lesperance advised that after meeting with industry representatives and projecting revenue and expenditures over the next four or five years, funding would be available to support the position with a fee increase that would be recommended to the Legislature in 2009.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF
ITEMS 33 AND 34.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED.

34. **Department of Agriculture – Livestock Inspection – FY 09** – Transfer of \$70,045.00 from the Reserve category to the Personnel Services category, \$24,553.00 from the Transfer to Plant Industry to the Personnel Services category, \$346.00 from the Reserve category to the Out-of-State Travel category, \$1,840.00 from the Reserve category to the In-State Travel category, \$915.00 from the Reserve category to the Operating category, \$327.00 from the Reserve category to the Information Services category and \$188.00 from the Reserve category to the Uniforms category to transfer an Agriculture Enforcement Officer III position and related costs from Plant Industry. Requires Interim Finance approval since the amount transferred to the Personnel Services category exceeds \$50,000.00. **Work Program #C35038**

Refer to narrative and motion for approval under Item 33.

35. **Department of Agriculture – Noxious Weed & Insect Control – FY 08** – Addition of \$29,044.00 in United States Department of Agriculture (USDA) Weed Management Biocontrol funds to conduct surveillance activities that will provide specific information pertaining to noxious weeds. Requires Interim Finance approval since the amount added to the USDA Weed Biocontrol category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C35036**

Refer to motion for approval under Item H.

36. **Commission on Mineral Resources – Minerals – FY 08** – Transfer of \$7,500.00 from the Reserve category to the Equipment category to provide furniture for the expanded and remodeled Carson City Office. Requires Interim Finance approval since the cumulative amount transferred to the Equipment category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C14397**

Refer to motion for approval under Item H.

37. **Commission on Mineral Resources – Minerals – FY 09** – Transfer of \$124,133.00 from the Reserve category to the Special Projects category to collect data concerning mining, agriculture, wildlife, historic preservation, water, forestry and other issues of interest to the state; produce maps of county land bills and United States Forest Service areas that lacked roads; and assist the Bureau in

data collection. Requires Interim Finance approval since the amount transferred to the Special Projects category exceeds \$50,000.00. **Work Program #C14403**

Refer to motion for approval under Item H.

38. **Commission on Mineral Resources – Minerals – FY 09** – Transfer of \$50,000.00 from the Reserve category to the Abandoned Mine Land (AML) Enhancement category to identify, log and secure abandoned mines. Requires Interim Finance approval since the amount transferred to the AML Enhancement category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C14402**

Refer to motion for approval under Item H.

39. **Department of Business and Industry – Common Interest Communities – FY 08** – Transfer of \$11,686.00 from the Reserve category to the Operating category and \$5,339.00 from the Reserve category to the Information Services category to provide funding for projected Operating and Information Services costs for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Operating category exceeds \$50,000.00. **Work Program #C32838**

Refer to motion for approval under Item H.

40. **Department of Business and Industry – Financial Institutions – FY 08** – Deletion of \$456,321.00 in Balance Forward to New Year to replace the legacy system with a new combined licensing, examination and enforcement system. Requires Interim Finance approval since the amount deducted from the Technology Investment Request Reserve category exceeds \$50,000.00. **Work Program #C32812. RELATES TO 41, 43 & 44.**

Refer to motion for approval under Item H.

41. **Department of Business and Industry – Financial Institutions – FY 09** – Addition of \$456,321.00 in Balance Forward from Previous Year, ***a transfer of \$56,679 from Technology Investment Request Reserve category to Licensing Project category, and a transfer of \$895 from Technology Investment Request Reserve category to Reserve category*** to replace the legacy system with a new combined licensing, examination and enforcement system. Requires Interim Finance approval since the amount added to the Licensing, Certification and Enforcement System category exceeds \$50,000.00. **Work Program #C32813. RELATES TO 40, 43 & 44. REVISED BY THE FISCAL ANALYSIS DIVISION, JUNE 11, 2008.**

Refer to motion for approval under Item H.

42. **Department of Business and Industry – Weatherization – FY 08** – Transfer of \$100,000.00 from the Reserve category to the Universal Energy Charge (UEC) category to allow for additional fiscal year 2008 sub-grantee expenditures which provide energy conservation as well as weatherization and energy efficiency programs to eligible households. Requires Interim Finance approval since the amount transferred to the UEC category exceeds \$50,000.00. **Work Program #C17521**

Refer to motion for approval under Item H.

43. **Department of Business and Industry – Mortgage Lending – FY 08** – Deletion of \$524,822.00 in Balance Forward to New Year to replace the legacy system with a new combined licensing, examination and enforcement system. Requires Interim Finance approval since the amount deducted from the Technology Investment Request Reserve category exceeds \$50,000.00. **Work Program #C32858 #C32856. RELATES TO 40, 41 & 44.**

Refer to motion for approval under Item H.

44. **Department of Business and Industry – Mortgage Lending – FY 09** – Addition of \$524,822.00 in Balance Forward from Previous Year to replace the legacy system with a new combined licensing, examination and enforcement system ***and balance forward remaining funds reserved for Technology Investment Requests.*** Requires Interim Finance approval since the amount added to the Licensing, Examination and Enforcement category exceeds \$50,000.00. **Work Program #C31880. RELATES TO 40, 41 & 43. REVISED BY THE FISCAL ANALYSIS DIVISION, JUNE 11, 2008.**

Refer to motion for approval under Item H.

45. **Department of Business and Industry – Industrial Relations – FY 08** – Addition of \$40,259.00 in Allocation from the Workers' Compensation Fund to conduct a review of the Association Subsequent Injury Board's procedures for administering the Subsequent Injury Account and regulations governing its administration. Requires Interim Finance approval since the amount added to the Association Subsequent Injury Board category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C12322**

Refer to motion for approval under Item H.

46. **Department of Business and Industry – Industrial Relations – FY 09** – Addition of \$307,374.00 in Allocation from Workers' Compensation Fund and transfer of \$25,000.00 from Technology Investment Request Reserve category to the Mechanical System Enhancement category to re-establish fiscal year 2008 budget authority and transfer the designated fiscal year 2009 Reserve funding to support the ongoing Industrial Relations Information System Technology Investment

Request Project. Requires Interim Finance approval since the amount added to the Mechanical System Enhancement category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C12319**

Refer to motion for approval under Item H.

47. **Department of Business and Industry – Division of Industrial Relations – Enforcement – ~~Industrial Safety~~ Occupational Safety & Health Enforcement – FY 09** – Addition of \$204,941.00 in Allocation from Workers' Compensation Fund and transfer of \$25,000.00 from the Technology Investment Request Reserve category to the Information System Enhancement category to re-establish fiscal year 2008 budget authority and transfer the designated fiscal year 2009 Reserve funding to support the ongoing Industrial Relations Information System Technology Investment Request Project. Requires Interim Finance approval since the amount added to the Information System Enhancement category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C12320**

Refer to motion for approval under Item H.

48. **Department of Business and Industry – Taxicab Authority – FY 08** – Addition of \$26,755.00 in Fingerprint Fees and transfer of \$2,905.00 from the Reserve category to the Transfer to Criminal History Repository category to provide funding for the projected fingerprinting costs for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Transfer to Criminal History Repository category exceeds 10 percent of the legislatively approved level for that category. **Work Program #B13970**

Refer to motion for approval under Item H.

49. **Department of Health and Human Services – Director's Office – Developmental Disabilities – FY 08** – Addition of \$76,712.00 in State Developmental Disabilities Councils Grant funds to increase the independence, productivity, inclusion and community integration of people with developmental disabilities. Requires Interim Finance approval since the amount added to the Developmental Disability Grant category exceeds \$50,000.00. **Work Program #C32980. WITHDRAWN JUNE 20, 2008.**

Item 49 was withdrawn on June 20, 2008.

50. **Department of Health and Human Services – Director's Office – Community Based Services – FY 08** – Addition of \$44,000.00 in Intermediary Service Organization (ISO) Certification funds to allow the Office of Disability Services to collect a fee to certify ISOs, which provide services to individuals with disabilities. Requires Interim Finance approval since the amount added to the ISO Certification

category exceeds 10 percent of the legislatively approved level for that category.
Work Program #C32986

Refer to motion for approval under Item H.

51. **Department of Health and Human Services – Director’s Office – Healthy Nevada Fund – FY 09** – Addition of \$371,780.00 in Tobacco Settlement funds transferred from the Treasurer’s Office to provide funding for the Vision Benefit Program through Senior Rx and Disability Rx to the extent that funding is available in fiscal year 2009. Requires Interim Finance approval since the amount added to the Vision Program category exceeds \$50,000.00. **Work Program #C32982**

Refer to motion for approval under Item H.

52. **Department of Health and Human Services – Director’s Office – Individuals with Disabilities Education Act Part C Compliance – FY 08** – Addition of \$80,550.00 in Individuals with Disabilities Act (IDEA) Part C Program funds transferred from the Department of Health and Human Services Health Division to provide administration funding for the compliance and monitoring staff of the IDEA Part C Program. Requires Interim Finance approval since the amount added to the IDEA Part C Administration category exceeds \$50,000.00. **Work Program #C32961. RELATES TO 53.**

Refer to motion for approval under Item H.

53. **Department of Health and Human Services – Director’s Office – Individuals with Disabilities Education Improvement Act (IDEA) Part C Compliance – FY 09** – Addition of \$729,219.00 in IDEA Part C Program funds transferred from the Health Division to provide personnel and administration funding for the compliance and monitoring staff of the IDEA Part C Program. Requires Interim Finance approval since the amount transferred to the Personnel Services category exceeds \$50,000.00. **Work Program #C32989. RELATES TO 52.**

Refer to motion for approval under Item H.

54. **Department of Health and Human Services – Division of Health Care Financing and Policy – Administration – FY 08** – Deletion of \$229,731.00 in Federal Title XXI Block Grant funds, \$94,350.00 in Federal Title XIX Grant funds, \$125,000.00 in Gifts and Donations and \$229,731.00 in Transfer from Health Insurance Flexibility Act Holding Account and transfer of \$92,823.00 from the Personnel Services category to the Reserve for Reversion category, \$1,408.00 from the Operating category to the Reserve for Reversion category, \$118.00 from the Information Services category to the Reserve for Reversion category, \$375,000.00 from the Health Care Info Web Site category to the Reserve for Reversion category and \$35,000.00 from the Pharmacy Web Site category to the Reserve for Reversion category to implement the Governor’s 4.5 percent budget

reduction plan and create the appropriate budget reserve. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C27650**

Refer to second motion for approval under Item H.

- 55. Department of Health and Human Services – Division of Health Care Financing and Policy – Administration – FY 08** – Addition of \$134,671.00 in Federal Title XIX funds and \$134,672.00 in Transfer from the Intergovernmental Transfer Account to expand the scope of the Disproportionate Share Hospital audit through Clifton Gunderson, LLP to include a risk assessment, an operational assessment and an evaluation of hospital-specific information used by the state in calculating hospital payments and limits related to uninsured patients. Requires Interim Finance approval since the amount added to the Operating category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C27678**

Refer to second motion for approval under Item H.

- 56. Department of Health and Human Services – Division of Health Care Financing and Policy – Administration – FY 09** – Deletion of \$263,520.00 in Federal Title XXI Block Grant funds, \$147,315.00 in Federal Title XIX Grant funds and \$271,250.00 in Transfer from Health Insurance Flexibility Accountability Holding Account and transfer of \$142,956.00 from the Personnel Services category to the Reserve for Reversion category, \$4,164.00 from the Operating category to the Reserve for Reversion category and \$195.00 from the Information Services category to the Reserve for Reversion category to implement the Governor's 4.5 percent budget reduction plan and create the appropriate budget reserve. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C27651**

Refer to motion for approval under Item H.

- 57. Department of Health and Human Services – Division of Health Care Financing and Policy – Medicaid – FY 08** – Addition of \$2,632,000.00 in Federal Title XIX funds and \$2,368,000.00 in Transfer from the Intergovernmental Transfer Account (IGT) to increase IGT authority in order to draw Federal Title XIX funds for

payment of University of Nevada School of Medicine contracts. Requires Interim Finance approval since the amount added to the Offline category exceeds \$50,000.00. **Work Program #C27679**

Refer to motion for approval under Item H.

- 58. Department of Health and Human Services – Division of Health Care Financing and Policy – Medicaid – FY 09** – Addition of \$1,811,075.00 in Transfer from Intergovernmental Transfer Account and deletion of \$39,161,322.00 in Federal Title XIX Grant funds and \$32.00 in County Reimbursements to implement the Governor's 4.5 percent budget reduction plan, create the appropriate budget reserve and reflect the fiscal impact of the Federal Medical Assistance Percentage for fiscal year 2009. Requires Interim Finance approval since the amount deducted from the Temporary Assistance to Needy Families/Child Health Assurance Program category exceeds \$50,000.00. **Work Program #C27660**

Chairman Arberry announced that the Committee would consider Items 58 and 62 concurrently.

Charles Duarte, Administrator, Division of Health Care Financing and Policy, appeared before the Committee to request approval for work program Items 58 and 62, which were "based on the projected reduction in the Federal Match Assistance Percentage (FMAP) for the Nevada Medicaid and Nevada Check-Up Programs for federal fiscal year 2009."

Mr. Duarte explained that the Item 58 work program reflected a reduction of \$19.6 million in federal funding and a proposal to fund the shortfall by eliminating two budget enhancements approved during the 2007 Legislature. Those enhancements included \$16.7 million for a physician rate increase and \$1 million for traumatic brain injury services. Additionally, the Division proposed to use a \$1.81 million transfer from the Intergovernmental Transfer Account to fund the remaining portion of the Medicaid budget shortfall.

Mr. Duarte explained that the Item 62 work program reflected a FMAP reduction of 1.85 percent in the Nevada Check-Up Program budget, and the Division's proposal to fund the shortfall by eliminating the physician rate increase and to transfer \$364,192 from the Intergovernmental Transfer Account.

Assemblywoman Leslie asked Mr. Duarte to comment on how access and coverage for Medicaid services might be affected if physician rate increases were not implemented.

Mr. Duarte said he did not have specific information regarding the impact of not implementing a rate increase but that he assumed access to sensitive specialty medical areas, such as pediatrics and some medical and surgical subspecialties, particularly in northern Nevada, would not improve without a rate increase.

In response to Assemblywoman Leslie, who asked whether the Division planned to place Medicaid clients who needed specialist services on waiting lists, Mr. Duarte indicated that waiting lists were a possibility.

In response to Assemblywoman Leslie, who asked whether the projected \$60.7 million shortfall in the Medicaid budget had increased since initially projected, Mr. Duarte advised that the shortfall would increase if caseloads continued to increase, but the amount had not yet been determined.

Assemblywoman Leslie asked Mr. Duarte to comment on the Division's budget reduction plan to expand mandatory managed care.

Mr. Duarte advised that the Division delayed further action on expanding managed care to five rural counties, projected to save approximately \$4.6 million for fiscal year 2009, because one of the HMO participants was experiencing fiscal difficulties and had opted out of continuing to provide services to the program. Mr. Duarte explained that rather than expanding managed care to the rural counties and disrupting service by replacing the HMO provider, the Division delayed further action on the rural expansion.

Assemblywoman Leslie questioned whether the projected \$4.6 million savings that would have been realized with expanded managed care would be considered a General Fund deficit.

Mr. Duarte confirmed that the \$4.6 million was a General Fund deficit and would be addressed as one of the proposals associated with the 4 percent reductions that the Division proposed for fiscal year 2009.

In response to questions Senator Cegavske asked in reference to wait lists, Mr. Duarte clarified that Division staff did not track wait lists for specific physician services. However, Mr. Duarte indicated that, as he had mentioned earlier, clients generally waited longer to see specialists because increasing caseloads and the limited number of specialists made it difficult to secure appointments.

Mr. Duarte indicated that the Division staff routinely conducted surveys over the last several years, and the 2007 survey determined that there were wait lists specific to Medicaid and Medicare services for some of the specialties, such as orthopedics, certain kinds of surgical specialties, and pediatrics. Mr. Duarte advised that although the survey information was somewhat dated, he would provide Senator Cegavske with the data.

In response to Senator Beers, who questioned the provision of pediatric services to Medicare patients, Mr. Duarte advised that while pediatric services were primarily provided to Medicaid clients, a very few Medicare patients were children.

Additionally, Senator Beers questioned whether not implementing the rate increase might also influence some physicians to stop accepting Medicaid patients.

Mr Duarte confirmed the possibility and discussed the problems the Division faced to assure the provision of prompt access to medical services in a situation in which market rates could not be paid for medical services.

Senator Beers questioned whether a better alternative might be to increase the physician rate in order to treat some of the patients and to establish a waiting list rather than physicians opting out of the program.

Mr. Duarte discussed the federal restrictions imposed on state Medicaid programs, which he reiterated included the responsibility to ensure prompt access to medically necessary services. Mr. Duarte pointed out that such restrictions made it difficult to determine whether the need for medical services was so compelling that, a client could not wait for services and presented a situation that would begin to create some federal legal liabilities for the state. Additionally, Mr. Duarte pointed out that the Division was constrained because eligibility was difficult to cap primarily because Medicaid clients were predominantly mandatory eligible. Thus, Mr. Duarte advised that controlling the caseload in order to serve fewer clients while keeping reimbursements high was difficult with a rapidly increasing mandatory caseload.

Senator Beers questioned whether the state was just as likely to be in conflict of federal constraints if physicians were no longer willing to participate in the program because of low reimbursement rates.

Mr. Duarte agreed that that was a possibility and a concern that the Division had to monitor.

Senator Beers questioned whether Division representatives would advise the Committee after reaching a threshold for doctors opting out of participation in the Medicaid Program.

Mr. Duarte explained that Division staff could not measure a threshold because physician practices made decisions on a daily or weekly basis on whether to take new patients or to keep their current Medicaid and Medicare patients. Additionally, Mr. Duarte advised that clients called the Division's district offices to complain and to ask for assistance because of their inability to secure an appointment to see a specialist.

In response to Senator Raggio, who questioned whether alternatives other than not implementing the physician rate increases were considered, Mr. Duarte advised that many options were put forward and some were included in the Division's proposed 4 percent budget reduction recommendations for fiscal year 2009 while others were being held for implementation in the 2010-2011 biennium.

Assemblywoman Gansert indicated she had learned that approximately 12 to 13 percent of Medicaid clients had other insurance available to them and asked how the

Division screened the caseload in an effort to stretch Medicaid dollars as far as possible.

Mr. Duarte advised that third-party insurance carriers covered approximately 22 percent of the Division's Medicaid population and pointed out the existence of a federal responsibility for Medicaid to be the payer of last resort. Mr. Duarte further advised that the Division had a contract with Health Management Services, a company that collected information on a nationwide basis and matched their national database to Nevada's Medicaid caseload to identify Medicare recipients with third-party commercial insurance. The Division placed the Health Management Services information on their Medicaid Management Information System (MMIS) in order for health care providers to determine whether to bill third-party insurers prior to billing Medicaid.

In response to additional questions from Assemblywoman Gansert regarding the database information, Mr. Duarte advised that Health Management Services contracted with about twenty states and had a good reputation to provide information that included nationwide commercial carriers, not just Nevada insurers.

Senator Coffin compared the situation to reduce the budget and the prospect of doctors non-participation in the Medicaid program as a life and death situation for patients who might be faced with the possibility of not seeing a doctor in a timely manner.

Mr. Duarte agreed that there were risks associated with delayed care that could result in serious harm. However, Mr. Duarte indicated that he preferred not to minimize or over exaggerate the issue because so many physicians did a good job and cared about their Medicaid patients to the extent they attempted to find other resources for them when a situation required immediate medical attention including notifying HCFP staff. Mr. Duarte also indicated that patients jeopardized by delayed medical care always had access to an emergency room or urgent care center.

Senator Coffin indicated he would vote no on Items 58 and 62 because of ineffectual leadership on the part of the Administration that he said had not brought about a proposal for a tax increase, which he supported, to rectify the budget crisis. Senator Coffin also placed blame on the Legislature's inactivity to bring about change.

SENATOR RAGGIO MOVED APPROVAL OF ITEMS 58
AND 62.

SENATOR BEERS SECONDED THE MOTION

THE MOTION CARRIED. (Senator Coffin voted nay.)

- 59. Department of Health and Human Services – Division of Health Care Financing and Policy – Nevada Check-Up Program – FY 08 –** Deletion of \$2,066.00 in Federal Title XXI Grant funds and transfer of ~~\$1,071.00~~ **\$1,011.00** from the Personnel Services category to the Reserve for Reversion category to

reflect the lower Retired Employees' Group Insurance assessment rates for fiscal year 2008 and reserve for reversion the General Fund portion. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C27687**

Refer to second motion for approval under Item H.

60. **Department of Health and Human Services – Division of Health Care Financing and Policy – Nevada Check-Up Program – FY 09** – Deletion of \$9,459.00 in Federal Title XXI Grant funds and transfer of \$4,636.00 from the Personnel Services category to the Reserve for Reversion category to reflect the lower Active Employees' Group Insurance Subsidy assessment rates for fiscal year 2009 and reserve for reversion the General Fund portion. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C27694**

Refer to second motion for approval under Item H.

61. **Department of Health and Human Services – Division of Health Care Financing and Policy – Nevada Check-Up Program – FY 09** – Deletion of \$15,288.00 in Federal Title XXI Grant funds and transfer of \$6,029.00 from the Personnel Services category to the Reserve for Reversion category to reflect the lower Retired Employees' Group Insurance assessment rates for fiscal year 2009 and reserve for reversion the General Fund portion. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #27693**

Refer to second motion for approval under Item H.

62. **Department of Health and Human Services – Division of Health Care Financing and Policy – Nevada Check-Up Program – FY 09** – Deletion of \$1,068,543.00 in Federal Title XXI Block Grant funds and \$364,192.00 in Transfer from Intergovernmental Transfer Account to implement the Governor's 4.5 percent budget reduction plan, create the appropriate budget reserve and reflect the fiscal impact of the Federal Medical Assistance Percentage for fiscal year 2009. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C27659**

Refer narrative and motion for approval under Item 58.

63. **Department of Health and Human Services – Division of Health Care Financing and Policy – Health Insurance Flexibility Accountability Holding Account – FY 09** – Addition of \$4,317.00 in Transfer from Indigent Supplemental Account to implement the Governor's 4.5 percent budget reduction plan and align budget authority with Transfer to Division of Health Care Financing and Policy

(DHCFP) Administration. Requires Interim Finance approval since companion Work Program #C27651 for DHCFP Administration must be presented to the Interim Finance Committee. **Work Program #C27688**

Refer to motion for approval under Item H.

- 64. Department of Health and Human Services – Division of Health Care Financing and Policy – Intergovernmental Transfer Program – FY 08 –** Addition of \$2,486,400.00 in University of Nevada School of Medicine (UNSOM) receipts to establish authority for the UNSOM contract in order to pay supplemental payments for graduate student physicians treating Medicaid patients. Requires Interim Finance approval since the amount added to the Transfer to Division of Health Care Financing and Policy category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C27677**

Refer to motion for approval under Item H.

- 65. Department of Health and Human Services – Division of Health Care Financing and Policy – Intergovernmental Transfer Program – FY 09 –** Addition of \$9,194,355.00 in Balance Forward from Previous Fiscal Year to align the fiscal year 2009 Balance Forward with the projected fiscal year 2008 Reserve. Requires Interim Finance approval since the amount added to the Transfer to Nevada Check-Up category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C27687**

Refer to motion for approval under Item H.

- 66. Department of Health and Human Services – Division of Mental Health and Developmental Services – Administration – FY 09 –** Transfer of \$4,785.00 from the Out-of-State Travel category to the Substance Abuse Prevention and Treatment Agency (SAPTA) Block Grant Funds category, \$3,559.00 from the In-State Travel category to the SAPTA Block Grant Funds category, \$2,343.00 from the Operating category to the SAPTA Block Grant Funds category and \$1,312.00 from the Information Services category to the SAPTA Block Grant Funds category to consolidate SAPTA Block Grant funds for more efficient expenditure tracking. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C40310**

Refer to second motion for approval under Item H.

- 67. Department of Health and Human Services – Division of Mental Health and Developmental Services – Administration – FY 09 –** Transfer of \$13,390.00 from the Community Mental Health Services (CMHS) Consumer Services Assistance category to the CMHS Programs category, \$98,202.00 from the CMHS Grant category to the CMHS Programs category, \$1,389,061.00 from the CMHS Transfer to Other Mental Health Agencies category to the CMHS Programs category and \$1,809,816.00 from the CMHS Transfer to Division of Child and

Family Services category to the CMHS Programs category to consolidate Community Mental Health Services Block Grant funds for more efficient expenditure tracking. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C40311**

Refer to second motion for approval under Item H.

68. **Department of Health and Human Services – Division of Mental Health and Developmental Services – Administration – FY 09** – Transfer of \$2,700.00 from the Out-of-State Travel category to the General Fund Reserve for Reversion category, \$96,899.00 from the Community Mental Health Services Transfer to Other Mental Health Agencies category to the General Fund Reserve for Reversion category and \$344,101.00 from the Community Mental Health Services Transfer to Division of Child and Family Services category to the General Fund Reserve for Reversion category to comply with the 4.5 percent budget reserves as recommended by the Governor. **Requires Interim Finance approval since the amount transferred from the Community Mental Health Services Transfer to Division of Child and Family Services category involves the allocation of block grant funds and this action requires a public hearing. Work Program #C32190**

Refer to second motion for approval under Item H.

69. **Department of Health and Human Services – Division of Mental Health and Developmental Services – Rural Clinics – FY 08** – Transfer of \$129,186.00 from the Personnel Services category to the Direct Client Services category to provide contract funding for two Mental Health Technician positions through Kelly Services. Requires Interim Finance approval since the amount transferred to the Direct Client Services category exceeds \$50,000.00. **Work Program #C40320**

Refer to motion for approval under Item H.

70. **Department of Health and Human Services – Division of Mental Health and Developmental Services – Rural Clinics – FY 08** – Deletion of \$610.00 in Medicare Title XVIII funds, \$702.00 in Medicaid Outpatient funds, \$2,321.00 in Temporary Assistance to Needy Families funds, \$801.00 in Insurance Recoveries and \$1,990.00 in Transfer from Mental Health and Developmental Services and transfer of \$21,029.00 from the Personnel Services category to the General Fund Reserve for Reversion category to comply with the Retired Employees' Group Insurance reductions as recommended by the Governor. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C40322. RECEIVED AFTER SUBMITTAL DEADLINE ON JUNE 5, 2008.**

Refer to second motion for approval under Item H.

71. **Department of Health and Human Services – Division of Mental Health and Developmental Services – Rural Clinics – FY 09** – Deletion of \$7,575.00 in Medicare Title XVIII funds, \$9,413.00 in Medicaid Outpatient funds, \$28,246.00 in Temporary Assistance to Needy Families funds, \$10,047.00 in Insurance Recoveries and \$24,293.00 in Transfer from Mental Health and Developmental Services and transfer of \$200,391.00 from the Personnel Services category to the General Fund Reserve for Reversion category to comply with the Active Employees' Group Insurance Subsidy and Retired Employees' Group Insurance reductions as recommended by the Governor. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C40323. RECEIVED AFTER SUBMITTAL DEADLINE ON JUNE 5, 2008.**

Refer to second motion for approval under Item H.

72. **Department of Health and Human Services – Division of Mental Health and Developmental Services – Southern Nevada Adult Mental Health Services – FY 09** – Deletion of \$27,372.00 in Clark County Receipts and transfer of \$72,722.00 from the Mental Health Court category to the Personnel Services category, \$1,463.00 from the Mental Health Court category to the Operating category and \$2,998.00 from the Mental Health Court category to the Information Services category to create a Mental Health Counselor position to work with clients in the Mental Health Court Program. The continuation of this new position is contingent upon Southern Nevada Adult Mental Health Services receiving grant funds from the Mental Health Court in Clark County. Requires Interim Finance approval since the amount transferred from the Mental Health Court category exceeds \$50,000.00 and includes new staff. **Work Program #C31186**

Refer to motion for approval under Item H.

73. **Department of Health and Human Services – Division of Mental Health and Developmental Services – Sierra Regional Center – FY 08** – Transfer of \$135,000.00 from the Residential Placements category to the Personnel Services category to provide additional funding for unexpected expenses such as terminal leave payouts and overstated vacancy savings. Requires Interim Finance approval since the amount transferred to the Personnel Services category exceeds \$50,000.00. **Work Program #C32144**

Refer to motion for approval under Item H.

74. **Department of Health and Human Services – Division of Mental Health and Developmental Services – Mental Health Information System – FY 09** – Transfer of \$2,248.00 from the Out-of-State Travel category to the Substance Abuse Treatment and Prevention Agency (SAPTA) Administration Cap Funds category, \$4,566.00 from the In-State Travel category to the SAPTA Administration Cap Funds category, \$3,230.00 from the Operating category to the SAPTA Administration Cap Funds category and \$557.00 from the Information Services

category to the SAPTA Administration Cap Funds category to consolidate SAPTA Block Grant funds for more efficient expenditure tracking. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C31178**

Refer to second motion for approval under Item H.

75. **Department of Health and Human Services – Division of Mental Health and Developmental Services – Bureau of Alcohol and Drug Abuse – FY 08** – Addition of \$116,603.00 in Safe and Drug Free Schools Grant funds to provide funding for community based substance abuse prevention providers that target at-risk youth. Requires Interim Finance approval since the amount added to the Safe and Drug Free Schools Grant category exceeds \$50,000.00. **Work Program #C32155**

Refer to motion for approval under Item H.

76. **Department of Health and Human Services – Division of Mental Health and Developmental Services – Bureau of Alcohol and Drug Abuse – FY 08** – Transfer of \$3,249.00 from the Personnel Services category to the Substance Abuse Treatment and Prevention Agency Block Grant category and \$1,750.00 from the Personnel Services category to the General Fund Reserve for Reversion category to comply with the Retired Employees' Group Insurance reductions as recommended by the Governor. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C32158. RECEIVED AFTER SUBMITTAL DEADLINE ON JUNE 5, 2008.**

Refer to second motion for approval under Item H.

77. **Department of Health and Human Services – Division of Mental Health and Developmental Services – Bureau of Alcohol and Drug Abuse – FY 09** – Transfer of \$49,404.00 from the Personnel Services category to the General Fund Reserve for Reversion category and \$1,493.00 from the Personnel Services category to the Training category to comply with the Active Employees' Group Insurance Subsidy and Retired Employees' Group Insurance reductions as recommended by the Governor. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C32157. RECEIVED AFTER SUBMITTAL DEADLINE ON JUNE 5, 2008.**

Refer to second motion for approval under Item H.

78. **Department of Health and Human Services – Health Division – Office of Minority Health – FY 08** – Transfer of \$8,000.00 from the Personnel Services category to the Reserve for Reversion category to place vacancy savings in

Reserve for Reversion for budget reserves. Requires Interim Finance approval as part of the 4.5 percent budget reserves. **Work Program #C35108**

Refer to motion for approval under Item H.

79. **Department of Health and Human Services – Health Division – Office of Minority Health – FY 08** – Addition of \$50,259.00 in Federal Office of Minority Health Grant funds to support education and outreach programs to community partners and minority groups in Nevada. Requires Interim Finance approval since the amount added to the Office of Minority Health category exceeds \$50,000.00. **Work Program #C35137**

Refer to motion for approval under Item H.

80. **Department of Health and Human Services – Health Division – Vital Statistics – FY 08** – Transfer of \$10,000.00 from the Personnel Services category to the Reserve for Reversion category to place savings in Reserve for Reversion for budget reserves. Requires Interim Finance approval as part of the 4.5 percent budget reserves. **Work Program #C35106**

Refer to motion for approval under Item H.

81. **Department of Health and Human Services – Health Division – Consumer Health Protection – FY 09** – Addition of \$62,053.00 in Food and Drug Administration Food Contract funds to conduct food sanitation inspections on behalf of the Food and Drug Administration and to complete the implementation of the automated inspection and billing software. Requires Interim Finance approval since the amount added to the Food and Drug Administration Contract category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C35121**

Refer to motion for approval under Item H.

82. **Department of Health and Human Services – Health Division – Sexually Transmitted Disease Control – FY 08** – Addition of \$128,377.00 in Federal Human Immunodeficiency Virus (HIV) Prevention Grant funds and \$37,827.00 in Federal Comprehensive Care funds to realign personnel time allocation and increase authority for education and subgrants to community health districts for prevention services. Requires Interim Finance approval since the amount added to the Acquired Immunodeficiency Syndrome (AIDS) Education/Risk Reduction category exceeds \$50,000.00. **Work Program #C35114**

Refer to motion for approval under Item H.

83. **Department of Health and Human Services – Health Division – Sexually Transmitted Disease Control – FY 09** – Addition of \$40,960.00 in Federal

Hepatitis Grant funds to provide funding for the coordination and case management of hepatitis cases, ~~update the State Hepatitis Plan and Statewide Hepatitis Resource Directory~~, coordinate Hepatitis ~~Board~~ **Task Force** meetings and perform education and outreach. Requires Interim Finance approval since the amount added to the Hepatitis category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C35115. REVISED BY THE FISCAL ANALYSIS DIVISION, JUNE 11, 2008.**

Refer to motion for approval under Item H.

84. **Department of Health and Human Services – Health Division – Sexually Transmitted Disease Control – FY 09** – Addition of \$1,326,821.00 in Federal Comprehensive Care funds and deletion of \$73,632.00 in Federal Human Immunodeficiency Virus (HIV) Prevention Grant funds to realign personnel time allocation and increase authority for subgrants to community health districts for prevention services. Requires Interim Finance approval since the amount added to the Comprehensive Care category exceeds \$50,000.00. **Work Program #C35116**

Refer to motion for approval under Item H.

85. **Department of Health and Human Services – Health Division – Immunization Program – FY 08** – Transfer of \$5,000.00 from the Personnel Services category to the Reserve for Reversion category to place vacancy savings in Reserve for Reversion as part of the budget reserves. Requires Interim Finance approval as part of the 4.5 percent budget reserves. **Work Program #C35109**

Refer to motion for approval under Item H.

86. **Department of Health and Human Services – Health Division – Early Intervention Services – FY 09** – Transfer of \$610,522.00 from the Personnel Services category to the Transfer to Part C Office category, \$2,775.00 from the Information Services category to the Transfer to Part C Office category, \$1,500.00 from the Nevada Department of Education Act Library category to the Transfer to Part C Office category and \$114,422.00 from the Individuals with Disabilities Education Act Part C Administration category to the Transfer to Part C Office category to transfer authority for compliance and monitoring functions along with the associated eight positions to the Office of Disability Services. Requires Interim Finance approval since the amount transferred to the Transfer to Part C Office category exceeds \$50,000.00. **Work Program #C35113**

Refer to motion for approval under Item H.

87. **Department of Health and Human Services – Health Division – Women, Infants and Children (WIC) Food Supplement – FY 08** – Addition of \$165,000.00 in Prior Year Refunds and transfer of \$7,318.00 from the Reserve category to the Vendor Refunds category to increase authority for the Women, Infants and Children Program with higher than anticipated vendor refunds and authority

balanced forward from fiscal year 2007. Requires Interim Finance approval since the amount added to the Vendor Refunds category exceeds \$50,000.00. **Work Program #C35117**

Amy Roukie, Administrative Services Officer, Health Division, Department of Health and Human Services, appeared before the Committee to request approval to increase revenue authority for work program Item 87, which had been revised. Ms. Roukie advised that current authority was \$46,566, and the revised work program amount increased authority by \$231,570.

SENATOR RAGGIO MOVED APPROVAL OF ITEM 87 AS REVISED.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION CARRIED.

88. **Department of Health and Human Services – Health Division – Women, Infants and Children (WIC) Food Supplement – FY 08** – Addition of \$2,740,000.00 in Federal United States Department of Agriculture WIC Program funds and \$2,600,000.00 in Rebates to increase authority for the Aid to Individuals category due to the increase in caseload and food prices. Requires Interim Finance approval since the amount added to the Aid to Individuals category exceeds \$50,000.00. **Work Program #C35119**

Refer to motion for approval under Item H.

89. **Department of Health and Human Services – Health Division – Emergency Medical Services – FY 09** – Addition of \$76,667.00 in Federal Emergency Medical Services Care (EMSC) Grant funds to evaluate and improve the state's capacity to provide emergency medical care to our pediatric population. Requires Interim Finance approval since the amount added to the Emergency Medical Services for Children Grant category exceeds \$50,000.00. **Work Program #C35120**

Refer to motion for approval under Item H.

90. **Department of Health and Human Services – Health Division – Public Health Tobacco Fund – FY 08** – Addition of \$473,741.00 in Transfer from Special Revenue Fund to provide funding for current grant awards to the community for public health activities. Requires Interim Finance approval since the amount

added to the Grants to Organizations category exceeds \$50,000.00. **Work Program #C35135**

Refer to motion for approval under Item H.

91. **Department of Health and Human Services – Health Division – Public Health Preparedness Program – FY 08** – Addition of \$4,137,187.00 in Bioterrorism Hospital Preparedness Program Grant funds to improve public health preparedness and response for bioterrorism through state, local and other partnerships. Requires Interim Finance approval since the amount added to the Centers for Disease Control Bioterrorism category exceeds \$50,000.00. **Work Program #C35123**

Refer to motion for approval under Item H.

92. **Department of Health and Human Services – Division of Welfare and Supportive Services – Administration – FY 08** – Transfer of \$95,000.00 from the Personnel Services category to the Operating category and \$150,000.00 from the Personnel Services category to the Electronic Benefit Transfer Transaction Costs category to provide funding for projected electronic benefit transaction and postage costs as a result of an increase in food stamp caseloads, higher postage rates and an aggressive outreach program administered by the community partners. Requires Interim Finance approval since the amount transferred from the Personnel Services category exceeds \$50,000.00. **Work Program #C22645**

Refer to motion for approval under Item H.

93. **Department of Health and Human Services – Division of Welfare and Supportive Services – Administration – FY 08** – Deletion of \$4,474.00 in Federal United States Department of Agriculture Food Stamp Program funds, \$5,038.00 in Federal Child Support Program funds, \$7,805.00 in Federal Temporary Assistance to Needy Families Program funds, \$697.00 in Federal Low Income Home Energy Assistance Grant funds, \$303.00 in Federal Child Care Development funds and \$2,312.00 in Federal Title XIX funds and transfer of \$9,381.00 from the Personnel Services to the Reserve for Reversion category to reflect the lower Retired Employees' Group Insurance assessment rates for fiscal year 2008 and reserve for reversion the General Fund portion. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C22661**

Refer to second motion for approval under Item H.

94. **Department of Health and Human Services – Division of Welfare and Supportive Services – Administration – FY 09** – Deletion of \$42,506.00 in Federal United States Department of Agriculture Food Stamp Program funds, \$46,380.00 in Federal Child Support Program funds, \$75,876.00 in Federal

Temporary Assistance to Needy Families funds, \$4,983.00 in Federal Low Income Home Energy Assistance Grant funds, \$5,481.00 in Federal Child Care Development funds and \$21,287.00 in Federal Title XIX funds and transfer of \$86,357.00 from the Personnel Services category to the Reserve for Reversion category to reflect the lower Retired Employees' Group Insurance and Active Employees' Group Insurance Subsidy assessment rates for fiscal year 2009 and reserve for reversion the General Fund portion. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C22663**

Refer to second motion for approval under Item H.

95. **Department of Health and Human Services – Division of Welfare and Supportive Services – Field Services – FY 08** – Deletion of \$20,821.00 in Federal United States Department of Agriculture Food Stamp Program funds, \$211.00 in Federal Child Support Program funds, \$31,274.00 in Federal Temporary Assistance to Needy Families Program funds, \$90.00 in Federal Low Income Home Energy Assistance Grant funds, \$169.00 in Federal Child Care Development funds and \$25,287.00 in Federal Title XIX funds and transfer of \$46,215.00 from the Personnel Services category to the Reserve for Reversion category to reflect the lower Retired Employees' Group Insurance assessment rates for fiscal year 2008 and reserve for reversion the General Fund portion. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C22665**

Refer to second motion for approval under Item H.

96. **Department of Health and Human Services – Division of Welfare and Supportive Services – Field Services – FY 09** – Deletion of \$229,283.00 in Federal United States Department of Agriculture Food Stamp Program funds, \$2,324.00 in Federal Child Support Program funds, \$342,932.00 in Federal Temporary Assistance to Needy Families Program funds, \$988.00 in Federal Low Income Home Energy Assistance Grant funds, \$1,862.00 in Federal Child Care Development funds and \$278,469.00 in Federal Title XIX funds and transfer of \$510,399.00 from the Personnel Services category to the Reserve for Reversion category to reflect the lower Retired Employees' Group Insurance assessment rates for fiscal year 2008 and reserve for reversion the General Fund portion. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C22668**

Refer to second motion for approval under Item H.

97. **Department of Health and Human Services – Division of Welfare and Supportive Services – Field Services – FY 08** – Transfer of \$65,866.00 from the Personnel Services category to the Utilities category to provide funding for projected utility costs to district offices for the remainder of the fiscal year.

Requires Interim Finance approval since the amount added to the Utilities category exceeds \$50,000.00. **Work Program #C22647**

Refer to motion for approval under Item H.

- 98. Department of Health and Human Services – Division of Welfare and Supportive Services – Field Services – FY 09** – Addition of \$1,186,858.00 in Federal Temporary Assistance to Needy Families (TANF) Program funds to effectively administer the TANF Program and fulfill the minimum federal work participation requirements as prescribed by the Deficit Reduction Act of 2005. This proposal also includes the continuation of 20 positions that were approved at the September 6, 2007 Interim Finance Committee meeting. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C22622**

Refer to second motion for approval under Item H.

- 99. Department of Health and Human Services – Division of Welfare and Supportive Services – Temporary Assistance to Needy Families – FY 09** – Addition of \$460,922.00 in Federal Temporary Assistance to Needy Families (TANF) Program funds to continue Children's Cabinet Childcare Services and Job Opportunities in Nevada Case Management Service contracts that provide intensive case management services for New Employees of Nevada clients in the TANF Program. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C22651**

Chairman Arberry announced that Item 99 involved the allocation of block grant funds and required a public hearing.

Nancy Ford, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services, identified herself for the record and introduced Romaine Gilliland, Administrative Services Officer, Division of Welfare and Supportive Services, Department of Health and Human Services.

Ms. Ford appeared before the Committee to request approval for the addition of federal Temporary Assistance to Needy Families (TANF) funds to continue a pilot program for case management services contracted through Children's Cabinet Childcare Services and Job Opportunities in Nevada for TANF participants in Washoe County. Ms. Ford advised that the Division intended to compare the results of using new positions with contracted services and would report the outcome of each approach to the 2009 Legislature.

Chairman Arberry noted that staff recommended a reduction of \$43,312 based on the inclusion of that amount in a work program the Committee approved for the pilot program in January.

Chairman Arberry asked Ms. Ford whether she agreed with the reduced amount, and she confirmed she did.

Chairman Arberry opened the hearing to questions from the Committee and to public testimony.

Hearing no response to a request for questions or testimony from the public, Chairman Arberry closed the hearing on Item 99.

SENATOR RAGGIO MOVED APPROVAL OF WORK PROGRAM 99 IN THE REVISED AMOUNT OF \$417,610.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Coffin voted nay.)

- 100. Department of Health and Human Services – Division of Welfare and Supportive Services – Child Support Enforcement Program – FY 09** – Addition of \$1,169,462.00 in Federal Child Support funds and transfer of \$359,980.00 from the Reserve category to the Personnel Services category, \$1,325.00 from the Reserve category to the Out-of-State Travel category, \$76,143.00 from the Reserve category to the Operating category, \$58,628.00 from the Reserve category to the Equipment category, \$57,244.00 from the Reserve category to the Washoe County Child Support Enforcement Program - Deputy Attorney General category, \$44,423.00 from the Reserve category to the Information Services category and \$4,707.00 from the Reserve category to the Training category to enable the Division of Welfare and Supportive Services to assume the responsibilities of the Washoe County Child Support Program activities that were administered by the Washoe County District Attorney's Office. This request includes the addition of 20 new positions to resume administration of the current program. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds 10 percent of the legislatively approved level for that category and includes new staff. **Work Program #C22660. RELATES TO 6.**

Refer to narrative and motion for approval under Item 6.

- 101. Department of Health and Human Services – Division for Aging Services – Older Americans Act – FY 08** – Addition of \$337,013.00 in Federal Nutrition Services Incentive Program funds to provide home-delivered meals by nutritional service programs to older adults through subgrants. Requires Interim Finance

approval since the amount added to the Nutrition Services Incentive category exceeds \$50,000.00. **Work Program #C33919**

Refer to motion for approval under Item H.

- 102. Department of Health and Human Services – Division for Aging Services – Aging Older Americans Act – FY 08** – Addition of \$2,159,779.00 in Federal Title III-B Supportive Services funds, \$655,137.00 in Federal Title III-C Nutrition Services funds, \$121,803.00 in Federal Title III-D Preventive Health funds and \$800,764.00 in Federal Title III-E Caregiver Support funds to provide funding for the independent living and quality of life for senior citizens by providing nutritional services, preventive health services and access to services for family caregivers. Requires Interim Finance approval since the amount added to the Title III-B Projects category exceeds \$50,000.00. **Work Program #C33918**

Refer to motion for approval under Item H.

- 103. Department of Health and Human Services – Division of Child and Family Services – Children, Youth and Family Administration – FY 08** – Deletion of \$88,067.00 in General Fund Salary Adjustment funds and \$28,578.00 in Federal Title IV-E funds to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C25205**

Refer to motion for approval under Item H.

- 104. Department of Health and Human Services – Division of Child and Family Services – Children, Youth & Family Administration – FY 09** – Addition of \$250,000.00 in Federal Methamphetamine Grant funds to support the strategies developed for collaborative and integrative services for methamphetamine-addicted women and their children. Requires Interim Finance approval since the amount added to the Methamphetamine Grant category exceeds \$50,000.00. **Work Program #C25184**

Refer to motion for approval under Item H.

- 105. Department of Health and Human Services – Division of Child and Family Services – Clark County Integration – FY 08** – Addition of \$2,320,459.00 in General Fund Appropriation and deletion of \$2,320,459.00 in Federal Title IV-E funds to provide funding for out-of-home placement costs which are no longer Title IV-E eligible due to changes in federal regulations. Requires Interim Finance approval pursuant to A.B. 628, Section 34 of the 2007 Legislative Session. **Work Program #C25199. RELATES TO 106.**

Chairman Arberry announced that the Committee would consider Items 105, 106, 110, 111, and J.5 concurrently.

Diane Comeaux, Administrator, Division of Child and Family Services, Department of Health and Human Services, identified herself for the record and introduced Tiny Leahy, Administrative Services Officer, Division of Child and Family Services, Department of Health and Human Services.

Ms. Comeaux appeared before the Committee to request approval "to utilize portions of the General Fund appropriations for the Clark County Integration and Rural Child Welfare budgets in fiscal year 2009 to offset shortfalls in federal Title IV-E revenue projected to be received in fiscal year 2008."

Ms. Comeaux advised that work program Item 105 added \$2,320,459 in General Fund appropriation in fiscal year 2008 and Item 106 deleted the same amount in fiscal year 2009, as permitted under the authority of A.B. 628, Section 34 2007 Legislature. However, Ms. Comeaux advised that in preparing for the Interim Finance Committee meeting, staff from the Division and Clark County worked to update the shortfall projection for fiscal year 2009 and based on the revised projection, amended the work program amount in Items 105 and 106 from \$2,320,459 to \$241,528.

Ms. Comeaux advised that work program Item 110 for the Division of Child and Family Services' Rural Child Welfare budget added \$2,292,270 in General Fund appropriation in fiscal year 2008 and work program Item 111 deleted the same amount in fiscal year 2009, as permitted under the authority of A.B. 628, Section 34 2007 Legislature.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, questioned whether additional changes occurred in work program Items 105 and 106.

Ms. Comeaux clarified that work program Item 105 reflected an addition to General Funds and a reduction to Title IV-E revenues and work program Item 106 reflected a reduction to the General Fund appropriation and a reduction to Category 12.

Ms. Comeaux advised the Committee that in regard to Item J.5, the Division requested \$334,428 from the Interim Finance Committee Contingency Fund to cover the projected shortfall in General Fund match to the Federal Title IV-E Program in Budget Account 3145, Division of Child and Family Services' Administration.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF ITEMS
105 AND 106 AS REVISED AND ITEMS 110, 111, AND J.5.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION CARRIED.

- 106. Department of Health and Human Services – Division of Child and Family Services – Clark County Integration – FY 09** – Deletion of \$2,320,459.00 in General Fund Appropriation to augment fiscal year 2008 as allowed by A.B. 628, Section 34 of the 2007 Legislative Session to provide funding for out-of-home placement costs which are no longer Title IV-E eligible due to changes in federal regulations. Requires Interim Finance approval since the amount deducted from the Clark County Ongoing category exceeds \$50,000.00. **Work Program #C25200. RELATES TO 105.**

Refer to narrative and motion for approval under 105.

- 107. Department of Health and Human Services – Division of Child and Family Services – Unified Nevada Information Technology for Youth/Statewide Automated Child Welfare Information System – FY 08** – Deletion of \$31,284.00 in General Fund Salary Adjustment funds, \$26,575.00 in Federal Title IV-E funds and \$703.00 in funds transferred from Other Budget Account to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C25195**

Refer to motion for approval under Item H.

- 108. Department of Health and Human Services – Division of Child and Family Services – Child Care Services – FY 08** – Transfer of \$1,000.00 from the Personnel Services category to the Provider Training category and \$4,645.00 from the Personnel Services category to the Information Services category to meet child care training contractual obligations for child care facilities and to provide funding for an increase in cost of child care licensing software. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C25169**

Refer to second motion for approval under Item H.

- 109. Department of Health and Human Services – Division of Child and Family Services – Rural Child Welfare – FY 08** – Deletion of \$165,269.00 in General Fund Salary Adjustment funds and \$53,630.00 in Federal Title IV-E funds to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount

deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C25190**

Refer to motion for approval under Item H.

- 110. Department of Health and Human Services – Division of Child and Family Services – Rural Child Welfare – FY 08** – Addition of \$2,292,270.00 in General Fund Appropriation and \$72,744.00 in Federal Title IV-B-1 funds and deletion of \$2,295,764.00 in Federal Title IV-E funds to provide funding for out-of-home placement costs which are no longer Title IV-E eligible due to changes in federal regulations and to adjust a cost allocation calculation of IV-E allowable administrative and placement costs. Requires Interim Finance approval pursuant to A.B. 628, Section 34 of the 2007 Legislative Session. **Work Program #C25202. RELATES TO 111.**

Refer to narrative and motion for approval under Item 105.

- 111. Department of Health and Human Services – Division of Child and Family Services – Rural Child Welfare – FY 09** – Deletion of \$2,292,270.00 in General Fund Appropriation to augment fiscal year 2008 as allowed by A.B. 628, Section 34 of the 2007 Legislative Session to provide funding for out-of-home placement costs which are no longer Title IV-E eligible due to changes in federal regulations and to adjust a cost allocation calculation of IV-E allowable administrative and placement costs. Requires Interim Finance approval pursuant to A.B. 628, Section 34 of the 2007 Legislative Session. **Work Program #C25203. RELATES TO 110.**

Refer to narrative and motion for approval under Item 105.

- 112. Department of Health and Human Services – Division of Child and Family Services – Juvenile Correctional Facility – FY 09** – Transfer of \$29,987.00 from the Clark County School District category to the Vocational Summer School category to provide a distinction between the Clark County School District Summer School Program and a newly developed Vocational Summer School Program. Requires Interim Finance approval since the amount transferred to the Vocational Summer School category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C25188. WITHDRAWN MAY 21, 2008**

Item 112 was withdrawn on May 21, 2008.

- 113. Department of Health and Human Services – Division of Child and Family Services – Caliente Youth Center – FY 08** – Deletion of \$174,061.00 in General Fund Salary Adjustment funds to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim

Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C21430**

Refer to motion for approval under Item H.

- 114. Department of Health and Human Services – Division of Child and Family Services – Caliente Youth Center – FY 08** – Transfer of \$45,000.00 from the Operating category to the Utilities category to provide funding for the projected increase in cost of necessary utility usage for the co-educational juvenile residential facility. Requires Interim Finance approval since the amount transferred to the Utilities category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C21429**

Refer to motion for approval under Item H.

- 115. Department of Health and Human Services – Division of Child and Family Services Nevada – Nevada Youth Training Center – FY 08** – Deletion of \$207,072.00 in General Fund Salary Adjustment funds to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C11677**

Refer to motion for approval under Item H.

- 116. Department of Health and Human Services – Division of Child and Family Services – Nevada Youth Training Center – FY 08** – Addition of \$34,668.00 in Carl Perkins Basic Grant funds transferred from the Nevada Department of Education to provide funding for the academic, vocational and technical skills for students in vocational technical education programs and to enhance the Career, Technical and Education component of the school program. Requires Interim Finance approval since the amount added to the Carl Perkins Subgrant category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C11671**

Refer to motion for approval under Item H.

- 117. Department of Health and Human Services – Division of Child and Family Services – Youth Parole Services – FY 08** – Addition of \$31,628.00 in Transfer from Contingency Fund to correct the funding for Interstate Compact for Juveniles expenditures, which requires payment from the Reserve that will be transferred from the Statutory Contingency Account instead of utilizing General Funds, per NRS 621.500. Requires Interim Finance approval since the amount added to the Reserve for Reversion category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C25204. RELATES TO 118.**

Refer to motion for approval under Item H.

- 118. Department of Health and Human Services – Division of Child and Family Services – Youth Parole Services – FY 09** – Addition of \$31,628.00 in Transfer from Contingency Fund to correct funding for Interstate Compact for Juveniles expenditures that requires payment from the Reserve from Statutory Contingency Account instead of the General Fund, per NRS 621.050. Requires Interim Finance approval since the amount added to the Reserve for Reversion category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C25206. RELATES TO 117.**

Refer to motion for approval under Item H.

- 119. Department of Health and Human Services – Division of Child and Family Services – Northern Nevada Child and Adolescent Services – FY 08** – Deletion of \$190,681.00 in General Fund Salary Adjustment to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C40104**

Refer to motion for approval under Item H.

- 120. Department of Health and Human Services – Division of Child and Family Services – Southern Nevada Child and Adolescent Services – FY 08** – Deletion of \$499,598.00 in General Fund Salary Adjustment funds to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C40137**

Refer to motion for approval under Item H.

- 121. Department of Employment, Training and Rehabilitation – Rehabilitation Division – Vocational Rehabilitation – FY 08** – Deletion of \$12,568.00 in General Fund Salary Adjustment to remove unused salary adjustment funds. Requires Interim Finance approval since the cumulative amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C25434**

Refer to motion for approval under Item H.

- 122. Department of Employment, Training and Rehabilitation – Rehabilitation Division – Vocational Rehabilitation – FY 09** – Addition of \$256,880.00 in Federal Section 110 Grant funds to allow Vocational Rehabilitation to temporarily use contractual services until they are able to recruit staff into classified positions and provide a continuity of service for clients. Requires Interim Finance approval

since the amount added to the Operating category exceeds \$50,000.00.
Work Program #C25435

Refer to motion for approval under Item H.

- 123. Department of Employment, Training and Rehabilitation – Rehabilitation Division – Services to the Blind & Visually Impaired – FY 08** – Deletion of \$288.00 in General Fund Salary Adjustment and transfer of \$70,288.00 from the Client Services category to the Personnel Services category to provide funding for a payroll deficit portion of an unanticipated settlement. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C25422**

Refer to motion for approval under Item H.

- 124. Department of Employment, Training and Rehabilitation – Rehabilitation Division – Blind Business Enterprise Program – FY 08** – Deletion of \$729,206.00 in Federal Receipts to remove pass-through funding authority for a blind vendor that was not selected to continue providing services to the Fallon Naval Air Station. Requires Interim Finance approval since the amount deducted from the Business Enterprise category exceeds \$50,000.00. **Work Program #C25433**

Refer to motion for approval under Item H.

- 125. Department of Corrections – Director’s Office – FY 08** – Addition of \$2,000.00 in Incentives and deletion of \$29,484.00 in Budgetary Transfer and \$24.00 in Reimbursement to provide funding for statewide projected shortfalls within the department and within Administration for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C40019**

Refer to motion for approval under Item H.

- 126. Department of Corrections – Director’s Office – FY 09** – Transfer of \$28,810.00 from the Uniform Allowance category to the Personnel Services category to implement a cash payment for uniform allowance in place of the current voucher system. Requires Interim Finance approval since the amount transferred from the Uniform Allowance category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C40008**

Refer to motion for approval under Item H.

- 127. Department of Corrections – Prison Medical Care – FY 08** – Deletion of \$811,941.00 in Budgetary Transfer and \$37,730.00 in Boarder Reimbursement and transfer of \$1,135,781.00 from the Inmate Drivens category to the Personnel

Services category, \$723.00 from the Operating category to the Personnel Services category, \$6,916.00 from the Information Services category to the Personnel Services category and \$542.00 from the Inmate Drivens category to the Utilities category to provide funding for statewide projected shortfalls within the department and Prison Medical Care for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Inmate Drivens category exceeds \$50,000.00. **Work Program #C40020**

Refer to motion for approval under Item H.

- 128. Department of Corrections – Correctional Programs – FY 08** – Deletion of \$543,771.00 in Budgetary Transfer to provide funding for statewide projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C40035**

Refer to motion for approval under Item H.

- 129. Department of Corrections – Ely State Prison – FY 08** – Addition of \$14,450.00 in Jail Meals to establish authority to receive reimbursement from White Pine County for meals provided to prisoners incarcerated in the county jail. Requires Interim Finance approval since the cumulative change of the Inmate-Driven category exceeds \$50,000.00. **Work Program #C33747**

Refer to motion for approval under Item H.

- 130. Department of Corrections – Ely State Prison – FY 08** – Addition of \$1,943.00 in Prison Industry Utilities Reimbursement and deletion of \$809,520.00 in Budgetary Transfer, \$447,712.00 in General Fund Salary Adjustment and \$1,542.00 in Meal Sales to provide funding for statewide shortfalls within the department, align revenues and expenditures and deaughtment revenues and expenditures based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C40016**

Refer to motion for approval under Item H.

- 131. Department of Corrections – Ely State Prison – FY 09** – Transfer of \$186,934.00 from the Uniform Allowance category to the Personnel Services category to implement a cash payment for uniform allowance in place of the current voucher system. Requires Interim Finance approval since the amount transferred from the Uniform Allowance category exceeds \$50,000.00. **Work Program #C40005**

Refer to motion for approval under Item H.

- 132. Department of Corrections – Ely State Prison – FY 09** – Transfer of \$825,901.00 from the Personnel Services category to the Reserve for Reversion category to reflect budgetary savings associated with the freezing of 26 Correctional Officer positions. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C40099**

Refer to motion for approval under Item H.

- 133. Department of Corrections – High Desert State Prison – FY 08** – Addition of \$340,000.00 in Budgetary Transfer, \$98,055.00 in Room, Board and Transportation Charges and \$877.00 in Employee Services and deletion of \$47,670.00 in Bakery Sales, \$5,048.00 in Prison Industry Utilities Reimbursement and \$24,061.00 in General Fund Salary Adjustment to provide funding for projected shortfalls, align revenues and expenditures and deaugment revenues and expenditures based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Inmates Drives category exceeds \$50,000.00. **Work Program #C40034**

Refer to motion for approval under Item H.

- 134. Department of Corrections – High Desert State Prison – FY 09** – Addition of \$509,923.00 in Budgetary Transfers to transfer a Warden, two Associate Wardens and three Administrative Assistant positions to High Desert State Prison as a result of closing the Southern Nevada Correctional Center. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C33762. RELATES TO 146.**

Chairman Arberry announced that the Committee would consider Items 134 and 146 concurrently.

Howard Skolnik, Director, Department of Corrections (DOC), appeared before the Committee to request approval to transfer a Warden, two Associate Wardens and three Administrative Assistant positions from the Southern Nevada Correctional Center (SNCC), scheduled to close on July 1, 2008, to the High Desert State Prison (HDSP).

Mr. Skolnik advised that, if approved, the positions would be responsible for the oversight of the medium-custody portion of the HDSP, four closed-custody units that, because of recent population projections, would require double bunking, and the Youthful Offender Program. Additionally, he said the Warden would provide oversight for the management of the rural conservation camps in southern Nevada and coordinate the Sex Offender Registry beginning July 1, 2008. Mr. Skolnik explained that the Sex Offender Registry was the responsibility of the counties, but registration of sex offenders was required prior to release from prison, and transportation costs to register inmates in their county exceeded the cost of the DOC to take on the

responsibility. Additionally, Mr. Skolnik advised that Washoe County and Clark County provided the equipment needed for the Registry at their expense.

Senator Titus asked how the request for the transfer of positions aligned with the Administration's 21-Point Plan to resolve the budget crisis.

Mr. Skolnik advised that beyond the Administration's 21-Point Plan and the results of the Legislature's Special Session, the Department of Corrections was in a process of consolidation and had taken on the additional responsibilities of coordinating the Sex Offender Registry and realignment of management of the conservation camps. Mr. Skolnik cautioned that eliminating administrative positions, at the current time, was not a good idea considering the stress on the Department, but he said that the Legislature could consider the issue during the 2009 Session.

In response to Senator Titus, who questioned whether the Department would request the Committee to modify the request after conclusion of the Special Session, Mr. Skolnik indicated that the Department would not request the Committee to do so.

Assemblyman Hogan questioned whether the Department would eliminate one or more of the positions if the incumbents declined to accept a transfer.

Mr. Skolnik pointed out that Nevada's Department of Corrections had one of the lowest staff-to-inmate ratios in the United States and reiterated that reducing staff was not a good policy. Additionally, Mr. Skolnik indicated that it would be unlikely that staff would decline a transfer.

Assemblywoman Leslie expressed her concern about the potential closing of the Nevada State Prison (NSP) in Carson City and asked if the DOC had formulated a housing plan to accompany the recommendation.

Mr. Skolnik advised that a housing plan had been completed and delivered to the Committee's staff a few hours before the Committee meeting.

In response to Assemblywoman Leslie, who asked how many NSP employees the DOC envisioned would receive layoff notices, Mr. Skolnik advised that approximately 171 employees would receive notices. Mr. Skolnik advised that if the 24th Special Session of the Legislature approved the closure of the NSP, staff from the NSP could transfer to other institutions as vacancies occurred, and the NSP population would decrease as inmates gradually transferred to other facilities. Additionally, Mr. Skolnik advised that completion of Phase V of the construction at the HDSP would likely coincide with the NSP closure, which would provide the availability of 81 to 91 positions in Clark County.

Assemblywoman Leslie expressed doubt that northern Nevada correctional staff would want to transfer to southern Nevada and she added that employee-bumping rights would make closing the institution a complicated process.

Senator Titus indicated concerns had been raised regarding the potential loss of federal dollars associated with the Sex Offender Registry and asked if the DOC staff had calculated the amount of funding that could be saved by postponing implementation of the program until it could be reviewed by the 2009 Legislature.

Mr. Skolnik advised that the state and the counties would work together on the implementation of the Sex Offender Registry with the counties providing the required equipment and the Department of Corrections providing the staff.

In response to Senator Titus, who questioned the supervision of registered sex offenders, Mr. Skolnik advised that the DOC would register the offenders prior to their release, but the Division of Parole and Probation would be responsible for their supervision.

Senator Titus expressed concern regarding a half dozen calls she received at her home from angry sex offenders, who indicated they were told by staff from the Department of Corrections they had to be reclassified because of legislation she sponsored. Senator Titus clarified that the bill approved to reclassify sex offenders was a bill authored by the Attorney General based on federal legislation, and the legislation she had sponsored related to residency requirements.

Senator Titus asked Mr. Skolnik to investigate the calls, which he agreed he would do.

In response to Senator Mathews, who asked for additional information regarding the NSP layoffs, Mr. Skolnik advised that if the NSP closed, 171 individuals would receive layoff notices. Mr. Skolnik explained, however, that because the institution would not close immediately, many of those individuals would have an opportunity to fill vacant positions in other DOC facilities around the state. Mr. Skolnik further advised that some individuals had expressed an interest in transferring to the institutions located in Lovelock and Ely. Additionally, Mr. Skolnik reiterated that as the DOC reduced the workforce and relocated inmates to other facilities, the impact on employees would be minimal by the time the facility actually closed.

Senator Mathews asked for information related to the projected closing date for NSP.

Mr. Skolnik advised that depending on the imposition of additional budget reductions and approval by the Legislature to close the facility, closure could take place any time from February through the end of fiscal year 2009. Mr. Skolnik explained that closing the NSP was only "on the table" because of the possibility of additional budget reductions, not because it was a good idea. Mr. Skolnik said that the closure of the NSP would increase the risk and danger to staff and the inmates throughout the entire system, "at least temporarily." However, Mr. Skolnik pointed out that the Department could only respond to additional budget reductions by closing a major institution.

In response to Senator Mathews who questioned what would happen to the NSP buildings if the institution closed, Mr. Skolnik, advised that closure would bring about the

abandonment of the lower yard, which he said would be too costly to bring up to code. Mr. Skolnik said, however, that the Department would maintain the upper yard and incorporate additional beds, if needed, into the Warm Springs Correctional Center by moving the fence around the perimeter of the facilities.

Assemblyman Grady commented that he had also received a call similar to the calls Senator Titus received, which he indicated he did not appreciate. Additionally, Assemblyman Grady expressed concern regarding the potential closure of the NSP, which he said would adversely affect many northern Nevada DOC employees. Assemblyman Grady indicated that it appeared the plan to close the NSP and double bunk inmates at the Ely facility could have serious consequences for the state of Nevada's prison system.

Mr. Skolnik reiterated that the imposition of additional budget reductions would force the closure of the NSP, but he said that the closure would take place using every available precaution to ensure the safety of staff, inmates, and the public. Mr. Skolnik clarified that double bunking would not occur at the Ely State Prison, which he said the DOC would continue to maintain as a close-custody facility, but he said that double bunking was occurring in some close-custody cells at the High Desert State Prison.

In response to a request from Senator Rhoads for information regarding the closure of conservation camps, Mr. Skolnik advised that the DOC had no plans in fiscal year 2009 to close conservation camps with the exception of the Silver Springs Camp.

Senator Raggio noted that the closure of the NSP coincided with the completion of the Phase V construction at HDSP and questioned whether the DOC considered keeping NSP open and the newly constructed portion of HDSP closed.

Mr. Skolnik pointed out that fixed costs for culinary, laundry, and school services at the NSP were problematic since those support services were also available at the HDSP.

In response to Senator Raggio's request for a copy of options outlined by the DOC in response to the imposition of potential additional budget reductions, Mr. Skolnik indicated he would provide the information to staff.

Assemblywoman Koivisto asked for comments regarding information she received from staff at the Indian Springs facility that they were warned by their supervisors to be prepared for layoffs.

Mr. Skolnik advised that the prisons were full of rumors without merit and a reduction in staff at the Indian Springs facility was nothing more than a rumor. Mr. Skolnik advised that the DOC was not currently preparing for a reduction in staff at any of the southern Nevada facilities.

Senator Coffin expressed concern regarding the population increases at the HDSP by the transfer of inmates from the SNCC.

Mr. Skolnik pointed out that the increase in population at the HDSP and the Department's intent to divide the HDSP 4,000-bed facility into two 2,000-bed facilities was the reason the request to transfer six positions from the SNCC was before the Committee.

In response to Senator Coffin, who asked how the expansion would affect the HDSP infrastructure, Mr. Skolnik advised that the HDSP facility was designed for expansion. Additionally, Mr. Skolnik advised that the Clark County School District would provide portable classroom units for the operation of two separate schools at the HDSP, one for the Youthful Offender Program and related medium-security inmates, and one for the remainder of the population.

In response to Assemblyman Denis, who requested an update on the status of leasing the SNCC facility, Mr. Skolnik advised that DOC representatives had been negotiating with representatives of Immigration and Customs Enforcement (ICE) to lease the facility. Mr. Skolnik advised that if ICE leased the SNCC, they would pay the cost of operating the facility, which would net the DOC \$30 per-day per-bed. Mr. Skolnik advised that if the DOC succeeded in negotiating a contract, it was his opinion that the facility would be in operation by January 2009.

Assemblywoman Weber requested information on the current inmate census.

Mr. Skolnik advised that the latest count at 12,976 and although population figures had been "relatively flat," a current concern was that Clark County Detention Center bookings and the percentage of felony bookings were increasing, which he said could affect future population statistics.

In response to Assemblywoman Weber's questions regarding the 2007 Legislature's identification of 10 percent of the prison inmate population as illegal aliens, Mr. Skolnik advised that all illegal aliens that were "safe to deport had been deported."

ASSEMBLYMAN PARKS MOVED APPROVAL OF ITEMS 134 AND 146 WITH A CAVEAT FOR REVIEW BY THE 2009 LEGISLATURE IN AN EFFORT TO AVOID A PRECEDENT-SETTING SITUATION FOR EMPLOYMENT OF A WARDEN AND TWO ASSISTANT WARDENS AT ONE INSTITUTION.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Weber and Senator Coffin voted nay. Assemblywoman Buckley was not present for the vote.)

- 135. Department of Corrections – High Desert State Prison – FY 09** – Transfer of \$389,309.00 from the Uniform Allowance category to the Personnel Services category to implement a cash payment for uniform allowance in place of the current voucher system. Requires Interim Finance approval since the amount transferred from the Uniform Allowance category exceeds \$50,000.00. **Work Program #C40000**

Refer to motion for approval under Item H.

- 136. Department of Corrections – Northern Nevada Correctional Center – FY 08** – Addition of \$805,324.00 in Budgetary Transfer, \$8,913.00 in Reimbursement and \$102,754.00 in Rebate and deletion of \$1,640.00 in Employee Services, \$1,105.00 in Room, Board and Transportation Charges, \$128.00 in Laundry Services, \$1,242.00 in Bakery Sales and \$230,584.00 in Power Sales to provide funding for projected shortfalls and align revenues and expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C40021**

Refer to narrative and motion for approval under 134.

- 137. Department of Corrections – Northern Nevada Correctional Center – FY 09** – Transfer of \$146,921.00 from the Uniform Allowance category to the Personnel Services category to implement a cash payment for uniform allowance in place of the current voucher system. Requires Interim Finance approval since the amount transferred from the Uniform Allowance category exceeds \$50,000.00. **Work Program #C33789**

Refer to motion for approval under Item H.

- 138. Department of Corrections – Nevada State Prison – FY 08** – Addition of \$276,015.00 in Budgetary Transfer and \$11,589.00 in Power Sales and deletion of \$2,850.00 in Room, Board and Transportation Charges to provide funding for projected shortfalls and align revenues for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C40025**

Refer to motion for approval under Item H.

- 139. Department of Corrections – Nevada State Prison – FY 09** – Transfer of \$122,493.00 from the Uniform Allowance category to the Personnel Services category to implement a cash payment for uniform allowance in place of the current voucher system. Requires Interim Finance approval since the amount transferred from the Uniform Allowance category exceeds \$50,000.00. **Work Program #C33791**

Refer to motion for approval under Item H.

- 140. Department of Corrections – Southern Desert Correctional Center – FY 08 –** Addition of \$405,456.00 in Budgetary Transfer and \$544.00 in Employee Services and deletion of \$4,894.00 in Room, Board and Transportation Charges and \$1,282.00 in Prison Industries Utilities Reimbursement to provide funding for projected shortfalls and align revenues and expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Inmate-Driven category exceeds \$50,000.00. **Work Program #C40030**

Refer to motion for approval under Item H.

- 141. Department of Corrections – Southern Desert Correctional Center – FY 09 –** Transfer of \$136,267.00 from the Uniform Allowance category to the Personnel Services category to implement a cash payment for uniform allowance in place of the current voucher system. Requires Interim Finance approval since the amount transferred from the Uniform Allowance category exceeds \$50,000.00. **Work Program #C33796**

Refer to motion for approval under Item H.

- 142. Department of Corrections – Lovelock Correctional Center – FY 08 –** Addition of \$44,994.00 in Budgetary Transfer and deletion of \$2,375.00 in Jail Meals and \$63,407.00 in General Fund Salary Adjustment to provide funding for projected shortfalls, align revenues and expenditures and deaugment revenues and expenditures based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Deferred Facilities Maintenance category exceeds \$50,000.00. **Work Program #C40018**

Refer to motion for approval under Item H.

- 143. Department of Corrections – Lovelock Correctional Center – FY 09 –** Transfer of \$797,752.00 from the Personnel Services category to the Reserve for Reversion category and \$301.00 from the Uniform Allowance category to the Reserve for Reversion category to reflect the reduction in costs associated with the disbanding of the Disruptive Group Unit 4. Requires Interim Finance approval since the amount added to the Reserve for Reversion category exceeds \$50,000.00. **Work Program #C40011**

Refer to motion for approval under Item H.

- 144. Department of Corrections – Lovelock Correctional Center – FY 09 –** Transfer of \$166,588.00 from the Uniform Allowance category to the Personnel Services category to implement a cash payment for uniform allowance in place of the current voucher system. Requires Interim Finance approval since the amount

transferred from the Uniform Allowance category exceeds \$50,000.00.
Work Program #C40007

Refer to motion for approval under Item H.

- 145. Department of Corrections – Southern Nevada Correctional Center – FY 08 –** Addition of \$227,898.00 in Budgetary Transfer and \$1,076.00 in Reimbursement and deletion of \$1,000.00 in Employee Services, \$11,484.00 in Room, Board and Transportation Charges, \$100.00 in Meal Sales and \$68,903.00 in funds transferred from Education to provide funding for projected shortfalls and align revenues and expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C40023**

Refer to motion for approval under Item H.

- 146. Department of Corrections – Southern Nevada Correctional Center – FY 09 –** Deletion of \$509,923.00 in Budgetary Transfers to transfer a Warden, two Associate Wardens and three Administrative Assistant positions to High Desert State Prison as a result of closing the Southern Nevada Correctional Center. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C40037. RELATES TO 134.**

Refer to narrative and motion for approval under 134.

- 147. Department of Corrections – Warm Springs Correctional Center – FY 08 –** Addition of \$1,176.00 in Room, Board and Transportation Charges and deletion of \$103,623.00 in Budgetary Transfer to provide funding for statewide projected shortfalls within the department and align revenues for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Inmate-Driven category exceeds \$50,000.00. **Work Program #C40024**

Refer to motion for approval under Item H.

- 148. Department of Corrections – Warm Springs Correctional Center – FY 09 –** Transfer of \$71,270.00 from the Uniform Allowance category to the Personnel Services category to implement a cash payment for uniform allowance in place of the current voucher system. Requires Interim Finance approval since the amount

transferred from the Uniform Allowance category exceeds \$50,000.00.
Work Program #C33790

Refer to motion for approval under Item H.

- 149. Department of Corrections – Florence McClure Women’s Correctional Center - FY 08** – Addition of \$262,445.00 in Budgetary Transfer, \$7,203.00 in Room, Board and Transportation Charges and \$151.00 in Meal Sales to provide funding for projected shortfalls and align revenues and expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C40033**

Refer to motion for approval under Item H.

- 150. Department of Corrections – Florence McClure Women’s Correctional Center – FY 09** – Transfer of \$101,168.00 from the Uniform Allowance category to the Personnel Services category to implement a cash payment for uniform allowance in place of the current voucher system. Requires Interim Finance approval since the amount transferred from the Uniform Allowance category exceeds \$50,000.00. **Work Program #C33799**

Refer to motion for approval under Item H.

- 151. Department of Corrections – Casa Grande Transitional Housing – FY 08** – Addition of \$34,230.00 in Room, Board and Transportation Charges and deletion of \$74,551.00 in Budgetary Transfer and \$28,224.00 in General Fund Salary Adjustment to provide funding for statewide projected shortfalls within the department, align revenues and expenditures and deaughtment revenues and expenditures based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C40032**

Refer to motion for approval under Item H.

- 152. Department of Corrections – Casa Grande Transitional Housing – FY 09** – Transfer of \$13,917.00 from the Uniform Allowance category to the Personnel Services category to implement a cash payment for uniform allowance in place of the current voucher system. Requires Interim Finance approval since the cumulative amount transferred to the Personnel Services category exceeds \$50,000.00. **Work Program #C33798**

Refer to motion for approval under Item H.

- 153. Department of Corrections – Northern Nevada Restitution Center – FY 08** – Addition of \$24,815.00 in Budgetary Transfer and deletion of \$49,473.00 in Room, Board and Transportation Charges and \$14,528.00 in General Fund Salary

Adjustment to provide funding for projected shortfalls, align revenues and expenditures and deaugment revenues and expenditures based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Utilities category includes a budgetary transfer that balances against other work programs. **Work Program #C40026**

Refer to motion for approval under Item H.

- 154. Department of Corrections – Stewart Conservation Camp – FY 08** – Addition of \$3,055.00 in Budgetary Transfer and \$1,713.00 in Room, Board and Transportation Charges and deletion of \$22,171.00 in General Fund Salary Adjustment to provide funding for projected shortfalls, align revenues and expenditures and deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Utilities category includes a budgetary transfer that balances against other work programs. **Work Program #C40022**

Refer to motion for approval under Item H.

- 155. Department of Corrections – Pioche Conservation Camp – FY 08** – Addition of \$1,804.00 in Room, Board and Transportation Charges and deletion of \$72,252.00 in Budgetary Transfer and \$20,851.00 in General Fund Salary Adjustment and transfer of \$7,198.00 from the Personnel Services category to the Utilities category to provide funding for statewide projected shortfalls, align revenues and expenditures and deaugment revenues and expenditures based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C40012**

Refer to motion for approval under Item H.

- 156. Department of Corrections – Indian Springs Conservation Camp – FY 08** – Addition of \$31,308.00 in Budgetary Transfer and \$6,420.00 in Room, Board and Transportation Charges to provide funding for projected shortfalls and align revenues and expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category includes a budgetary transfer that balances against other work programs. **Work Program #C40029**

Refer to motion for approval under Item H.

- 157. Department of Corrections – Indian Springs Conservation Camp – FY 09** – Transfer of \$26,508.00 from the Uniform Allowance category to the Personnel Services category to implement a cash payment for uniform allowance in place of the current voucher system. Requires Interim Finance approval since the amount

transferred from the Uniform Allowance category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C33795**

Refer to motion for approval under Item H.

- 158. Department of Corrections – Wells Conservation Camp – FY 08** – Addition of \$122.00 in Room, Board and Transportation Charges and deletion of \$4,448.00 in Budgetary Transfer and \$16,584.00 in General Fund Salary Adjustment to provide funding for statewide projected shortfalls within the department to align revenues and expenditures and deaugment revenues and expenditures based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category includes a budgetary transfer that balances against other work programs. **Work Program #C40013**

Refer to motion for approval under Item H.

- 159. Department of Corrections – Humboldt Conservation Camp – FY 08** – Addition of \$2,704.00 in Room, Board and Transportation Charges and deletion of \$7,700.00 in Budgetary Transfer and \$17,075.00 in General Fund Salary Adjustment to provide funding for statewide shortfalls within the department, align revenue and expenditures and deaugment revenues and expenditures based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category includes a budgetary transfer that balances against other work programs. **Work Program #C40014**

Refer to motion for approval under Item H.

- 160. Department of Corrections – Ely Conservation Camp – FY 08** – Addition of \$18,400.00 in Budgetary Transfer and \$2,907.00 in Room, Board and Transportation Charges to provide funding for projected shortfalls and align revenues and expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category includes a budgetary transfer that balances against other work programs. **Work Program #C40015**

Refer to motion for approval under Item H.

- 161. Department of Corrections – Jean Conservation Camp – FY 08** – Addition of \$102,273.00 in Budgetary Transfer and deletion of \$64,176.00 in Room, Board and Transportation Charges to provide funding for projected shortfalls and align revenues and expenditures for the remainder of the fiscal year. Requires Interim

Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C40031**

Refer to motion for approval under Item H.

- 162. Department of Corrections – Silver Springs Conservation Camp – FY 08 –** Addition of \$7,129.00 in Room, Board and Transportation Charges and \$6,079.00 in Reimbursements and deletion of \$62,747.00 in Budgetary Transfer and \$17,306.00 in General Fund Salary Adjustment to provide funding for statewide projected shortfalls within the department, align revenues and expenditures and deaugment revenues and expenditures based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category includes a budgetary transfer that balances against other work programs. **Work Program #C40027**

Refer to motion for approval under Item H.

- 163. Department of Corrections – Carlin Conservation Camp – FY 08 –** Addition of \$8,798.00 in Budgetary Transfer and deletion of \$1,594.00 in Room, Board and Transportation Charges and \$7,756.00 in General Fund Salary Adjustment to provide funding for projected salaries, align revenues and expenditures and deaugment revenues and expenditures based on projected shortfalls for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Utilities category includes a budgetary transfer that balances against other work programs. **Work Program #C40017**

Refer to motion for approval under Item H.

- 164. Department of Corrections – Tonopah Conservation Camp – FY 08 –** Addition of \$2,924.00 in Room, Board and Transportation Charges and deletion of \$30,744.00 in Budgetary Transfer and \$14,235.00 in General Fund Salary Adjustment to provide funding for statewide projected shortfalls, align revenues and expenditures and deaugment revenues and expenditures based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category includes a budgetary transfer that balances against other work programs. **Work Program #C40028**

Refer to motion for approval under Item H.

- 165. Department of Corrections – Offenders' Store Fund – FY 08 –** Addition of \$436,538.00 in Store Sales Revenue, \$122,096.00 in Catalog Commissions, \$105,177.00 in Treasurer's Interest Distribution and \$165,049.00 in Debit Phone Purchases to align fiscal year 2008 revenue and expenditures based on projections for the remainder of the fiscal year. Requires Interim Finance approval

since the amount added to the Debit Phone Payments category exceeds \$50,000.00. **Work Program #C33748**

Refer to motion for approval under Item H.

- 166. Department of Corrections – Inmate Welfare Account – FY 08** – Transfer of \$25,500.00 from the Retained Earnings category to the Indigent Postage (Inmates) category and \$23,850.00 from the Retained Earnings category to the Inmate Gate Money category to provide funding for projected expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Indigent Postage (Inmates) category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C40040**

Refer to motion for approval under Item H.

- 167. Department of Motor Vehicles – Real ID Act – FY 09** – Addition of \$1,041,622.00 in Highway Fund Appropriation to continue implementation of the Real ID Act. Requested funding will provide sufficient revenue and expenditure authority to pay the existing contract **project** manager through fiscal year 2009; conduct necessary employee background checks; provide additional resources for the Project Management Office; provide in-state and out-of-state travel; and complete an individual record merge and facial image scrub. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C34268**

Ginny Lewis, Director, Department of Motor Vehicles (DMV), appeared before the Committee to request approval for an appropriation from the Highway Fund to support implementation of the Real ID Act.

Ms. Lewis told the Committee that the 2007 Legislature approved the Real ID budget account with \$100,000 for fiscal year 2008 and \$200,000 for fiscal year 2009 to pay for a contract project manager. She said, however, that the Legislature gave the DMV the authority to request an augmentation from the state Highway Fund, pursuant to Section 14 of the Authorizations Act, if it was determined that monies authorized in the budget were not sufficient to comply with the provisions of the Real ID Act.

Ms. Lewis said that the Highway Funds, requested in the work program, were necessary to accomplish tasks in fiscal year 2009 to achieve the goal of material compliance by the deadline of December 31, 2009. Ms. Lewis indicated that delaying the funding request until the 2009 Legislature with funding available in July 2009 would not provide adequate time for the state to comply with 18 milestone requirements to become materially compliant. Additionally, Ms. Lewis advised that not meeting the December 31, 2009 deadline for material compliance would mean that the state could not request a second extension through May 2011.

Ms. Lewis further advised that the DMV submitted the work program request for \$1,042,622 prior to learning that the Department of Homeland Security (DHS) awarded

Nevada a Real ID Demonstration Grant for \$1,693,607. Because of the award, Ms. Lewis said the DMV reduced the work program request, before the Committee, to \$761,682. Additionally, Ms. Lewis advised that the DHS selected Nevada to partner with Missouri, the lead hub state, for pilot implementation and verification testing and awarded an additional \$1.2 million to offset costs for hardware, testing, and interfacing with various verification systems. Ms. Lewis reported that the DHS invitation to Nevada to partner with Missouri, Florida, Indiana, and Wisconsin was based on the reputation and skills of DMV's Information Technology staff as well as the fact that Nevada had been proactive in complying with the 18 milestone requirements to become materially compliant. Ms. Lewis also reported that 48 Real ID Demonstration Grants competitively awarded a total of \$79.8 million to assist states with implementation of the Real ID Act with the highest award of \$17.5 million to Missouri and that only five states received more than the \$2,893,607 awarded to Nevada.

Ms. Lewis advised that approval of the work program request would allow the DMV to focus on certain areas of the project that the federal funds could not cover, such as the \$142,240 needed to extend the project manager contract through the end of fiscal year 2009. Additionally, Ms. Lewis advised that the DMV requested funds for employee background checks, another requirement for the state to become materially compliant by December 2009. Approval of the request, would allow the DMV to purchase two Live Scan fingerprint units that would be used to electronically transmit fingerprints to the Federal Bureau of Investigation (FBI). Ms. Lewis advised that staff, after investigating other options, had determined that the Live Scan fingerprint equipment would be the most efficient manner in which to process 649 employee fingerprint and background checks before December 2009.

The work program also requested both in-state and out-of-state travel funds to attend Real ID meetings and conferences as well as funds for additional contract resources for completion and submittal of a certification package prior to becoming materially compliant. Ms. Lewis explained that a contractor with security credentials and the expertise to assist the project manager and management analyst, assigned to Real ID, would conduct a security assessment and provide certification for the security of the data, application, and facilities. Additionally, a contract employee with architecture experience would assess the DMV's Information Technology environment by evaluating Real ID hardware and network needs and the capacity planning for the data storage and "throughput" of the different interfaces. Ms. Lewis advised that the DMV would also install network scanners throughout the state to comply with Real ID requirements and with that component of the project, the bandwidth and capacity would also require assessment.

Ms. Lewis advised the Committee that the Real ID budget that the DMV submitted to the 2007 Legislature totaled \$26.5 million with costs based on information available at that time. Ms. Lewis said that that with completion of approximately 80 percent of all joint application designs (JAD), the current cost for Nevada to implement the Real ID was just over \$5.1 million. Additionally, she said that with the \$2.8 million in grant awards and approval of the request from the Highway Fund for fiscal year 2009, the

budget for the Real ID that the DMV would submit to the 2009 Legislature would be just over \$1 million.

Ms. Lewis also advised that the DHS grants gave the states some latitude on how to use the funds that provided staff the ability to reassess and shift costs to use the grant funds as permissible and to reduce requests from the Highway Fund. Ms. Lewis expressed her commitment to pursue any additional federal monies that became available for the Real ID to help offset the use of state funds.

Senator Mathews questioned the security of DMV's drivers' license data after reading a news account of the potential sale of the vendor's identification systems business to a foreign country.

Ms. Lewis said that although the vendor, Digimarc, had not notified the DMV of a sale, a company identified as L-1 Identity Solutions had placed an initial bid to purchase Digimarc Corporation Identification Systems. Ms. Lewis provided assurance, however, that the state protected drivers' license data and that any future vendor that purchased Digimarc Corporation Identification Systems would be required to purchase the contract to protect the security of Nevada's data. Ms. Lewis further advised that Nevada was moving to a Central Issuance process in the fall that would provide for more secure identification cards. At that time, data would be transmitted on a nightly basis to a secure environment outside of the state and after the cards were produced, the files would be destroyed, but the records and images would be maintained in Nevada.

In response to questions Senator Mathews asked regarding the destruction of the files, Ms. Lewis advised that although the vendor would destroy the files, the DMV would audit the process. Ms. Lewis again provided her assurance that the security of the records would not be compromised and that DMV attorneys would scrutinize the contract of any vendor that purchased Digimarc's contract.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, questioned whether the funding requested for additional project management support could also be reduced by \$260,000.

Ms. Lewis agreed that funding for additional project management support could be reduced by \$260,000 if she was permitted to return to the Interim Finance Committee later in the year to request additional resources.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF
ITEM 167 AS AMENDED.

SENATOR HOGAN SECONDED THE MOTION.

In response to Senator Raggio's request for clarification of the amended motion, Mr. Stevens advised that taking into account the grant awards, the work program would be reduced by \$279,940 and by an additional \$260,000 for project management support

allowing the DMV to return to the Committee later in the year if additional resources were needed.

Assemblyman Denis asked for information related to a staff recommendation that the DMV use a manual process for conducting background checks that would reduce the request by \$5,895.

Mr. Stevens explained that staff had identified an alternative to the agency's internal background investigations using electronic imaging and asked Ms. Lewis to discuss the option.

Ms. Lewis reported that the final Real ID rules required the DMV to fingerprint and investigate the background of every employee who had access to issuing drivers' licenses, and over 649 employees were identified whose fingerprints and background investigations had to be completed by December 2009. Ms. Lewis advised that the DMV currently conducted the background process manually, which could take up to two months to complete after the information was submitted to the Department of Public Safety's Criminal History Repository and to the Federal Bureau of Investigation (FBI). Ms. Lewis advised that electronically capturing and transmitting fingerprints to the proper authorities without disrupting the work of employees by removing them from their offices was a more efficient process. Ms. Lewis expressed concern that other jurisdictions in the country also had to process their employees through a background check with the FBI by the same deadline, and approval of the request before the Committee would provide the DMV an advantage in meeting the required deadline.

Assemblyman Denis asked for information regarding use of the equipment once the background investigations were completed.

Ms. Lewis advised that employee turnover would require continual use of the equipment.

Chairman Arberry questioned how the DMV would address the potential discovery of an employee with a questionable background.

Ms. Lewis advised that if an investigation revealed a background that disqualified an employee from issuing driver licenses, the DMV would attempt to find another place for that employee that satisfied the DHS that the employee could not alter data or issue driver licenses.

Senator Beers discussed a recent fingerprinting experience associated with his Certified Public Accounting license and advised that the vendor charged \$15 to submit the image electronically. Senator Beers questioned whether the DMV had considered using a third-party vendor.

Ms. Lewis advised that staff reviewed contracting with a third-party vendor to process the background investigations in Las Vegas but abandoned the idea because of

concerns regarding the disruption of work by removing employees from their offices as well as the \$15 cost per employee.

Senator Beers pointed out that the \$15 cost for 649 employees amounted to \$9,735 versus the \$35,000 to purchase the equipment.

In an effort to ensure that the Committee understood the motion as amended, Mr. Stevens advised that request was reduced by \$279,940 for the items included within the grant and by \$260,000 for additional project management support, which would be revisited by the close of the year if the need arose for additional resources.

THE MOTION CARRIED AS AMENDED. (Senator Beers voted nay).

- 168. Department of Motor Vehicles – Motor Vehicle Information Technology – FY 08** – Deletion of \$89,540.00 in Highway Fund Salary Adjustment funds to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C34262**

Refer to motion for approval under Item H.

- 169. Department of Motor Vehicles – Administrative Services – FY 08** – Deletion of \$52,220.00 in Highway Fund Salary Adjustment funds to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C34245**

Refer to motion for approval under Item H.

- 170. Department of Motor Vehicles – Compliance Enforcement – FY 08** – Deletion of \$59,520.00 in Highway Fund Salary Adjustment funds to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C34264**

Refer to motion for approval under Item H.

- 171. Department of Motor Vehicles – Central Services – FY 08** – Deletion of \$134,859.00 in Highway Fund Salary Adjustment funds to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C34244**

Refer to motion for approval under Item H.

- 172. Department of Motor Vehicles – Field Services – FY 08** – Deletion of \$682,937.00 in Highway Fund Salary Adjustment funds to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C34265**

Refer to motion for approval under Item H.

- 173. Department of Motor Vehicles – Motor Carrier – FY 08** – Deletion of \$58,978.00 in Highway Fund Salary Adjustment funds to deaugment revenue and expenditure authority based on projected salaries for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000.00. **Work Program #C34263**

Refer to motion for approval under Item H.

- 174. Department of Public Safety – Technology Division – FY 08** – Transfer of \$100,000.00 from the Personnel Services category to the Information Services category to replace network infrastructure equipment for the Criminal Justice Information System network. Requires Interim Finance approval since the amount added to the Information Services category exceeds \$50,000.00. **Work Program #C40505**

Refer to motion for approval under Item H.

- 175. Department of Public Safety – Justice Assistance Act – FY 09** – Addition of \$300,000.00 in Sex Offender Monitoring, Apprehending, Registering and Tracking (SMART) Grant funds to develop and enhance programs to implement the Sex Offender Registration and Notification Act. Requires Interim Finance approval since the amount added to the SMART Grant category exceeds \$50,000.00. **Work Program #C34992**

Refer to motion for approval under Item H.

- 176. Department of Public Safety – Justice Assistance Grant Trust – FY 08** – Addition of \$35,000.00 in Treasurer's Interest to accept anticipated revenues for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Justice Assistance category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C34996**

Refer to motion for approval under Item H.

- 177. Department of Public Safety – Emergency Management – FY 08** – Addition of \$10,640.00 in Department of Energy, Aid in Process Grant funds transferred from Emergency Management Assistance, \$13,679.00 in Emergency Management

Preparedness Grant funds transferred from Emergency Management Assistance, \$12,666.00 in Office of Domestic Preparedness Grant funds transferred from Emergency Management Assistance, **and the addition of \$36,985 in Information Services** to properly allocate the purchase of computers for the staff of the Division of Emergency Management rather than the Department of Public Safety One Shots. Requires Interim Finance approval since the cumulative amount added to the Information Services category exceeds \$50,000.00. **Work Program #C34986. REVISED BY THE FISCAL ANALYSIS DIVISION JUNE 12, 2008.**

Refer to motion for approval under Item H.

- 178. Department of Public Safety – Emergency Management – FY 08** –Addition of \$9,516.00 in Federal Emergency Management Agency funds transferred from Emergency Management Assistance to receive Public Assistance reimbursement of administrative costs for the Clark/Lincoln Flood. Requires Interim Finance approval since the cumulative amount added to the In-State Travel category exceeds \$50,000.00. **Work Program #C40507**

Refer to motion for approval under Item H.

- 179. Department of Public Safety – Emergency Management – FY 09** – Addition of \$50,000.00 in Waste Isolation Pilot Plant (WIPP) Grant funds transferred from the Agency for Nuclear Projects to provide funding for travel, training, equipment and operating supplies related to the shipping of transuranic waste in Nevada. Requires Interim Finance approval since the amount added to the WIPP category exceeds \$50,000.00. **Work Program #C34995**

Phil Weyrick, Administrative Services Officer, Division of Emergency Management, Department of Public Safety, appeared before the Committee to request approval to establish authority for the addition of a \$50,000 Waste Isolation Pilot Plant Grant transfer from the Agency for Nuclear Projects. Mr. Weyrick advised that the Department of Energy provided the grant funding to western states through the Western Governor's Association for training and equipment related to the shipping of nuclear waste products.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF ITEM
179.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was
not present for the vote.)

- 180. Department of Public Safety – Emergency Management – FY 09** – Addition of \$75,140.00 in Public Safety Interoperable Communications (PSIC) Grant funds transferred from Emergency Management Assistance to provide funding for a

temporary contract employee and travel and operating expenses for PSIC Grant Administration. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000.00. **Work Program #C34984**

Refer to motion for approval under Item H.

- 181. Department of Public Safety – Emergency Management – FY 09** – Addition of \$582,977.00 in Emergency Management Preparedness Grant funds to further strengthen the state's ability to support emergency management mission areas while addressing issues of national concern. Requires Interim Finance approval since the amount includes new staff. **Work Program #C34989**

Frank Siracusa, Chief, Division of Emergency Management (DEM), Department of Public Safety, appeared before the Committee to request approval to establish revenue authority for the addition of a \$582,977 Emergency Management Performance Grant for fiscal year 2009.

Mr. Siracusa advised that the DEM served as the administrative agency for management and oversight of all Department of Homeland Security grants awarded to the state of Nevada. Mr. Siracusa reported that while grant awards fluctuated from year-to-year, a significant increase in program requirements, during the past several years, had placed additional responsibilities on the division's administration of the awards.

Mr. Siracusa advised that lobbying attempts for additional federal dollars to hire personnel that could provide the assistance needed to pursue Emergency Management Accreditation Program (EMAP) Standard compliance had proved successful. Mr. Siracusa said that approval of the work program would allow the DEM to hire 5 federally funded positions to assist in meeting federal requirements and to address 2008 Legislative Counsel Bureau audit findings.

Mr. Siracusa told the Committee that funding for the positions was adequate through the 2009-2011 biennium at which time the positions would sunset if additional federal funding was not awarded.

Senator Raggio indicated that it was his understanding that the federal recommendation was for 8.5 positions and asked why the agency was only requesting 5 positions.

Mr. Siracusa advised that the Federal Emergency Management Agency's (FEMA) Emergency Management Accreditation Program to review state emergency management infrastructure recommended that certification to meet federal requirements would require 8.5 additional positions, but the current funding award would be sufficient for only 5 positions. Mr. Siracusa advised, however, that additional grant awards, anticipated during 2008, would provide funding for more positions.

Senator Raggio asked for assurance that the individuals filling the positions were aware that funding was provided on a temporary basis and that a lack of continued funding would terminate their employment.

Mr. Siracusa advised that the DEM was funded primarily through federal funding and that the individuals who filled positions funded with federal dollars had a clear understanding that their positions would be terminated without the provision of continued federal funding.

In response to Senator Raggio, who asked whether the award would entirely fund the costs associated with hiring 5 employees, Mr. Siracusa advised that the funding would provide for all operating expenses associated with the positions.

SENATOR BEERS MOVED APPROVAL OF ITEM 181.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote)

- 182. Department of Public Safety – Emergency Management – FY 09** Addition of \$1,012,000.00 in Public Safety Interoperable Communications (PSIC) funds transferred from Emergency Management Assistance to provide funding for the Statewide Interoperability Training and Exercise Program. Requires Interim Finance approval since the amount added to the PSIC Grant category exceeds \$50,000.00. **Work Program #C34983**

Refer to motion for approval under Item H.

- 183. Department of Public Safety – Emergency Management – FY 09** – Addition of \$3,358,561.00 in Office of Domestic Preparedness Grant funds to allow the Department of Emergency Management to continue the Interoperable Communications Project. This project is intended to help develop interoperable communications within Nevada, which includes cities, counties, state, tribal and other authorities. Requires Interim Finance approval since the amount added to the Homeland Security Grant Program-Interoperable Communications category exceeds \$50,000.00. **Work Program #C40526**

Refer to motion for approval under Item H.

- 184. Department of Public Safety – Emergency Management Assistance Grants – FY 08** – Addition of \$415,638.00 in Federal Emergency Management Agency (FEMA) Pre-Disaster Mitigation (PDM) Grant funds to accept funding from FEMA to be used for the Pittman-Pecos Channel Sewer Infrastructure Protection Project. Requires Interim Finance approval since the amount added to the FEMA PDM

category exceeds 10 percent of the legislatively approved level for that category.
Work Program #C40501

Refer to motion for approval under Item H.

- 185. Department of Public Safety – Emergency Management Assistance Grants – FY 08** – Addition of \$675,947.00 in Federal Emergency Management Agency Hazard Mitigation Grant Program (HMGP) funds to support the mitigation plans and implementation of cost-effective projects prior to disaster events. Requires Interim Finance approval since the amount added to the HMGP 2007 category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C34994**

Refer to motion for approval under Item H.

- 186. Department of Public Safety – Emergency Management Assistance Grants – FY 08** – Addition of \$3,768,261.00 in Emergency Management Performance Grant (EMPG) funds to provide funding for planning, training and exercise for an effective and consistent response to any threatened or actual disaster. Requires Interim Finance approval since the amount added to the EMPG Aid to Locals category exceeds \$50,000.00. **Work Program #C34990**

Refer to motion for approval under Item H.

- 187. Department of Public Safety – Criminal History Repository – FY 09** – Addition of \$270,000.00 in Sex Offender Monitoring, Apprehending, Registering and Tracking (SMART) Grant funds transferred from the Office of Criminal Justice Assistance to develop and enhance the Nevada Sex Offender Registration Program. Requires Interim Finance approval since the amount added to the SMART category exceeds \$100,000.00 in new governmental grants. **Work Program #C40514**

Refer to motion for approval under Item H.

- 188. Department of Public Safety – Nevada Highway Patrol – FY 08** – Addition of \$137,900.00 in Federal Joining Forces Grant funds transferred from the Office of Traffic Safety to support the agency's participation in statewide multi-jurisdictional traffic enforcement activities and other enhanced traffic safety enforcement activities and programs. Requires Interim Finance approval since the amount added to the Joining Forces category exceeds \$50,000.00. **Work Program #C34948**

Refer to motion for approval under Item H.

- 189. Department of Public Safety – Nevada Highway Patrol – FY 08** – Transfer of \$56,000.00 from the Radio Communications category to the Lab Services category to provide funding for the projected costs of toxicology services related to DUI

enforcement for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Lab Services category exceeds \$50,000.00. **Work Program #C40521**

Refer to motion for approval under Item H.

- 190. Department of Public Safety – Nevada Highway Patrol – FY 08** – Addition of \$72,530.00 in Federal Emergency Management Agency Grant funds transferred from Emergency Management to accept reimbursement for enforcement coverage during the Fernley flood. Requires Interim Finance approval since the amount added to the Division of Emergency Management Reimbursement-Fernley Flood category exceeds \$50,000.00. **Work Program #C40518**

Refer to motion for approval under Item H.

- 191. Department of Public Safety – Nevada Highway Patrol – FY 09** – Addition of \$83,000.00 in High Intensity Drug Trafficking Area (HIDTA) Reimbursement to accept reimbursement from the Las Vegas Metropolitan Police Department for the participation in the HIDTA Task Force. Requires Interim Finance approval since the amount added to the HIDTA Task Force category exceeds \$50,000.00. **Work Program #C34991**

Refer to motion for approval under Item H.

- 192. Department of Public Safety – Highway Safety Grants Account – FY 08** – Addition of \$1,573,451.00 in Motor Carrier Safety Administration Program Grant funds to provide funding for effective commercial vehicle safety programs to reduce accidents, injuries and fatalities related to commercial carriers. Requires Interim Finance approval since the amount added to the Motor Carrier Safety Administration Program category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C34981**

Refer to motion for approval under Item H.

- 193. Department of Public Safety – Forfeitures – FY 08** – Addition of \$45,251.00 in Forfeitures and \$135,753.00 in Distribution to Local Law Enforcement to accept additional revenues and disburse those funds to local law enforcement agencies. Requires Interim Finance approval since the amount added to the Local Law Enforcement Distribution category exceeds \$50,000.00. **Work Program #C34980**

Refer to motion for approval under Item H.

- 194. Department of Public Safety – Forfeitures – FY 09** – Transfer of \$99,858.00 from the Reserve category to the Nevada Highway Patrol (NHP) Federal category to provide funding for the remodeling of the Elko evidence vault. Requires Interim

Finance approval since the amount transferred to the NHP Federal category exceeds \$50,000.00. **Work Program #C40513**

Refer to motion for approval under Item H.

- 195. Department of Public Safety – Forfeitures – FY 09** – Transfer of \$61,538.00 from the Reserve category to the Capitol Police category to provide funding for the purchase of tasers and weapons for Capitol Police Officers. Requires Interim Finance approval since the amount added to the Capitol Police category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C34982**

Refer to motion for approval under Item H.

- 196. Department of Public Safety – Investigations – FY 08** – Transfer of \$11,242.00 from the Uniforms category to the Contract Lab Services category; \$2,182.00 from the Information Services category to the Contract Lab Services category; \$3,500.00 from the Information Services category to the Utilities category; \$286.00 from the Information Services category to the Highway Fund Operating category and \$2,314.00 from the Intra-Agency Cost Allocation category to the Highway Fund Operating category to provide funding for projected expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred from the Uniforms category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C34977**

Rick Gimlin, Administrator, Division of Administrative Services, Department of Public Safety, advised that a revision was required to correct the work program, which was inadvertently submitted using General Fund revenue to offset Highway Fund expenditures.

Mr. Gimlin reported that the revision reflected an increase of \$13,424 to Category 08; a reduction of \$5,968 to Category 26; a reduction of \$10,956 to Category 29, and an increase of \$3,500 to Category 59.

Senator Raggio noted that staff concurred with the revisions.

ASSEMBLYMAN HOGAN MOVED APPROVAL OF ITEM
196 AS REVISED.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was
not present for the vote.)

- 197. Department of Public Safety – Parole and Probation – FY 08** – Transfer of \$21,000.00 from the Information Services category to the Sex Offender

Evaluations category and \$19,000.00 from the Intra-Agency Cost Allocation category to the Sex Offender Evaluations category to provide funding for projected expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Sex Offender Evaluations category exceeds 10 percent of the legislatively approved level for that category.
Work Program #C40510

Refer to motion for approval under Item H.

- 198. Department of Public Safety – Traffic Safety – FY 09** – Addition of \$5,527,409.00 in National Highway Traffic Safety Administration 406 Incentive Grant funds to develop and provide funding for high visibility enforcement of alcohol, speed and safety belt law programs. Requires Interim Finance approval since the amount added to the 406 Incentive Grant category exceeds \$50,000.00.
Work Program #C34998

Refer to motion for approval under Item H.

- 199. Department of Public Safety – Highway Safety Plan and Administration – FY 09** – Addition of \$1,018,247.00 in Incentive Grant-Behavioral Highway Safety Programs to develop and provide funding for programs for behavioral traffic safety projects involving high visibility enforcement of alcohol, speed and safety belt laws. Requires Interim Finance approval since the amount added to the Behavioral Highway Safety Programs category exceeds \$50,000.00. **Work Program #C34999**

Refer to motion for approval under Item H.

- 200. Department of Public Safety – State Emergency Response Commission – FY 08** – Transfer of \$152,000.00 from the Reserve category to the State Emergency Response Commission (SERC) Grants category to provide funding for grants awarded to local emergency planning committees. Requires Interim Finance approval since the amount added to the SERC Grants category exceeds \$50,000.00. **Work Program #C34966**

Refer to motion for approval under Item H.

- 201. Department of Public Safety – State Emergency Response Commission – FY 08** – Addition of \$19,000.00 in Federal Emergency Management Agency (FEMA) Authorization to support attendance by the Local Emergency Planning Committees at the twelfth annual HazMat Explo conference. Requires Interim Finance approval since the amount added to the FEMA Explo category exceeds

10 percent of the legislatively approved level for that category. **Work Program #C40522**

Refer to motion for approval under Item H.

- 202. Department of Public Safety – State Emergency Response Commission – FY 09** – Transfer of \$55,000.00 from the Reserve category to the Information Services category to continue the development and implementation of the Hazardous Materials Database to include the State Emergency Response Commission, State Fire Marshal, emergency planners, responders and hazardous materials facility operators. Requires Interim Finance approval since the amount added to the Information Services category exceeds \$50,000.00. **Work Program #C40502**

Refer to motion for approval under Item H.

- 203. Department of Conservation and Natural Resources – Environmental Protection – Administration – FY 08** – Deletion of \$17,093.00 in Cost Allocation Reimbursement funds to reduce indirect costs in conjunction with the 4.5 percent budget reserves created in Water Quality Planning and Safe Drinking Water Regulatory budget accounts. Requires Interim Finance approval since the cumulative amount deducted from the Reserve category exceeds \$50,000.00. **Work Program #C32688**

Refer to motion for approval under Item H.

- 204. Department of Conservation and Natural Resources – Environmental Protection – Bureaus of Waste Management and Corrective Actions – FY 08** – Addition of \$40,201.00 in Federal Emergency Management Assistance Grant funds transferred from the Division of Emergency Management to provide funding for costs associated with the canal breach in the City of Fernley. Requires Interim Finance approval since the amount added to the Emergency Management category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C32689**

Refer to motion for approval under Item H.

- 205. Department of Conservation and Natural Resources – Division of Forestry – FY 08** – Addition of \$25,550.00 in funds transferred from the Fire Reimbursement Account to increase authority in order to receive reimbursement for personnel costs related to fire suppression activities. Requires Interim Finance approval since the cumulative amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C34424**

Refer to motion for approval under Item H.

- 206. Department of Conservation and Natural Resources – Division of Forestry – Forest Fire Suppression – FY 08** – Addition of \$216,292.00 in Federal Emergency Management Agency Fire Assistance Grant funds and \$932,744.00 in Prior Year Refunds and deletion of \$318,988.00 in Forest Fire Reimbursements to align revenue and expenditure authority related to fiscal year 2008 fire suppression activities. Requires Interim Finance approval since the amount added to the Fire Suppression Costs category exceeds \$50,000.00. **Work Program #C34440**

Chairman Arberry announced that the Committee would consider Items H.206, J.3, and R.13 concurrently.

Pete Anderson, State Forester, Nevada Division of Forestry, identified himself for the record and introduced Scott Sisco, Administrative Services Officer and Deputy State Forester, Nevada Division of Forestry.

Mr. Anderson distributed documents entitled, *IFC Contingency Fund Report & June Request*, *NDF Resources Out-of-State (June 26, 2008)*, and *California Wildfires as of 06/25/08 2000 Hours*, ([Exhibit I](#)).

Mr. Anderson reported that a number of "dry lightening" fires burning in California, to which Nevada Division of Forestry sent 160 fire crews, were contributing to the local smoky air conditions. Mr. Anderson said that the magnitude of the fires, burning in California, provided a perspective on Nevada's past two fire seasons when 1.3 million acres of agricultural and wildlife habitat resources were devastated in 2007 and just under 1 million acres in 2008, with the greatest impact experienced in Elko County.

Mr. Anderson advised that the reports distributed to the Committee provided detailed information on the "significant" cost to suppress wildfires. However, Mr. Anderson reported that based on the receipt of revenue, the Division of Forestry reduced the request for an allocation from the Contingency Fund from \$4,300,720 to \$4,059,672, a reduction of \$241,048.

SENATOR RHOADS MOVED TO APPROVE A REVISED
CONTINGENCY FUND ALLOCATION OF \$4,059,672.

SENATOR BEERS SECONDED THE MOTION.

In response to questions Chairman Arberry asked regarding the Nevada fire crews sent to California, Mr. Anderson advised that approximately 160 individuals including members of the Nevada National Guard, six Nevada Forestry hand crews, and a variety of overhead personnel were currently assisting in California fire-fighting efforts.

Additionally, Mr. Anderson advised that because of a strong partnership with local government, the Division of Forestry and local jurisdictions could move employees and crews around the state to meet to fire-fighting needs in Nevada.

Assemblyman Marvel noted that California was also experiencing a financial crisis and questioned whether they could pay for the cost of the Nevada crews.

Mr. Anderson advised that although cash flow was an issue, the state of California was meeting their obligations, and some of the revenue just received was from billings for fires Nevada assisted in fighting in 2007. Mr. Anderson indicated it would likely be a year before Nevada received revenue from current fire-fighting efforts.

In response to Mr. Marvel who questioned the amount of money California currently owed Nevada for fire-fighting assistance, Mr. Anderson reported that California owed Nevada \$1 million from last season and an estimated \$250,000 to \$300,000 for the current fires. Mr. Anderson pointed out the importance of a partnership between the two states and noted that California also assisted Nevada's fire-fighting efforts.

Senator Raggio pointed out that the motion should include approval of the work program Item 206, and acceptance of the Item R.13 Report on the expenditure of IFC Contingency Fund allocation for fire suppression.

Mr. Sisco also advised that in addition to the revision to the request from the Contingency Fund, the Item 206 work program should be revised to reflect a reconciliation of revenue changing the work program request from \$830,048 to \$1,058,352. Mr. Sisco pointed out that information regarding the revision was provided in the documents ([Exhibit I](#)) that were distributed to the Committee.

SENATOR RHOADS MOVED APPROVAL OF WORK PROGRAM ITEM 206 AS REVISED TO REFLECT A REQUEST OF \$1,058,352, ITEM J.3 THAT REFLECTED A REVISED CONTINGENCY FUND ALLOCATION OF \$4,059,672 AND ACCEPTANCE OF THE ITEM R.13 REPORT ON THE EXPENDITURE OF THE SEPTEMBER 2007 IFC CONTINGENCY FUND ALLOCATION FOR FIRE SUPPRESSION.

SENATOR BEERS SECONDED THE REVISED MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.

- 207. Department of Conservation and Natural Resources – Division of Forestry – Conservation Camps – FY 08** – Addition of \$119,934.00 in Forestry Honor Camp Receipts to increase revenue authority for anticipated Honor Camp Receipts and to provide funding for projected personnel expenditures for the remainder of the

fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C34439**

Refer to motion for approval under Item H.

- 208. Department of Conservation and Natural Resources – Division of Forestry – Conservation Camps – FY 08** – Addition of \$166,282.00 in Forest Fire Reimbursement Transfer to reimburse personnel costs incurred for fire suppression activities during fiscal year 2008. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C34438**

Refer to motion for approval under Item H.

- 209. Department of Conservation and Natural Resources – Division of Forestry – Inter-Governmental Agreements – FY 09** – Addition of \$100,000.00 in Washoe County Receipts to establish authority for an interlocal agreement between the Nevada Division of Forestry and the Sierra Fire Protection District for costs associated with fuels management on state lands located within the Sierra Fire Protection District. Requires Interim Finance approval since the amount added to the Washoe County category exceeds \$50,000.00. **Work Program #C34437**

Refer to motion for approval under Item H.

- 210. Department of Conservation and Natural Resources – Division of Forestry Inter-Governmental Agreements – FY 09** – Addition of \$188,026.00 in Balance Forward from Prior Year, \$274,392.00 in Elko County Receipts, \$430,202.00 in Storey County Receipts, \$347,017.00 in Clark County Receipts, \$71,503.00 in Eureka County Receipts and \$226,930.00 in Carson City Receipts and deletion of \$370.00 in Douglas County Receipts to reconcile revenue and expenditure authority with the final budgeted amounts approved by the County Commissioners for county fire protection districts (NRS 473). Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C34432**

Refer to motion for approval under Item H.

- 211. Department of Wildlife – Administration – FY 08** – Transfer of \$33,385.00 from the Personnel Services category to the Administrative Services category to provide funding for projected costs for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Administrative Services category exceeds \$50,000.00. **Work Program #C34624**

Refer to motion for approval under Item H.

- 212. Department of Wildlife – Administration – FY 08** – Transfer of ~~\$375,500.00~~ **\$171,500.00** from the Reserve category to the Hunt Application-Systems

Consultants Incorporated (SCI) category to provide funding for projected Hunt Application expenses for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Hunt Application-SCI category exceeds \$50,000.00. **Work Program #C34614. REVISED JUNE 11, 2008.**

Refer to motion for approval under Item H.

- 213. Department of Wildlife – Administration – FY 09** – Addition of \$56,125.00 in Private Grant funds to enhance hunter recruitment and retention through the Department's outreach and marketing program. Requires Interim Finance approval since the amount added to the Conservation Education category exceeds \$50,000.00. **Work Program #C34622**

Refer to motion for approval under Item H.

- 214. Department of Wildlife – Administration – FY 09** – Addition of \$12,004.00 in Southern Nevada Public Land Management Act Grant funds and transfer of \$39,616.00 from the Reserve category to the Personnel Services category and \$2,350.00 from the Game Management category to the Personnel Services category to coordinate a habitat management plan to maintain viability of the desert bighorn sheep. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000.00. **Work Program #C32087**

Refer to motion for approval under Item H.

- 215. Department of Wildlife – Administration – FY 09** – Addition of \$460,197.00 in Pittman Robertson Federal Aid and \$100,400.00 in Interim Finance Committee Contingency Funds to provide funding for the Sagebrush Habitat Projects and local Sage Grouse Conservation plans per S.B. 189 of the 2007 Legislative Session. Requires Interim Finance approval pursuant to S.B. 189 of the 2007 Legislative Session. **Work Program #C34619. RELATES TO ITEM K.**

Refer to motion for approval under Item H.

- 216. Department of Wildlife – Administration – FY 09** – Addition of \$116,328.00 in Transfer from Nevada Department of Wildlife Boating Program to receive reimbursement for salary and mileage expenses related to the Boating Access Program. Requires Interim Finance approval since the amount added to the Reserve category exceeds \$50,000.00. **Work Program #C32073. RELATES TO 217.**

Refer to motion for approval under Item H.

- 217. Department of Wildlife – Boating Program – FY 09** – Addition of \$79,598.00 in Federal Dingell Johnson Aid to identify, plan and implement boating access

projects in order to improve existing sites or to create new sites to meet public demand, and to survey all statewide boating access facilities to track current physical inventories. Requires Interim Finance approval since the amount added to the Transfer to Wildlife category exceeds \$50,000.00. **Work Program #C32059. RELATES TO 216.**

Refer to motion for approval under Item H.

- 218. Department of Wildlife – Trout Stamp Program – FY 09** – Transfer of \$335,500.00 from the Reserve category to the Hatchery Refurbishment category to complete hatchery refurbishment projects. Requires Interim Finance approval since the amount transferred to the Hatchery Refurbishment category exceeds \$50,000.00. **Work Program #C34621**

Refer to motion for approval under Item H.

- 219. Department of Wildlife – Obligated Reserve – FY 08** – Addition of \$20,000.00 in Gifts and Donations to provide funding for an unexpected increase in cost for the purchase of a backhoe, trailer and auger for the guzzler program. Requires Interim Finance approval since the amount added to the Upland Game Bird Program category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C34615**

Refer to motion for approval under Item H.

- 220. Department of Transportation – Administration – FY 08** – Transfer of \$31,000.00 from the Personnel Services category to the Information Services category to provide adequate authority for Department of Information Technology's billings for circuits that were inadvertently excluded from the budget. Requires Interim Finance approval since the amount transferred from the Personnel Services category exceeds \$50,000.00. **Work Program #C33517**

Refer to motion for approval under Item H.

- 221. Department of Transportation – Administration – FY 09** – Addition of \$60,000.00 in Highway Fund Appropriation to re-establish funding that is anticipated to remain after June 30, 2008 to support the Safety Management System. Remaining funds will be used for full deployment, training, and acceptance testing, with a goal of completion of this project by July 31, 2008. Requires Interim Finance approval since the amount added to the Administrative Consultants category exceeds \$50,000.00. **Work Program #C33516**

Refer to motion for approval under Item H.

- 222. Commission on Veterans' Services – Nevada State Veterans' Home – FY 08** – Transfer of \$29,981.00 from the Personnel Services category to the Operating

category to provide funding for the contracting of services for two new vacant positions: an Occupational Therapist and the Health Information Director. Requires Interim Finance approval since the cumulative amount transferred to the Operating category exceeds \$50,000.00. **Work Program #C32226**

Refer to motion for approval under Item H.

- 223. Gaming Control Board – Investigative Revolving – FY 08** – Addition of \$500,000.00 in Investigative Fees to provide funding for projected costs for applicant investigations for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Applicant Investigations category exceeds \$50,000.00. **Work Program #C11579. SUBMITTED AFTER DEADLINE JUNE 10, 2008.**

Refer to motion for approval under Item H.

- 224. Commission on Tourism – FY 08** – Transfer of \$100,000.00 from the Reserve category to the Air Service Grant Program category to provide funding for grants to small airports located in this state for the purpose of recruiting, retaining, stabilizing and expanding regional commercial air service within the state. Requires Interim Finance approval since the amount transferred to the Air Service Grant Program category exceeds \$50,000.00. **Work Program #C17788. SUBMITTED AFTER DEADLINE JUNE 10, 2008.**

Refer to motion for approval of all reclassification changes under Item H with the exception of the Division of Child and Family Services' reclassification of an Administrative Aid II position to a Management Analyst I on page 75.

AGENCY	AGENCY/ ACCOUNT NUMBER	POSITION NUMBER	PRESENT CLASS TITLE, CLASS CODE, GRADE & SALARY	PROPOSED CLASS TITLE, CLASS CODE, GRADE & SALARY
Treasurer's Office, Unclaimed Property	054/3815	0004	Administrative Assistant III, 2.211, grade 27, step 04, \$35,496.00, Employee/Employer Paid Retirement	Management Analyst I, 7.637, grade 33, step 01, \$40,298.40, Employee/Employer Paid Retirement
Treasurer's Office, Unclaimed Property	054/3815	0007	Administrative Assistant III, 2.211, grade 27, step 01, \$31,424.40, Employee/Employer Paid Retirement	Accountant Technician I, 7.143, grade 30, step 01, \$35,496.00, Employee/Employer Paid Retirement

AGENCY	AGENCY/ ACCOUNT NUMBER	POSITION NUMBER	PRESENT CLASS TITLE, CLASS CODE, GRADE & SALARY	PROPOSED CLASS TITLE, CLASS CODE, GRADE & SALARY
Public Utilities Commission	580/3920	0154	Compliance Investigator II, 11.358, grade 32, step 01, \$38,565.36, Employee/Employer Paid Retirement	IT Professional III, 7.925, grade 39, step 01, \$52,116.48, Employee/Employer Paid Retirement
Department of Health and Human Services, Division of Child and Family Services	409/3145	0506	Administrative Assistant II, 2.212, grade 25, step 01, \$29,023.20, Employee/Employer Paid Retirement	Management Analyst I, 7.637, grade 33, step 01, \$40,298.40, Employee/Employer Paid Retirement
Department of Health and Human Services, Division of Child and Family Services	409/3281	0771	Developmental Specialist II (part-time 51%), 10.147, grade 33, step 1, \$40,298.40, Employee/Employer Paid Retirement	Public Service Intern 2 (part-time 51%), 7.653, grade 29, step 1, \$34,117.92, Employee/Employer Paid Retirement
Department of Public Safety	650/4709	0074	Administrative Assistant IV, 2.210, grade 29, step 01, \$34,117.92, Employee/Employer Paid Retirement	N.C.J.I.S. Program Specialist, 11.129, grade 31, step 01, \$37,041.12, Employee/Employer Paid Retirement
Department of Public Safety	650/3740	0207	Parole and Probation Specialist II, 12.614, grade 31, step 10, \$54,455.04, Employee/Employer Paid Retirement	Management Analyst 1, 7.637, grade 33, step 10, \$59,570.64, Employee/Employer Paid Retirement
Department of Public Safety	650/4709	0615	Administrative Assistant IV, 2.210, grade 29, step 08, \$45,768.96, Employee/Employer Paid Retirement	N.C.J.I.S. Program Specialist, 11.129, grade 31, step 08, \$49,861.44, Employee/Employer Paid Retirement

AGENCY	AGENCY/ ACCOUNT NUMBER	POSITION NUMBER	PRESENT CLASS TITLE, CLASS CODE, GRADE & SALARY	PROPOSED CLASS TITLE, CLASS CODE, GRADE & SALARY
Department of Public Safety	650/4709	0650	Administrative Assistant IV, 2.210, grade 29, step 06, \$41,968.80, Employee/Employer Paid Retirement	N.C.J.I.S. Program Specialist, 11.129, grade 31, step 06, \$45,768.96, Employee/Employer Paid Retirement
Department of Public Safety	650/4709	0680	Administrative Assistant IV, 2.210, grade 29, step 10, \$49,861.44, Employee/Employer Paid Retirement	N.C.J.I.S. Program Specialist, 11.129, grade 31, step 10, \$54,455.04, Employee/Employer Paid Retirement
Department of Conservation and Natural Resources	705/4171	0055	Program Officer III, 7.643, grade 35, step 01, \$43,806.24, Employee/Employer Paid Retirement	Staff II, Associate Engineer, 6.228, grade 37, step 01, \$47,773.44, Employee/Employer Paid Retirement

Diane Comeaux, Administrator, Division of Child and Family Services, Department of Health and Human Services, introduced Barbara Legier, Deputy Administrator, Child Welfare Services, Division of Child and Family Services, Department of Health and Human Services.

Ms. Legier appeared before the Committee to request approval to reclassify an Administrative Assistant II position to a Management Analyst 1. Ms. Legier said that if approved, the individual placed in the position would analyze data and develop strategies and proactive activities to continue to improve the child welfare system.

Ms. Legier advised that the need for data analysis resulted from the expansion of the Division's quality improvement process and performance indicators related to executive and administrative committee reviews of child fatality cases. Ms. Legier said, however, that the Division lacked the position to analyze data that identified trends and to develop strategies for continued improvement of the system.

Assemblywoman Leslie recalled that the 2007 Legislature approved the Administrative Assistant position to support the Child Abuse Prevention and Treatment Act (CAPTA) corrective action plan and questioned whether the duties outlined for the Management Analyst were related.

Ms. Legier clarified that the Management Analyst would support the CAPTA corrective action plan, which required the disclosure of child fatalities.

Assemblywoman Leslie recalled that hiring date for the position the Legislature approved in 2007 was postponed for three months to meet budget reduction requirements and asked why hiring for the position did not take place after expiration of the three-month period.

Ms. Legier advised that the Division placed an internal hold on the position for budget reduction purposes until it was brought forth to the Committee for approval.

In response to questions from Assemblywoman Leslie regarding the availability of candidates for the position and how soon hiring would take place, Ms. Comeaux advised that the hiring process would begin immediately after approval of the reclassification request. Additionally, Ms. Comeaux advised that the Division employed a number of good candidates who could transfer into the position.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF THE
DIVISION OF CHILD AND FAMILY SERVICES REQUEST
TO RECLASSIFY POSITION 0506 FROM AN
ADMINISTRATIVE ASSISTANT II TO A MANAGEMENT
ANALYST I.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was
not present for the vote.)

I. STATEMENT OF CONTINGENCY FUND BALANCE

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported the current Contingency Fund Unreserved Balance at \$11,891,284.37 and the total requests for allocations from the Contingency Fund at \$5,127,000, which were reduced in several requests.

Mr. Stevens reported that if the Committee approved the total amount of the requests as they appeared on the agenda, the Contingency Fund would have an Unreserved Balance of \$6.8 million, adjusted to just over \$7 million based on reduced requests.

*J. REQUESTS FOR ALLOCATION FROM THE IFC CONTINGENCY FUND IN ACCORDANCE WITH NRS 353.268.

1. Department of Motor Vehicles – **~~Administrative Services Research and Development Division~~** – Request for allocation of \$71,923 from the Highway Fund portion of the Contingency Fund to provide funding for a Management Analyst III position. **REVISED JUNE 6, 2008.**

Ginny Lewis, Director, Department of Motor Vehicles, appeared before the Committee to request \$71,923 from the Highway Fund portion of the Contingency Fund. Ms. Lewis said that, if approved, the Department would use the funding to hire a Management Analyst III to backfill a Management Analyst III position reassigned to the Real ID implementation team in January 2008. Ms. Lewis advised that the reassignment of the Management Analyst III to the Real ID implementation team created a significant void within the Research and Development Division that the new position could fill.

Ms. Lewis said that the Management Analyst filling the new position would be responsible for work based on the recently released Notice of Proposed Rulemaking (NPRM) for the Commercial Driver License (CDL) testing and license issuing requirements that would result in changes to *Nevada Revised Statutes* and to the *Nevada Administrative Code*. Additionally, Ms. Lewis advised that the position would also be responsible, during the 2009 Legislative Session, for responding to fiscal note requests, collection of statistics for testimony, and researching how proposed legislation would affect the DMV.

In response to questions Chairman Arberry asked regarding recommendations from a 2002 federal audit of the Commercial Driver License Program, Ms. Lewis said that the federal government audited the Commercial Driver License Program every three years. Ms. Lewis advised that it was the responsibility of the Research and Development Division to implement changes that resulted from the audit recommendations and to prepare for the next audit, which she indicated was an important reason to hire the Management Analyst III.

Chairman Arberry questioned the inability of the existing Management Analyst to dedicate time to current and future projects since 2007.

In response to the Chairman, Ms. Lewis advised that prior to reassignment to the Real ID project, the Management Analyst was "very involved in the Commercial Driver License Program" working as a liaison for the state with other agencies and with the federal government. Ms. Lewis advised that although the Division had accomplished a significant amount of work, additional work was required prior to the next audit.

Chairman Arberry questioned whether the Division could recruit for a Management Analyst with the necessary program expertise to provide immediate assistance.

Ms. Lewis advised that there was concern relative to whether the recruitment would generate interest because the position would sunset at the completion of the Real ID project when the existing Management Analyst returned to her CDL duties. Ms. Lewis discussed the consideration of strategies that included current employees with a CDL background and/or others with a more generic type of expertise that included fiscal and research experience with perhaps the reassignment of a current employee with CDL experience.

Chairman Arberry questioned whether the position could be deferred for consideration by the 2009 Legislature.

In response to the Chairman, Ms. Lewis said that waiting for consideration by the 2009 Legislature would mean that the Division could not fill the position until July 2009. Ms. Lewis told the Committee that the Research and Development Division performed a critical role in responding to Legislative Session work and of the importance the Department and the Division placed on filling the position as soon as possible to work on the CDL program and prepare for the 2009 Legislative Session.

SENATOR RAGGIO MOVED APPROVAL OF ITEM J.1.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

2. Department of Public Safety – Division of Dignitary Protection – Request for allocation of \$6,185 to meet increased operating costs.

Chris Perry, Chief, Nevada Highway Patrol, Department of Public Safety, identified himself for the record and introduced John Morrison, Administrative Services Officer, Nevada Highway Patrol, Department of Public Safety.

Chief Perry advised the Committee that Division representatives had intended to request a \$6,185 allocation from the Contingency Fund to address an increase in vehicle fuel costs. However, after reviewing the Dignitary Protection Budget Account, the Division requested Committee consideration to approve a transfer of funds from the Out-of-State Travel and Intra-Agency Cost Allocation categories to the Operating category and a decrease in authority for the Staff Physicals, Uniforms, and Training categories.

Chief Perry advised that in September 2007, the Committee approved a \$36,798 allocation to the Dignitary Protection Detail to address a projected shortfall in out-of-state travel expenses required by officers to protect the Governor and First Lady while traveling out-of-state. Chief Perry informed the Committee, however, that after the Governor curtailed out-of-state travel, and the Highway Patrol Division entered into a reciprocal agreement with the state of California to provide dignitary protection for their respective Governors and First Ladies, the Out-of-State Travel category generated sufficient savings to address the shortfall.

Chairman Arberry noted that if the Committee wished to allow for the use of surplus Out-of-State Travel funds to address the Operating shortfall, the Committee should modify the IFC resolution approved at the September 2007 meeting to allow for the proposed change in purpose.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised the Committee that based on the testimony, staff recommended that no allocation be made from the Contingency Fund and that the September 2007 resolution, which provided funding for out-of-state travel costs only be modified to allow for out-of-state travel and operating costs.

In response to Senator Coffin, who questioned the number of officers assigned to protect the Governor and the First Lady while travelling out-of-state, Chief Perry advised that the detail included four officers.

Senator Coffin questioned the need for out-of-state protection reasoning that the Governor and First Lady were probably safer out-of-state than in state.

Chief Perry advised that members of the Dignitary Protection Detail provided advance work prior to the actual travel, which provided for a "smoother schedule."

SENATOR RAGGIO MOVED APPROVAL TO CHANGE THE PURPOSE OF THE COMMITTEE'S 2007 RESOLUTION TO INCLUDE BOTH OUT-OF-STATE TRAVEL AND OPERATING COSTS.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

3. State Department of Conservation and Natural Resources – Division of Forestry – Request for allocation of \$4,300,720 to cover expenses related to fire suppression during fiscal year 2008

Refer to narrative and motion for approval under Item H.206.

4. Office of the Military – Request for allocation of \$485,998.00 to reimburse the Treasurer of the United States for expenses incurred in the search and rescue operations for the Steve Fossett mission. **RELATES TO ITEM Q.**

Charla Riley, Accountant Technician, Office of the Military, appeared before the Committee on behalf of Major General Cynthia Kirkland, the Adjutant General, and Miles Celio, the Administrative Services Officer, Office of the Military, who were unable to attend the hearing. Ms. Riley requested an allocation of \$419,232 from the Contingency Fund, reduced from \$485,998 after recommendations from an internal audit. If approved, the Office of the Military would use the funds to reimburse the federal government for costs incurred in the Steve Fossett search and rescue operation.

Assemblywoman McClain asked agency representatives for information relative to the state and federal levels of authority required to access the resources used in the search

and rescue effort and why the state was responsible for the reimbursement costs to the federal government.

Colonel Robert Harrington, Aviation Army Officer, Nevada National Guard, advised that the Nevada National Guard responded to a request from the Division of Emergency Management to provide resources for a search and rescue mission. Colonel Harrington explained that the Adjutant General had authorization to use federal training dollars and maintenance funds to respond to emergencies, such as the Fossett mission, for which the federal government now requested reimbursement.

Additionally, Colonel Harrington advised that as a federally funded agency, the National Guard was required to submit a bill to the state because the federal government provided equipment and resources to the Guard to train personnel to support the active-duty military if called upon to do so. Colonel Harrington said that federal regulations required reimbursement and that the federal Property and Fiscal Officer in Nevada was responsible to ensure that no violation occurred of funds allocated to the National Guard for training.

Senator Titus asked how training funds could be used accessed for a search and rescue operation when the nation was engaged in overseas military combat.

Colonel Harrington advised that the National Guard had authorization to respond to state emergencies, but he said that it was imperative to reimburse the funds to ensure that National Guard personnel received the required training to go to war. Colonel Harrington reported that the National Guard's Blackhawk Unit, the primary unit involved in the search and rescue mission, was scheduled to deploy in October 2008, and failure to reimburse the funds would affect the readiness of that aviation unit including their ability to prepare for deployment as well as their ability to conduct firefighting operations.

Senator Titus questioned the decision to use the Blackhawk Helicopter and said the audit indicated that some of the decisions related to the Fossett mission were made for political as well as strategic reasons.

Colonel Harrington explained that the National Guard initially responded with OH-58 Helicopters, an inexpensive standard resource used for search and rescue operations. However, he said he grounded the OH-58 Helicopters the afternoon of the search because of safety concerns related to conditions of wind velocity and altitude. Colonel Harrington recalled that he recommended that if the Division of Emergency Management wanted to continue the search, a heavier, more powerful helicopter was required, and they subsequently requested the OH-60 Blackhawk Helicopter, which continued the search for approximately 14 days.

Assemblywoman Smith said it appeared that representatives of the Division of Emergency Management should appear before the Committee to respond to questions regarding decisions made in the search and rescue operation. Assemblywoman Smith

expressed concern regarding whether the agencies involved in the mission had established policies regarding rescue efforts and whether the state would treat all citizens equally in a similar situation.

Assemblywoman Leslie expressed agreement with Assemblywoman Smith's comments and asked the Office of the Military representatives to explain why they were requesting an allocation from the Contingency Fund when a \$1.22 million balance existed in the Emergency Assistance Account.

Bill Chisel, Administrator, Division of Internal Audit, responded to a prior statement that indicated the audit revealed that political decisions were involved in the search and rescue mission. Mr. Chisel provided clarification, for the record, that no such reference was contained within the audit.

Frank Siracusa, Chief, Division of Emergency Management, told the Committee that a Governor's declaration of emergency was required to access funds from the Emergency Assistance Account and the Disaster Relief Fund. Mr. Siracusa said that the rescue mission did not meet the requirements for a state or local emergency declaration.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised the Committee that he could not recall a requirement that a declaration of disaster was necessary to access funds from the Emergency Assistance Account, but he did recall that funds were accessed in the past for events that were not disaster related. Mr. Stevens indicated it was his opinion that the Emergency Assistance Account could provide the reimbursement funds.

Assemblywoman Leslie said she did not support the request to allocate the reimbursement from the Contingency Fund but would support a motion to approve accessing funds from the Emergency Assistance Account.

Chairman Arberry indicated that staff advised that Interim Finance Committee approval was not required to access funds from the Emergency Assistance Account.

Senator Raggio expressed agreement with the preceding comments and suggested that the Committee authorize the reimbursement from the Emergency Assistance Account but if prohibited to do so by a legal requirement, payment would be authorized from the Contingency Fund.

Assemblywoman Leslie indicated that rather than authorizing payment from the Contingency Fund if the funds could not be accessed from the Emergency Assistance Account, she would support a motion that the Office of the Military return to the Committee with a request for a Contingency Fund allocation.

SENATOR RAGGIO MOVED APPROVAL TO AUTHORIZE
A PAYMENT OF \$419,432, REDUCED FROM \$485,998,
FROM THE EMERGENCY ASSISTANCE ACCOUNT, AND

IF ACCESS TO THAT ACCOUNT WAS LEGALLY RESTRICTED, THE OFFICE OF THE MILITARY COULD RETURN TO THE INTERIM FINANCE COMMITTEE TO REQUEST AN ALLOCATION FROM THE CONTINGENCY FUND.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

In response to Senator Coffin, who asked how long the federal government could wait for reimbursement, Colonel Harrington advised that the National Guard currently had limited funding for helicopter fuel and operating costs, fire-response efforts in California, and OH-60 Helicopter training operations prior to deployment in October.

Chairman Arberry provided assurance of the availability of the funding.

Assemblywoman Gansert questioned whether the Division of Emergency Management had established search and rescue operation policies.

Mr. Siracusa advised that the DEM had established policies to respond to search and rescue missions for all types of emergencies. He explained that while most searches were over within two to four days, officials involved in the operation, supported by the belief that Mr. Fossett was alive because of his survivalist skills and optimum weather conditions, extended the length of the mission.

Mr. Siracusa indicated that he was aware of media coverage that implied decisions regarding the mission were political, but he assured the Committee politics were not involved in the Division of Emergency Management's coordination of the effort with local governments.

Assemblywoman Gansert requested clarification on the recommendation to use the Blackhawk Helicopter.

Mr. Siracusa advised that depending on the emergency, the first course of action in a situation such as the search and rescue for Steve Fossett would be to call upon the Civil Air Patrol, followed by private aircraft, and the National Guard as a last resort because of the expense.

Mr. Siracusa provided the following information on how events unfolded for the Fossett mission:

- DEM received notification of the missing aircraft late in the afternoon.
- The DEM did not initially call the Civil Air Patrol because they do not fly during nighttime hours.
- The National Guard unit could not respond on the evening of the notification.

- The Naval Air Station unit at Fallon responded immediately the evening of the notification.
- The National Guard unit responded the following morning.

Additionally, Mr. Siracusa explained that the DEM conducted search and rescue missions on a case-by-case basis depending on the circumstances and while county sheriffs were responsible for lead search and rescue efforts in their respective counties, the Fossett mission crossed county and state lines, which required the Division of Emergency Management's coordination of the operation. Mr. Siracusa acknowledged some mistakes in the communication process but said that those mistakes provided a learning experience for improvement, and the State Search and Rescue Board was currently reviewing a comprehensive State Search and Rescue Plan.

Senator Coffin expressed his admiration for Steve Fossett, who he described as a national hero. Additionally, Senator Coffin indicated an understanding of the urgency associated with the search but indicated that perhaps a comparison of expenses for different methods should have taken place.

THE MOTION CARRIED (Assemblywoman Buckley was not present for the vote.)

5. Department of Health and Human Services – Division of Child and Family Services – Request for allocation of \$334,428 for the projected shortfall in General Fund match to the Federal Title IV-E Program for Administrative Claiming in fiscal year 2008 based on the decline in IV-E eligible client cases due to changes in federal regulations.

Refer to narrative and motion for approval under Item H. 105.

- *K. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY FUND – S.B. 189, SECTION 1 (2007) – Department of Wildlife – Administration – Request for allocation of \$100,400.00 to support implementation of sage grouse habitat projects. **RELATES TO ITEM H.215.**

Dave Prather, Administrative Services Officer, Department of Wildlife, appeared before the Committee to request an allocation of \$100,400 from the Contingency Fund to support implementation of sage grouse habitat projects.

ASSEMBLYWOMAN SMITH MOVED APPROVAL OF
ITEM K.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

- *L. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY FUND – A.B. 628, SECTION 41 (2007) – Administrative Office of the Courts – Request for allocation of \$619,764.00 for a new case management system. **RELATES TO ITEM R.4.a.**

Refer to narrative under Informational Item R. 4. b.

ASSEMBLYMAN MARVEL MOVED APPROVAL TO ALLOCATE \$619,764 FROM THE IFC CONTINGENCY FUND TO THE ADMINISTRATIVE OFFICE OF THE COURTS FOR A NEW CASE MANAGEMENT SYSTEM.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

- *M. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY FUND – A.B. 628, SECTION 39 (2007) – Department of Health and Human Services – Division of Child and Family Services – Request for allocation of \$322,063 for placement and treatment services for paroled youth.

SENATOR RAGGIO MOVED APPROVAL OF ITEM M.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. Assemblywoman Buckley was not present for the vote.)

- *N. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY FUND – A.B. 628, SECTION 37 (2007) – Department of Corrections – Request for allocation of \$197,366 to provide funding for ongoing costs associated with previously approved videoconferencing equipment.

Howard Skolnik, Director, Department of Corrections, requested approval of an allocation of \$197,366 from the Contingency Fund. Approval of the allocation would provide funding for the Department of Corrections to continue ongoing video-conferencing in various prison facility locations to facilitate parole hearings required under *Nevada Revised Statutes*.

SENATOR RAGGIO MOVED APPROVAL OF THE CONTINGENCY FUND REQUEST.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

O. STATEMENT OF DISASTER RELIEF ACCOUNT BALANCE.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported a current balance in the Disaster Relief Account of \$9,605,946.26.

- *P. REQUEST FOR GRANT FROM THE DISASTER RELIEF ACCOUNT IN ACCORDANCE WITH NRS 353.2755 – Request for \$76,649.88 on behalf of Eureka County to cover costs associated with a flood that occurred on August 1, 2007.

Representatives from Eureka County were not present to discuss their request for a grant from the Disaster Relief Account.

Phil Weyrick, Administrative Services Officer, Division of Emergency Management, Department of Public Safety, advised the Committee that while he was not speaking for Eureka County representatives, the request was received by the Division of Emergency Management and forwarded to the Department of Administration for review by the Department of Taxation.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that the Board of Examiners denied the request after a determination was made that the County had sufficient funding to pay for costs associated with a flood that occurred in August 2007.

- *Q. APPROVAL TO ACCEPT GIFTS AND GRANTS IN ACCORDANCE WITH NRS 353.335 (2)(c) – Office of the Military – Request for authority to accept a donation of \$200,000 from the Hilton Family to support the search and rescue operations for the Steve Fossett mission. **RELATES TO ITEM J.4.**

Charla Riley, Accountant Technician, Office of the Military, appeared before the Committee to request approval for the authority to accept a \$200,000 donation from the Hilton family to assist with the costs the state incurred for the Steve Fossett search and rescue operations.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF ITEM Q.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

R. INFORMATIONAL ITEMS.

Chairman Arberry announced that the Committee would hear testimony pertinent to the following informational items:

Supreme Court Items R.4.a and b; Department of Education Item 7.a; Department of Public Safety Item 12.a; and Department of Conservation and Natural Resources Item 13. Refer to [Exhibit C](#) to review the entire list of Item R. Informational Items.

At Senator Raggio's request, the members of the Committee recognized the staff of the Legislative Counsel Bureau's Fiscal Analysis Division for their work in preparing for the meetings involving the Interim Finance Committee Subcommittee to Review Public Works Board Matters, the regular Interim Finance Committee as well the Special Legislative Session. Additionally, Senator Raggio asked the Committee to acknowledge the work of the entire Legislative Counsel Bureau's staff in preparing for the Special Session.

Chairman Raggio recognized Assemblyman Bernie Anderson, Chairman, of the Assembly Committee on Judiciary, who was sitting in the audience.

4. SUPREME COURT

- a. Report on the status of the Judicial Branch reserve levels and projected year-end reversion. RELATED TO ITEM L.

Justice James Hardesty, of the Nevada Supreme Court, appeared before the Committee to address agenda Items L, Information Items R.4.a, and b. Justice Hardesty referenced letters ([Exhibit F](#)) dated May 30, 2008 and June 6, 2008 that reported on the Supreme Court's plan for a web-based case management system, and a letter ([Exhibit G](#)) dated June 6, 2008 that reported on the status of the Court's budget reduction plan.

Justice Hardesty reported that representatives of the Court thought it timely to provide an update to the Committee on the status of the Judicial Branch's budget reductions for fiscal year 2008 and plans to implement further reductions for fiscal year 2009.

Justice Hardesty indicated that the Judicial Branch had been "a careful steward of its budget and a willing partner with the Executive and Legislative Branches" to reduce their fiscal year 2008 budget by 4.5 percent and revert the funds to the General Fund. Additionally, he said the Court had reduced an additional 4.5 percent from their fiscal year 2009 budget, and those funds would be reverted to the General Fund at the end of fiscal year 2008.

Justice Hardesty further advised that the Court had also identified additional reductions, which together with increased revenue from administrative assessments made it

possible for the Court's budget reductions for fiscal year 2008 to increase to over \$1.6 million, representing a 9 percent reduction of the Court's 2008 budget.

Additionally, Justice Hardesty pointed out that the Court had identified further cuts and potential revenue for fiscal year 2009 that would provide for a total reversion for the biennium in excess of \$2.3 million, which represented an overall reduction in excess of 13 percent of the Court's General Fund budget for the biennium.

Justice Hardesty indicated that while the difficult decisions to reduce the Court's budget resulted in a negative impact on operations, the Court reduced the budget in recognition of a responsibility to participate in the statewide effort to address current financial difficulties.

Justice Hardesty credited Clerk, Tracie Lindeman; Court Administrator, Ron Titus; Deputy Administrator, Karen Baggett; and Budget Director, Deanna Bjork for working through the budget issues with the Court members and for providing a detailed breakdown of the various actions and revenue reversions to the Committee's staff.

b. Report on judiciary video conferencing plan.

Justice Hardesty advised that during the 2007 Legislative Session, the Legislature appropriated \$247,636 to the Court and allocated \$619,764 to the Interim Finance Committee to be expended in fiscal year 2009 for the Court's case management system. Justice Hardesty said that over the past several months, Ron Titus, the Court Administrator, and Robert Kastelitz and Silvia Alfonso, members of the Court's Information Technology staff, participated in developing a Request for Proposal (RFP) for the case management system for which detailed information was provided to the Committee in a letter ([Exhibit F](#)) dated May 30, 2008.

Justice Hardesty advised that the RFP process resulted in the acceptance of a vendor with the experience and systems to accommodate the needs of the Court's growing appellate system. He said that although the vendor's initial bid was substantially higher than the Court's budget would permit, subsequent negotiations produced a "collaborative effort between the vendor and the Court's Information Technology Department that resulted in a \$300,000 cost reduction to the overall project." Justice Hardesty advised that although remaining costs were still in excess of the budgeted amount, additional savings, identified by the Court, would pay for those costs through the Administrative Office of the Court's budget.

Justice Hardesty further advised that the case management system was critical to the improvement of the Court's operational capabilities, and he pointed out that unlike the District Courts in Clark and Washoe Counties, the Supreme Court was unable to provide electronic access to the Court's docket sheets or to provide copies of pleadings and briefs to attorneys. Additionally, he said that the current system limited the Court's ability to track cases and other important data, which affected management and increased labor costs.

Justice Hardesty asked for the Committee's favorable consideration of a \$619,764 allocation from the Interim Finance Committee's Contingency Fund for a new case management system. Refer to Item L for the motion.

7. DEPARTMENT OF EDUCATION.

- a. Quarterly report on the accomplishments of the SAIN program, including linking the teacher databases to SAIN, for the period ending March 31, 2008 - letter of intent, 2007 Legislature.

Keith Rheault, Superintendent of Public Instruction, Department of Education, appeared before the Committee, as required by a 2007 legislative letter of intent, to provide a quarterly report on the Department of Education's System of Accountability Information in Nevada (SAIN).

Dr. Rheault advised that the quarterly report provided a brief account of the activities that had occurred in the first quarter from January to March 2008 and that hiring freezes in October 2007 and in December delayed filling some positions for the project. However, he said that the positions had been recently filled, and the Department was on schedule to release the Adequate Yearly Progress (AYP) Data Student Accountability School Report Card in August as scheduled.

In response to Assemblywoman Smith's request for additional information regarding implementation, Dr. Rheault advised that the Department had used some federal funding for Department of Information Technology (DoIT) service level agreements and that DoIT recently hired a "desperately needed position." Additionally, he said the Department recently hired an Accountability Report Card technician and with the assistance of the two newly hired employees, the Department would accomplish its objectives. Additionally, Dr. Rheault advised that during the current week the Department would be submitting data on graduating seniors to the Nevada System of Higher Education for use in conducting their studies and generation of reports.

Assemblywoman Smith advised that she had followed the graduation rate model developed by the Education Collaborative in Washoe County and after listening to their discussions regarding data, questioned whether the Department planned to involve the school districts in the provision of data.

Dr. Rheault advised that Department of Education representatives met with Anne Loring and other Washoe County representatives to ask if they were willing to test a pilot program to share additional data. Dr. Rheault advised that if the pilot program proved successful, he had the authority to require data sharing on a statewide basis.

Assemblywoman Smith discussed her interest in ensuring the involvement of data experts from the districts to provide the Department with the required data.

In response to Assemblyman Denis, who asked when the SAIN program would be implemented at the school level, Dr. Rheault advised that the SAIN system was fully operational, and the Department currently received daily data reports. However, he advised that the enhanced system would link to the teacher licensing and fiscal databases.

Assemblyman Denis, questioned when the teacher database would be linked to the SAIN program.

Dr. Rheault advised that implementation of the teacher database projected for December 30, 2009 was on schedule for completion.

12. DEPARTMENT OF PUBLIC SAFETY

- a. Report on the status of 5 percent salary adjustment for K-9 handlers per request of the Interim Finance Committee at its April 9, 2008, meeting.

Deputy Chief J. V. Gagnon, K-9 Program Manager, Department of Public Safety, identified himself for the record and introduced Rick Gimlin, Administrator, Administrative Services, Department of Public Safety, and Norma Santoyo, Personnel Officer, Administrative Services, Department of Public Safety.

Mr. Gimlin appeared before the Committee to report on the status of additional compensation for officers participating in the Department of Public Safety's K-9 Program as requested by the Interim Finance Committee during the April 9, 2008, meeting.

Mr. Gimlin advised that after reviewing a variety of cases, it became clear that the Department of Public Safety would compensate the K-9 handlers with a special salary adjustment of 5 percent, in accordance with the Fair Labor Standards Act and the various cases that the Department reviewed. Mr. Gimlin advised that the handlers would not receive overtime for the care of a K-9 dog.

13. DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES – Nevada Division of Forestry – Report on the expenditure of IFC Contingency Fund allocation of fire suppression (per IFC resolution dated September 6, 2007.

Refer to narrative under Item H.206.

S. PUBLIC COMMENT.

There was no public comment.

T. ADJOURNMENT.

Chairman Arberry adjourned the hearing at 1:06 p.m.

Assemblyman Morse Arberry Jr., Chairman
Interim Finance Committee

Lorne Malkiewich, Director
Legislative Counsel Bureau and Secretary
Interim Finance Committee

EXHIBITS INTERIM FINANCE COMMITTEE		
Exhibit	Witness/Agency	Description
A	Fiscal Analysis Division, Legislative Counsel Bureau	Agenda
B	Fiscal Analysis Division, Legislative Counsel Bureau	Guest List
C	Fiscal Analysis Division, Legislative Counsel Bureau	Item R Informational Items – Reports on Letters of Intent, Committee Requests and Statutory Requirements
D	Fiscal Analysis Division, Legislative Counsel Bureau	<i>Interim Finance Committee's Subcommittee to Review Public Works Board Matters Chairman's Report of Meeting Held June 25, 2008</i>
E	Legal Division, Legislative Counsel Bureau	A RESOLUTION APPROVING CERTAIN TRANSFERS OF MONIES FOR CAPITAL PROJECTS AS PERMITTED BY CHAPTER 347, STATUTES OF NEVADA 2007
F	Justice James Hardesty, Nevada Supreme Court	Letters Dated May 30, 2008 and June 6, 2008 regarding the Supreme Court Case Management System
G	Justice James Hardesty, Nevada Supreme Court	Letter Dated June 6, 2008 regarding the Supreme Court's Budget Reduction Plan
H	Andrew Clinger, Director, Department of Administration	Memorandum dated June 6, 2008 listing work programs recording agreed upon reduction of the Retired Employee Group Insurance rate from 4.29 percent to 2.58 percent for May and June of fiscal year 2008.
I	Peter Anderson, State Forester Nevada Division of Forestry	Nevada Division of Forestry Report requested by the 9-6-07 IFC