MINUTES OF THE March 21, 2007
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 March 21, 2007, at 8:15 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, Vice-Chairman
Senator Bob Beers
Senator Barbara Cegavske
Senator Bob Coffin
Senator Bernice Mathews
Senator Dean Rhoads
Senator Dina Titus
Assemblywoman Barbara Buckley
Assemblyman Moises Denis
Assemblywoman Heidi Gansert
Assemblyman Tom Grady
Assemblyman Joe Hardy
Assemblyman Joseph Hogan
Assemblywoman Ellen Koivisto
Assemblywoman Sheila Leslie
Assemblyman John Marvel
Assemblywoman Kathy McClain
Assemblyman David Parks
Assemblywoman Debbie Smith
Assemblywoman Valerie Weber

LEGISLATIVE COUNSEL BUREAU STAFF:

Lorne Malkiewich, Director, Legislative Counsel Bureau
Brenda J. Erdoes, Legislative Counsel
Mark W. Stevens, Fiscal Analyst, Assembly
Gary L. Ghiggeri, Fiscal Analyst, Senate
Steve Abba, Principal Deputy Fiscal Analyst
Larry Peri, Principal Deputy Fiscal Analyst
Patricia Adams, Committee Assistant
Connie Davis, Interim Finance Committee Secretary
Becky Lowe, Fiscal Analysis Division Secretary

A. ROLL CALL.

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

*B. APPROVAL OF MINUTES FROM THE JANUARY 8, 2007, MEETING.

ASSEMBLYMAN DENNIS MOVED APPROVAL OF THE JANUARY 8, 2007, MEETING MINUTES.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

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

*C. WORK PROGRAM REVISIONS AND POSITION CHANGES IN ACCORDANCE WITH NRS 353.220(5) (c) and 353.224. INFORMATIONAL ONLY- REQUIRED ACTION WITHIN 45 DAYS.

1. **Office of the Attorney General – Department of Justice – Council for Prosecuting Attorneys – FY 07 –** Addition of $10,540.00 in Byrne Memorial grant funds transferred from the Department of Public Safety Justice Assistance to fund the 2006 Nevada Prosecutors Conference held in Carson City on September 13–15, 2006. Requires Interim Finance approval since the cumulative amount added to the Council Operations category exceeds $50,000.00. **Work Program #C30492**

2. **Department of Information Technology – Network Transport Services Communications – FY 07 –** Transfer of $62,934.00 from the Reserve category to the Utility Expense category to cover utility costs for the mountaintop sites. Requires Interim Finance approval since the amount transferred to the Utility Expense category exceeds $50,000.00. **Work Program # C21991**

3. **Department of Agriculture – Plant Industry – Pest, Plant Disease, and Noxious Weed Control – FY 07 –** Addition of $180,465.00 in United States Forest Service Weed Management federal grant funds to provide grants for local jurisdiction for weed abatement and to continue operation of the program. Requires Interim Finance approval since the amount added to the Noxious Weed Management category exceeds $50,000.00. **Work Program #C33107**

4. **Department of Agriculture – Plant Industry – Pest, Plant Disease, and Noxious Weed Control – FY 07 –** Addition of $22,250.00 in United States Department of Agriculture (USDA) Plant Pathology funds to provide for a survey of potato cyst nematode and exotic pathogens. Requires Interim Finance

approval since the cumulative amount added to the USDA Pathology Projects category exceeds 10% of the legislatively-approved level for that category. **Work Program #C33111**

5. **Department of Health and Human Services – Health Division – Community Health Services – FY 07 –** Addition of $29,110.00 in federal Family Planning grant funds to augment nursing, pharmaceutical, and medical supplies for family planning services. Requires Interim Finance approval since the amount added to the Family Planning category exceeds 10% of the legislatively-approved level for that category. **Work Program #C31296**

6. **Department of Conservation and Natural Resources – Division of Forestry - Inter Governmental Agreements – FY 07 –** Addition of $19,629.00 in Project Revenue to cover the cost of overtime accrued during a controlled burn for the Las Vegas Valley Water Authority. Requires Interim Finance approval since the cumulative amount added to the Personnel Services category exceeds 10% of the legislatively-approved level for that category. **Work Program #C30950**

Agency	Agency/ Account Number	Position Number	Present Class, Code, Grade & Salary	Proposed Class, Code, Grade & Salary
Department of Health and Human Services, Health Care Financing and Policy	403/3158	0069	Health Care Coordinator II, 12.369, grade 34, step 1, $37,458.72, Employer-Paid Retirement	Auditor II, 7.154, grade 34, step 1, $37,458.72, Employer-Paid Retirement
Department of Health and Human Services, Division of Child and Family Services	409/3145	0012	Clinical Program Planner III, 10.125, grade 42, step 1, $53,160.48, Employer-Paid Retirement	Social Services Chief III, 12.300, grade 41, step 1, $50,801.04 Employer-Paid Retirement

There were no questions from the Committee members regarding Item C, which had been included for informational purposes only.

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

Chairman Arberry provided the information regarding the following work program revisions, allocation of block grant funds, and position changes:

Work Program Item 2 was revised on February 28, 2007, and Item 3 was revised on February 14, 2007.

Work Program Items 4, 5, 8, 15, 19, 21 revised, 22, 23, 24, 46, 64, 72, 76, 84, 88, 93, 95, 98, and 100 would be reviewed by the Committee.

Items 30 revised, 31, 33, 49, .50, 55, 56, 59 required a public hearing and would be reviewed by the Committee.

Item 63 was withdrawn.

The reclassification for a Department of Corrections Program Officer was withdrawn, and a reclassification request for a Department of Health and Human Services' Youth Training Counselor was revised and would not be reviewed by the Committee.

CHAIRMAN RAGGIO MOVED THAT WORK PROGRAM ITEMS OTHER THAN THOSE DELINEATED BY THE CHAIRMAN BE APPROVED.

SENATOR CEGAVSKE SECONDED THE MOTION.

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

1. **Office of the Attorney General – Department of Justice – Administrative Account FY 07 –** Transfer of $18,000.00 from the Operating category to the In-State Travel category to meet the travel needs of legal counsel for the state of Nevada through the end of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the In-State Travel category exceeds 10% of the legislatively-approved level for that category. **Work Program #C30493**

   Refer to the motion for approval under Item D.

2. **Office of the Attorney General – Department of Justice – Council for Prosecuting Attorneys – FY 07 –** Addition of ~~**$49,658.00**~~ ***$50,000.00*** in transfer from the National District Attorneys' Association to conduct the Western Regional Capital Litigation Seminar scheduled January 31–February 2, 2007 in Reno, Nevada. Requires Interim Finance approval since the amount added to the Council Operations category exceeds 10% of the legislatively-approved level for that category. **Work Program #C30491. REVISED FEBRUARY 28, 2007.**

   Refer to the motion for approval under Item D.

3. **Department of Administration – Risk Management – Insurance and Loss Prevention – FY 07 –** Addition of $142,281.00 in Federal Emergency Management Assistance (FEMA) funds, and transfer of ~~**$255,698.00**~~ ***$113,417.00*** from the Reserve – Other category to the Property Claims category, and $2,515,370.00 from the Worker's Compensation Insurance category to the Reserve – Worker's Compensation category to establish authority to receive reimbursement from FEMA

for a Nevada Department of Transportation (NDOT) flooding claim; allow payment of property claims due primarily to an increase in heavy equipment claims from NDOT; and reduce Worker's Compensation Insurance to reflect anticipated reduction in claims. Requires Interim Finance approval since the amount transferred to the Property Claims category exceeds $50,000.00. **Work Program #B94459 – REVISED FEBRUARY 14, 2007.**

Refer to the motion for approval under Item D.

4. **Department of Administration – Motor Pool – FY 07 –** Transfer of $119,780.00 from the Reserve category to the Operating category, and $201,574.00 from the Reserve category to the Vehicle Operations category to cover increase in rent and fuel costs. Requires Interim Finance approval since the amount transferred from the Reserve category exceeds $50,000.00. **Work Program #B94472**

Keith Wells, Administrator, Motor Pool Division, Department of Administration, introduced Mary Keating, Administrator, Administrative Services Division, Department of Administration.

Mr. Wells appeared before the Committee to request the authority to transfer $119,780 from the Reserve category to the Operating category to cover an increase in rent for the Reno and Las Vegas Motor Pool facilities and $201,574 from the Reserve to the Vehicle Operation category to cover increased fuel costs.

In response to questions Chairman Arberry asked regarding the reduced level of funding during the 2007-09 biennium, Mr. Wells projected a reliable revenue stream during the coming biennium and expressed confidence that the Reserve funding would be restored to a higher level during that time.

In response to Chairman Arberry who noted that approval of the request would reduce the reserve level to $147,370, Mr. Wells reported that the Reserve had been reduced to $54,000 during fiscal year 2006. Mr. Wells advised that a modification to the Motor Pool rate structure that would ensure an adequate revenue stream had been proposed and included in The Executive Budget.

In response to Chairman Arberry who asked how any unforeseen expenditures would be addressed during the 2007-09 biennium, Mr. Wells indicated that although he could not project fuel increases, there were no large expenditures anticipated.

CHAIRMAN RAGGIO MOVED APPROVAL OF ITEM D.4.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

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

5. **Department of Administration – Purchasing – FY 07 –** Transfer of $95,867.00 from the Reserve category to the Personnel Services to cover the step 10 increase approved in the 2005 Legislative Session, and the reclassification of four employees. Requires Interim Finance approval since the amount transferred to the Personnel services category exceeds $50,000.00. **Work Program #B94475**

Greg Smith, Administrator, Purchasing Division, Department of Administration, appeared before the Committee to request the authority to transfer $95,867 from the Reserve category to the Personnel category to cover the cost of step 10 salary increases for 15 employees that had been approved by the 2005 Legislature, the leave balance payment for one employee who retired, and the reclassification of four employees.

In response to Chairman Arberry, who asked how the reduction in the Reserve category would affect the Purchasing Division's ability to meet projected expenditures, Mr. Smith indicated the budget, which was salary driven, had only a few variables, the largest of which was the movement of Department of Information Technology (DoIT) contract employees to the Purchasing Division. Mr. Smith indicated that some costs would be involved in developing office space for the DoIT employees.

In response to Chairman Arberry who asked whether the request could be deferred until after the close of the Legislative Session, Mary Keating, Administrator, Administrative Services Division, Department of Administration, advised the Chairman that the request could not be deferred based on the fact that the Purchasing Division would lack sufficient authority to cover payroll costs. Ms. Keating anticipated adequate savings in other categories and also advised the Committee that unexpected additional revenue had been received. Ms. Keating did not envision that the budget would be closed at an amount that would be cause for concern.

In response to a question Senator Cegavske asked regarding vacancies, Mr. Smith advised that the Purchasing Division experienced very little turnover and currently had only one vacancy, a grade 31 program officer. Mr. Smith indicated that he was working with State Personnel to fill the position which would support the DoIT employees. It was anticipated that $20,000 in savings would occur from the vacancy while recruitment to fill the position occurred.

SENATOR RAGGIO MOVED APPROVAL OF ITEM D.5.

SENATOR COFFIN SECONDED THE MOTION.

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

6. **Department of Administration – Purchasing – Commodity Food Program – FY 07 -** Addition of $1,446,425.00 in Direct Sales to increase authority to cover

projected food purchase expenditures through the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Food Processing Program category exceeds $50,000.00. **Work Program #B94471**

Refer to the motion for approval under Item D.

7. **Department of Administration – Buildings and Grounds – FY 07 –** Transfer of $60,559.00 from the Reserve category to the Operating category, and $389,480.00 from the Reserve category to the Utilities category to cover anticipated shortfalls in the Operating and Utilities categories 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 #B94474**

Refer to the motion for approval under Item D.

8. **Department of Administration – Victims of Crime – FY 07 –** Addition of $2,275,393.00 in federal Crime Victims funds, $617.00 in Miscellaneous Revenue, $258,777.00 in Restitution Collection funds, $254,848.00 in Wage Assessments, and $21,783.00 in Treasurer's Interest Distribution funds to increase funding authority for various revenue sources to cover payments to victims through the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Victim's Payment category exceeds $50,000.00. **Work Program #B94473**

Mary Keating, Administrator, Administrative Services Division, Department of Administration, appeared before the Committee on behalf of the Victims of Crime program to request an increase in revenue authority for projected federal funds, restitution, wage assessment, Treasurer's interest, and miscellaneous revenue totaling $2,811,418 to meet expenditures of victims' payments through the end of fiscal year 2007. Additionally, the work program would transfer the balance in reserve, $298,099, to the Victim Payments category to pay victims.

The Victims of Crime Program was enacted by the Nevada Legislature to assist innocent victims of crime in the state of Nevada. Ms. Keating expressed the agency's intent to provide the maximum flexibility to pay benefits including hospital, medical, and dental bills for victims. Ms. Keating anticipated that the Department of Justice grant award would be received late in the fiscal year and indicated that payment to victims would be delayed until the grant was awarded.

In response to Chairman Arberry who asked when the grant had been awarded in the past, Ms. Keating advised that the grant was usually awarded in April.

Chairman Arberry asked how personnel and operating expenses would be met after July 1, 2007, if projected revenues had not been received and the account's reserve funding had been reduced to zero.

Ms. Keating responded that such an occurrence would be dealt with by a partial balance forward of funds on July 1, 2007.

ASSEMBLYMAN HARDY MOVED APPROVAL OF ITEM D.8.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

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

9. **Department of Information Technology – Facility Management – Computing Division – FY 07 –** Transfer of $57,954.00 from the Reserve category to the Utilities category to cover increase in costs due to the expansion of the computer facility, and the general increase in electricity and fuel costs. Requires Interim Finance approval since the amount transferred to the Utilities category exceeds $50,000.00. **Work Program #C21994**

   Refer to the motion for approval under Item D.

10. **Department of Education – Distributive School Account – FY 07 –** Transfer of $27,776.00 from the Aid to Schools category to the Transportation category to allow for reimbursement of transportation expenditures for students residing on an Indian Reservation located in two or more counties. Requires Interim Finance approval since the amount added to the Transportation category exceeds 10% of the legislatively-approved level for that category. **Work Program #C33209**

    Refer to the motion for approval under Item D.

11. **Department of Education – School Health Education – AIDS – FY 07 –** Addition of $235,684.00 in federal Comprehensive School Health Program grant funds to align authority with the actual grant amount and allocate amounts to expenditure categories as necessary to continue the program. Requires Interim Finance approval since the amount added to the Aid to Schools category exceeds $50,000.00. **Work Program #C33207**

    Refer to the motion for approval under Item D.

12. **Department of Education – Career and Technical Education – FY 07 –** Addition of $26,450.00 in federal Technical Preparation grant funds, and $126,240.00 in federal Vocational Education Receipts to align authority to match the actual grant awards. Requires Interim Finance approval since the amount added to the Technical Preparation category exceeds $50,000.00. **Work Program #C33206**

    Refer to the motion for approval under Item D.

13. **Department of Education – Nutrition Education Programs – FY 07 –** Addition of $25,816.00 in federal grant reimbursement funds to implement a new computer program for student verification for free and reduced lunches, and fund a portion of phase three of the child nutrition program system. Requires Interim Finance approval since the cumulative amount added to the Information Services category exceeds $50,000.00. **Work Program #C33208**

Refer to the motion for approval under Item D.

14. **Department of Education – Individuals with Disabilities Act (IDEA) – FY 07 -** Addition of $144,100.00 in Consortium for Alternate Assessment Validity and Experimental Studies (CAAVES) federal grant funds to accept funds designed to advance the validity of alternate assessment score interpretations through replication, increased samples, and tests of generalization and to conduct feasibility studies to inform future assessment practices in exchange for appropriate reimbursement by the Idaho State Department of Education. Requires Interim Finance approval since the amount of the grant exceeds $100,000.00. **Work Program #C33205**

Refer to the motion for approval under Item D.

15. **Nevada System of Higher Education – School of Medicine – FY 07 –** Addition of $125,220.00 in Registration Fees, $43,510.00 in Non-Resident Tuition Fees, and $1,265.00 in Miscellaneous Student Fees to support additional scholarships for students. Requires Interim Finance approval since the amount added to the University Operations category exceeds $50,000.00. **Work Program #C30545**

Vincent Johnson, Fiscal Officer, University of Nevada, School of Medicine, appeared before the Committee to request approval to use excess student fees in the amount of $151,000 to support four-year, full tuition Medical School scholarships. After the receipt of spring enrollment figures, the request was reduced from $169,995 to $151,000.

In response to a request from Chairman Arberry, Mr. Johnson advised that he would provide the Committee's staff with detailed information relative to resident and nonresident tuition fees.

SENATOR RAGGIO MOVED APPROVAL OF ITEM D.15.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

16. **Department of Cultural Affairs – Library and Archives – FY 07 –** Addition of $825,000.00 in federal Library Services and Technology Act grant funds to continue awarding subgrants to public libraries and to fund specific projects

currently awarded by the state. Requires Interim Finance approval since the amount added to the Library Development – Title I category exceeds $50,000.00. **Work Program #C29669**

Refer to the motion for approval under Item D.

17. **Department of Agriculture – Plant Industry – Registration and Enforcement – FY 07 –** Transfer of $61,073.00 from the Reserve category to the Noxious Weed Control category to provide additional grant funding to Cooperative Weed Management Associations. Requires Interim Finance approval since the amount transferred to the Noxious Weed Control category exceeds $50,000.00. **Work Program C33113**

    Refer to the motion for approval under Item D.

18. **Department of Agriculture – Plant Industry – Registration and Enforcement – FY 07 –** Addition of $90,460.00 in United States Environmental Protection Agency (EPA) Pesticide Enforcement cooperative agreement, and $4,324.00 in EPA Pesticide Certification cooperative agreement to reconcile federal and state authority for the EPA Pesticide Enforcement and Certification cooperative agreements for fiscal year 2007. Requires Interim Finance approval since the amount added to the EPA Pesticide Enforcement category exceeds $50,000.00. **Work Program #C31490**

    Refer to the motion for approval under Item D.

19. **Department of Agriculture – Plant Industry – United States Department of Agriculture (USDA) Specialty Crop Grant – FY 07 –** Addition of $101,479.00 in USDA Specialty Crop block grant program, and $2,000.00 in Treasurer's Interest to establish revenue and corresponding expenditure authority for the USDA Specialty Crop block grant program which will enhance the competitiveness of specialty crops within the state of Nevada. **Requires Interim Finance approval since the amount involves the allocation of block grant funds, and this action requires a public hearing. Work Program #C33115**

Rick Gimlin, Deputy Director and Acting Director, Nevada Department of Agriculture, appeared before the Committee to request approval to establish revenue and expenditure authority for the United States Department of Agriculture (USDA) Agriculture Marketing Service (AMS) Cooperative Agreement for the Specialty Crop Block Grant Program activities for fiscal year 2007. The funds would be used to enhance competitiveness of Nevada specialty crops defined as fruits, vegetables, tree nuts, dried fruits, and nursery crops including floriculture and related products produced by Nevada producers. The agreement would be in effect through December 31, 2009.

Chairman Arberry opened the hearing to public testimony.

There was no response to the Chairman's request for public testimony.

In response to Senator Titus who asked for information relative to ongoing operations at the Department of Agriculture, Mr. Gimlin advised that applications were being accepted for a new Director, and it was anticipated that a recommendation would be provided to the Governor in the near future.

ASSEMBLYWOMAN SMITH MOVED APPROVAL OF ITEM D.19.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

20. Commission on Mineral Resources – Division of Minerals – FY 07 – Transfer of $37,727.00 from the Reserve category to the Abandoned Mine Land Support category to support growth in the Abandoned Mine Land Support program. Requires Interim Finance approval since the amount added to the Abandoned Mine Land Support category exceeds 10% of the legislatively-approved level for that category. **Work Program #C14379**

Refer to the motion for approval under Item D.

21. Department of Business and Industry – Insurance Division – Captive Insurers - FY 07 – Addition of $8,500.00 in Application Fees and $53,420.00 in Examination Fees, and transfer of $43,398.00 from the Reserve category to the Personnel Services category, $2,790.00 from the Reserve category to the Out-of-State Travel category, and $24,294.00 from the Reserve category to the Operating category to augment revenues for fees collected through the end of fiscal year 2007; to cover a projected shortfall at fiscal year end due to the addition of one full-time position in May of 2006; augment Out-of-State Travel to allow travel to the remaining two quarterly National Association of Insurance Commissioners (NAIC) meetings, and augment Operating for projected expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Operating category exceeds $50,000.00. **Work Program #C13680**

Sally Elloyan, Deputy Commissioner, Division of Insurance, Department of Business and Industry, identified herself for the record. The work program submitted by the Division of Insurance for the Captive Insurers Budget Account 101-2818 requested to:

- increase authority to receive Application Fee revenue by $10,000
- increase Licenses and Fees revenue authority by $5,400
- increase Examination Fee revenue by $135,335
- increase Insurance Premium revenue by $127,892
- increase overall revenue by $278,628

Ms. Elloyan provided the following information relative to the revised work program request:

- The transfer from the Reserve category to the Personnel Services category was requested to fund cost-of-living adjustments, which had not been budgeted, and costs for a new administrative assistant position.

- An increase in authority was requested in Category 02 Out-of-State Travel to allow the Chief Insurance Examiner for captives to attend quarterly meetings of the National Association of Insurance Commissioners (NAIC). Ms. Elloyan noted that the Chief Insurance Examiner did not attend the spring meeting in San Francisco, which reduced the amount originally requested by $1,100.

- An increase in authority was requested in Category 4 Operating Expenses to provide for paying independent contractors to conduct statutorily required examinations of captive insurers.

- An increase in authority was requested in General Ledger Account 3717, Application Fees, as a result of the Division's receipt of more applications than anticipated.

- An increase in revenue authority was requested for General Ledger Account 3730, Examination Fees, to match revenue already collected and allow deposits of current examination and administrative fees after reimbursement for the cost of examinations by captive insurers.

- An increase in authority was requested in Category 86 Reserve as a result of an increase in the collection of administrative fees and the collection of over $176,000 in insurance premium taxes.

Chairman Arberry asked how the division was able to approve the Chief Insurance Examiner's attendance at the Captive Insurance Companies Association (CICA) International Conference when the authority to fund those expenditures had not been approved by the Committee.

Ms. Elloyan responded that funds encumbered from the Education and Training budget had not yet been expended.

In response to Chairman Arberry who asked why the Division had incurred travel expenditures for which it did not currently have expenditure authority, Ms. Elloyan indicated she did not anticipate "bending the rules" in the future.

In response to Chairman Arberry who asked how the Division would reimburse the Chief Insurance Examiner for his expenditures if the work program was not approved,

Ms. Elloyan advised that the money would be reimbursed through a general voucher transfer from Budget Account 3824, Education and Research.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, commented on whether the Division of Insurance had the authority to impose an administrative fee for the examination of captive insurers and recommended that the members of the Committee consider seeking the advice of Legislative Counsel.

Ms. Elloyan advised that the Commissioner was provided the authority to examine insurers under the provisions of *Nevada Revised Statutes* (NRS) 679B.240 and further indicated that NRS 679B.230 through 679B.290 were applicable to the examination of captive insurers. Additionally, Ms. Elloyan said that under the provisions of NRS 694C.410, the Commissioner was provided the authority to conduct the examination and to bill the examinee for the cost of the examination.

In response to a request from Chairman Arberry for a legal opinion, Brenda Erdoes, Legislative Counsel, Legislative Counsel Bureau, advised that the Legislative Commission's review of regulations required specific authority for fees. After following Ms. Elloyan's analysis, Ms. Erdoes concluded that the Commissioner had the authority to bill the examinees for costs but did not have the authority to impose an examination administrative fee.

Mark Stevens indicated that after listening to the testimony, there appeared to be some discrepancies in the numbers in the work program request. Mr. Stevens suggested that the Committee decide on how they wanted to proceed with the administrative fee portion of the examination cost while the Committee's staff met privately with the Insurance Division staff to ensure the accuracy of the numbers.

Senator Raggio suggested approving the work program request contingent upon staff's review and approval of the revised numbers.

In response to Chairman Arberry who questioned the appropriateness of a motion contingent on staff's recommendation, Ms. Erdoes indicated the Committee could approve the request contingent on the work program request numbers being provided by staff.

Assemblywoman Buckley noted for the record that the motion would require the Division of Insurance to eliminate the administrative fee that the Legislative Counsel opined was not permissible, and the Committee's staff would work with Division of Insurance staff to ensure the accuracy of the numbers in the work program request.

Ms. Elloyan questioned whether calculating the costs associated in processing and reviewing examinations would be an acceptable alternative to the imposition of a flat fee.

Chairman Arberry indicated that the Committee would delay voting on Item D.21 until the Committee's staff could meet with representatives of the Division of Insurance. The Committee moved on to other work program requests and returned to Item D.21 later in the hearing.

Rick Combs, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that after meeting privately with representatives of the Division of Insurance the following revisions were recommended for the Committee's consideration:

- General Ledger 3730 – Examination Fees were reduced from $135,335 to $92,228. The reduction was based on not imposing an administrative examination fee.

- Category 02 – Out-of-State Travel was reduced from $2,790 to $1,686.

- The General Ledger Revenue and Out-of-State Travel adjustments resulted in a Category 06 Reserve increase of $104,222 rather than $146,225.

SENATOR RAGGIO MOVED APPROVAL OF D.21 BASED ON ADJUSTMENTS PROVIDED BY STAFF.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Marvel was not present for the vote.)

22. Department of Business and Industry – Insurance Division – Insurance Education and Research – FY 07 – Transfer of $305,730.00 from the Reserve category to the Research and Education category to cover projected shortfalls for an anti-fraud campaign, and costs associated with continuing education courses. Requires Interim Finance approval since the amount transferred to the Research and Education category exceeds $50,000.00. **Work Program #C13683**

Sally Elloyan, Deputy Commissioner, Division of Insurance, Department of Business and Industry, appeared before the Committee to request a transfer from the Reserve category to the Research and Education category to fund travel and education expenses and to meet funding requirements for the balance of fiscal year 2007.

Chairman Arberry noted that information provided by staff indicated that the Division representatives wished to reduce their original request for additional expenditure authority from $305,730 to $211,000. However, the Chairman pointed out that the Division's decreased request would still result in an increase in expenditure authority for the Research and Education category of 154 percent over the amount approved by the 2005 Legislature.

Ms. Elloyan advised the Committee that because of guidance received from the Legislative fiscal analysts, additional expenses were correctly identified and categorized, which resulted in further reductions to the request. Ms. Elloyan explained that certain expenses charged to Budget Account 3824 should have been charged to Budget Account 3828, which funded National Association of Insurance Commissioners (NAIC) travel. With the addition of another $19,600 that had been inappropriately categorized, Ms. Elloyan advised that the request to transfer funds from the Reserve had been reduced to $191,000.

In response to questions Chairman Arberry asked regarding approximately $68,500 in expenditures for contract examiners to attend continuing education training courses, Ms. Elloyan advised that the Division was required by the NAIC to provide examiners with training to ensure the methodology required by the NAIC was used in conducting examinations for solvency and market conduct.

In response to Chairman Arberry who asked whether the Division had paid for continuing education classes in prior fiscal years, Ms. Elloyan indicated she did not know but would find out and provide the information to the Committee's staff.

Senator Mathews expressed concern relative to the Division's payment of professional certification and continuing education classes and indicated that the examiners should pay for the classes.

Ms. Elloyan reiterated her previous testimony that training classes for examiners were required to meet NAIC standards.

Senator Raggio who noted that the examiners were on contract and were not State employees also expressed concern regarding payment for continuing education. Senator Raggio pointed out that the State did not pay continuing education costs for professionals within the State system and agreed with Senator Mathews that the examiners should pay for their own training.

Ms. Elloyan advised the members of the Committee that the courses were provided to train independent contract examiners in Nevada law and regulations and to meet NAIC examination standards. Additionally, Ms. Elloyan advised that the week-long training courses did not provide the contractors with a certification.

Chairman Arberry questioned projections that the Division's travel, registration fees, membership dues, and instructional supply expenditures would increase by $87,615, or 300 percent, over the amount approved by the 2005 Legislature for those expenses.

Ms. Elloyan reported that recruiting efforts had resulted in the retention of many credentialed employees who were performing the work of examiners in-house, in addition to attorneys, certified public accountants, and certified financial examiners. Ms. Elloyan reported that a 1995 legislative letter of intent advised the Division to use the Reserves in the Insurance Education and Research category to continue to upgrade

and improve the quality of insurance regulation training. Ms. Elloyan credited the Division's current NAIC accreditation to that training.

In response to Chairman Arberry who asked how requests for travel were approved, Ms. Elloyan advised that out-of-state travel requests were first submitted through accounting channels and then forwarded to the Commissioner and the Director of the Department of Business and Industry for approval.

In response to Chairman Arberry who asked whether policies and procedures were in place to ensure that the level of travel approved did not exceed the expenditure authority available to fund the travel, Ms. Elloyan advised that she had recently established travel-related procedures.

In response to questions Senator Beers asked regarding Interim Finance Committee approval to fund expenditures, Ms. Elloyan advised that her earlier remarks were in regard to a 1995 letter of intent that directed the Division to use funds in the Education and Research category to continually improve the quality and credentialing of the Division's employees.

In response to Senator Beers who said it appeared that the Division had "significantly" exceeded its budget authority pursuant to the 1995 Legislative Letter of Intent, Ms. Elloyan indicated that there was not a conscious decision to do so. After reviewing the expenditures and personally internalizing how the various budget accounts functioned, Ms. Elloyan said the request for the transfer had been "greatly" reduced.

Senator Beers commented that information he had received indicated that unbudgeted expenditures in the Insurance Education and Research budget were "incurred as a normal process."

Ms. Elloyan said that if unauthorized expenditures were normal in the past, such expenditures, under her tutelage, would no longer be considered normal. Additionally, Ms. Elloyan assured Senator Beers that after six months on the job, she had established and implemented controls that would prevent unbudgeted expenditures.

In response to Chairman Arberry who questioned requests for unidentified travel expenditures, Ms. Elloyan indicated that funds were encumbered for a maximum of 11 individuals to attend the summer NAIC quarterly meeting, but the Commissioner had decided to send only five individuals. Ms. Elloyan reported that the NAIC would pay the expenses for two, and expenses for one other individual would be paid from Budget Account 3833, Insurance Cost Stabilization.

In response to a request from Chairman Arberry, Ms. Elloyan agreed to provide detailed information to the Committee's staff.

Chairman Arberry noted that information provided to the Committee indicated that the unencumbered balance of $32,857 remaining in the Education and Research category

was not sufficient to cover the Division's unpaid contractual obligations of $127,000 to the Nevada Broadcasters Association, NAIC, and Regulatory Consultants. Additionally, the Chairman noted that the Division continued to incur travel expenditures and asked how they planned to pay the money owed to contractors and employees if the Committee voted not to approve the work program.

Ms. Elloyan expressed some uncertainty on how to pay contractors and employees if the Committee denied the work program request and advised that she would discuss the problem with the Commissioner. Ms. Elloyan indicated she could not deny that issues existed and expressed chagrin that circumstances required her appearance before the Committee. However, Ms. Elloyan indicated that if the request to transfer funds failed, the Division would probably defer payments until fiscal year 2008.

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided the Committee with three options that addressed the $20,000 in unidentified travel, $20,000 in other unidentified costs, and the unencumbered $32,000 balance remaining in the Research and Expenditure category:

- Approve the work program at the revised level of $211,000, as requested by the Division.

- Approve the work program at the $138,143 level, which would provide the authority for all specifically identified expenditures.

- Approve the work program at the $106,070 level, which would provide authority for the Division to pay for all of its expenditures incurred to date but would not provide authority for the Division to incur additional travel, registration fees, membership dues, and instructional supply expenditures that totaled $32,073 for the remainder of fiscal year 2007. The projected expenditures for the remainder of fiscal year 2007 included $12,144 to send 11 employees to the NAIC June meeting in San Francisco.

Senator Coffin asked the Committee to be aware that the Division operated on fees paid by insurance companies, agents, and policyholders that exceeded the Division's budget. Senator Coffin also commented that the Division's expenditures were for the protection of the consumer and reimbursement to employees for required training should take place as soon as possible rather than making employees wait for repayment from the Stale Claims fund. Senator Coffin indicated he believed all agency representatives who were in the Committee room and others who were listening to the broadcast received a strong message to follow established budgeting procedures.

Senator Beers commented that while it was legislative intent that the Division of Insurance protect the public, the actions the Division took were not designed to do so.

Senator Titus suggested approval of the third option, which would approve the work program at the $106,070 level and provide authority for the Division to pay all

expenditures to date. Additionally, Senator Titus pointed out that the third option would not provide authority to expend $12,144 to send 11 employees to the NAIC summer meeting in San Francisco, which, in view of a budget shortfall, appeared to be too large an expenditure to attend a conference.

Ms. Elloyan provided clarification that the number of employees selected to attend the NAIC summer meeting was revised from 11 to 5.

Rick Combs, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau provided clarification that all three options presented to the Committee would pay for the claims that had been incurred to date. Mr. Combs provided the following summation:

- The first option would approve the work program at the revised level of $211,000 as requested by the Division.

- The second option would approve the work program at the $138,143 level, which would provide funding for the identified expenditures for the remainder of the fiscal year including the travel to San Francisco for the NAIC meeting.

- The third option would approve the work program at the $106,070 level, which would pay all expenditures incurred to date but would not provide the authority to incur additional expenditures.

Senator Raggio agreed that while the Division of Insurance was an important agency that provided consumer protection, budget authority had been egregiously exceeded, which the Committee's staff had appropriately identified. Senator Raggio indicated he believed that the Committee made a strong point that state agencies had no "leeway" to exceed budget authority. Senator Raggio pointed out that the difference between option 2 and 3 was minimal and said the Committee's decision should not be characterized as punitive.

> SENATOR RAGGIO MOVED APPROVAL OF THE SECOND OPTION REDUCED TO INCLUDE TRAVEL COSTS TO SEND ONLY FIVE EMPLOYEES TO THE NAIC SUMMER MEETING IN SAN FRANCISCO AND TO PROVIDE THE AUTHORITY FOR ALL SPECIFICALLY IDENTIFIED EXPENDITURES BUT NOT $72,857 IN EXPENDITURES THAT WERE NOT SPECIFICALLY IDENTIFIED.
>
> ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Senator Titus voted nay, Senator Mathews and Assemblywoman Leslie were not present for the vote.)

Senator Coffin asked whether additional employees could attend the conference if the expenses were spread or shared.

Senator Raggio indicated he had understood the necessity was to send 5 employees, not 11, and that it was not his intent to include the others.

In response to Senator Coffin who asked whether another Interim Finance Committee meeting would be held prior to the close of the Legislative Session, Mr. Stevens said that the Interim Finance Committee had the ability to meet separately as the Assembly Committee on Ways and Means and the Senate Committee on Finance during the session. Mr. Stevens advised that the volume of work program activity would determine whether the Committees met separately.

Senator Coffin indicated that it was in the best interest of the Division of Insurance to provide "a roadmap for recovery" to the Committee as soon as possible before the close of the Legislative Session.

23. Department of Business and Industry – Real Estate Division – Administration - FY 07 - Transfer of ~~**$39,184.00**~~ ***$27,993.00*** from the Personnel Services category to the Operating category, and ~~**$59,520.00**~~ ***$59,167.00*** from the Reserve for Reversion category to the Operating category to cover a shortfall in office rent, postage, printing, reports and court expenses. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $50,000.00. **Work Program #C31838. REVISED MARCH 12, 2007.**

Gail Anderson, Administrator, Real Estate Division, Department of Business and Industry, appeared before the Committee to request a transfer of $27,993 from the Personnel category and $59,167 from the Reserve for Reversion category to the Operating category to cover a projected shortfall due to growth and additional rent expenses.

Ms. Anderson explained that the additional office space that the Division acquired in 2006 was located in the Bradley Building in Las Vegas. Two work programs were prepared and approved in 2006 to address the rent for the Bradley Building space, one for fiscal year 2006 and one for fiscal year 2007. Ms. Anderson reported that fiscal year 2007 work program revised the Division's cost allocation plan and placed the funds for the anticipated rent increase into the Reserve for Reversion category to be used in 2007. Additionally, the Division requested an increase for additional operating expenses related to licensing-based growth.

Chairman Arberry noted that the $59,520 in cost allocation funds were to be used if the agency had no other available funding sources to support increased rental expenditures and asked why the additional office space had not been included in the agency's 2005-07 budget.

Ms. Anderson pointed out that when the 2005-07 budget was prepared, the agency was unaware that the additional office space would become available.

In response to questions Chairman Arberry asked relative to the agency's growth, Ms. Anderson reiterated earlier comments that additional staff hired in 2005 and the costs for additional space and remodeling of that space was not built into the 2005-07 budget. As previously indicated, Ms. Anderson advised that the transfer of funds from the Reserve for Reversion category, which was established by the work program requests prepared in 2006, was requested to address the agency's budget shortfall.

In response to Chairman Arberry's request to justify the fiscal year 2007 non-rent shortfalls within the operating category, Ms. Anderson attributed the shortfall to an unanticipated 30 percent licensee growth between fiscal year 2005 and fiscal year 2006 and a 26 percent licensee growth between 2004 and 2005. The growth-associated costs included printing and postage for renewal notices and licenses as well as operating costs for the Real Estate Commission and the Commission of Appraisers of Real Estate that operated under the Real Estate Administration budget.

SENATOR RAGGIO MOVED APPROVAL OF ITEM D.23.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Leslie and Senator Mathews were not present for the vote.)

24. Department of Business and Industry – Real Estate Division – Common Interest Communities – FY 07 – Transfer of $68,500.00 from the Reserve category to the Operating category to allow for the development of a web-based interactive educational program, and allow for the printing and mailing of quarterly newsletters. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $50,000.00. **Work Program #C31839**

Gail Anderson, Administrator, Real Estate Division, Department of Business and Industry, appeared before the Committee, on behalf of the Office of the Ombudsman for Common Interest Communities, to request approval to transfer $68,500 from the Reserve category to the Operating category. Approval of the work program would provide $60,000 to contract for the technical development of three web-based, interactive multimedia training CDs and $8,500 to support additional printing expenditures for the agency’s quarterly newsletter. Ms. Anderson reported that although the newsletter was posted on the Division's website, approximately 6,000 copies were mailed to all licensed managers and to board members registered through the Office of the Ombudsman.

Ms. Anderson told the Committee that the Common Interest Communities' education fund was entirely committed for fiscal year 2007 for board members and unit owners to attend contracted classes. Members of the Commission for Common Interest Communities, Division representatives, and the new Ombudsman identified and

supported a web-based, interactive educational program as a better method of delivery to reach a greater number of people on a 24-7 basis.

Assemblywoman McClain asked the Division representatives to comment on why the $60,000 project was not included in the 2007-09 budget so that the issue could be addressed in joint subcommittee hearings. Additionally, Assemblywoman McClain expressed concern relative to reducing the Reserve and asked whether the agency had explored less-expensive educational alternatives.

Ms. Anderson responded that the intention was not to spend down the funding reserve but rather to address a better method of education accessibility.

In response to questions Assemblyman Denis asked regarding the web-based training, Ms. Anderson advised that the $60,000 would support contractor development, design, implementation, and website hosting by a contractor. Additionally, Ms. Anderson explained that the Ombudsman and the Education Officer were developing the curriculum for the three multimedia training presentations for the Real Estate Division's website.

In response to Assemblyman Denis who asked whether additional hardware equipment would be required for the project, Ms. Anderson advised that preliminary discussions did not address additional hardware equipment, but the Department of Information Technology (DoIT) and a technical staff member from the Department of Business and Industry were to provide information on hardware equipment.

In response to Assemblyman Denis who asked whether additional web-based training presentations were planned for the future, Ms. Anderson advised that additional presentations were anticipated after determining the effectiveness of the first three multimedia presentations.

In response to Assemblyman Denis who asked whether funding for additional presentations had been included in the Division's 2007-09 base budget, Ms. Anderson advised that $42,000 for educational development by contract had been included in the budget, the allocation of which would be determined by the Commission on Common-Interest Communities.

SENATOR BEERS MOVED TO DEFER THE WORK PROGRAM REQUEST TO THE SENATE COMMITTEE ON FINANCE AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT FOR CONSIDERATION.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

Assemblywoman Weber questioned whether continuing education was required for management groups or boards under the *Nevada Revised Statutes* (NRS) and whether the request was being used to satisfy a requirement of the State.

Ms. Anderson advised that continuing education was required for managers, but the public education training under discussion targeted those individuals who operated homeowners associations.

THE MOTION CARRIED. (Senator Raggio and Assemblywoman Leslie were not present for the vote.)

25. **Department of Business and Industry – Housing Division – Department of Energy (DOE) Weatherization – FY 07 –** Addition of $96,678.00 in DOE funds to provide weatherization assistance to low-income persons. Requires Interim Finance approval since the amount added to the DOE Subgrants category exceeds $50,000.00. **Work Program #C17502**

Refer to the motion for approval under Item D.

26. **Department of Business and Industry – Housing Division – Enterprise Fund - FY 07 –** Addition of $1,700,000.00 in Federal HOME Grant funds to increase authority for pass through grants to local governments. Requires Interim Finance approval since the amount added to the HOME Program Administration category exceeds $50,000.00. **Work Program #C17501. RECEIVED AFTER DEADLINE, FEBRUARY 28, 2007.**

Refer to the motion for approval under Item D.

27. **Department of Business and Industry – Taxicab Authority – FY 07 –** Transfer of $33,557.00 from the Reserve category to the Operating category to cover a projected shortfall in non-state-owned building rent. Requires Interim Finance approval since the cumulative amount transferred from the Reserve category exceeds $50,000.00. **Work Program #B13961**

Refer to the motion for approval under Item D.

28. **Commission on Economic Development – FY 07 –** Addition of $68,700.00 in Governor's Medallion donations to allow for the receipt of gifts and donations from various businesses that will be used to produce Governor's Medallion souvenirs. Requires Interim Finance approval since the amount added to the Governor's Medallion category exceeds $50,000.00. **Work Program #C14285**

Refer to the motion for approval under Item D.

29. **Commission on Economic Development – Motion Picture Development – FY 07** Addition of $56,500.00 in Miscellaneous Revenue to allow for the receipt

of revenue through the end of the fiscal year related to the selling of advertisements in the Nevada Production Directory. Requires Interim Finance approval since the amount added to the Scouting Locations category exceeds $50,000.00. **Work Program #C14287**

Refer to the motion for approval under Item D.

30. Department of Health and Human Services – Director's Office – Grants Management Unit – FY 07 – Transfer of $250,001.00 from the Reserve Title XX category to the Division of Child and Family Services (DCFS) Social Worker Training category to support mandatory training for social workers in the DCFS Children, Youth and Family Administration budget. **Requires Interim Finance approval since the amount transferred from the Reserve for Title XX category exceeds $50,000.00 and involves the allocation of block grant funds, and this action requires a public hearing. Work Program #C32902**

David Prather, Administrative Services Officer, Department of Health and Human Services, Director's Office, appeared before the Committee to request approval to transfer $250,000 from the Children's Trust Account to support mandatory training for social workers in the Division of Child and Family Services Children, Youth and Family Administration budget.

Additionally, Mr. Prather requested approval to increase Title XX nonstate agencies expenditure authority to align with the grants awarded by the Grants Management Advisory Council.

Chairman Arberry noted that Item 30 was revised on March 15 and asked whether the revision was discussed with staff.

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the funding source had been an issue and asked for confirmation that the funds were being transferred from the Children's Trust Fund.

Mr. Prather confirmed that Item D.30 had been amended, and the $250,000 requested for transfer was from the Children's Trust Funds, Category 51.

Chairman Arberry opened the hearing to public testimony and hearing no response from members of the public declared the hearing on Item D.30 closed.

ASSEMBLYWOMAN MCCLAIN MOVED TO APPROVE ITEM D.30 AS AMENDED.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

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

31. Department of Health and Human Services – Director's Office – Grants Management Unit – FY 07 – Addition of $1,063,272.00 in federal Community Services block grant funds to support community services through the Urban League, Martin Luther King Center, and the Family Development Care Management Program to low income families. **Requires Interim Finance approval since the amount involves the allocation of block grant funds, and this action requires a public hearing. Work Program #C32904**

David Prather, Administrative Services Officer, Department of Health and Human Services, Director's Office, appeared before the Committee to request approval to "book" Community Services block grant authority of approximately $1 million received through the December 31, 2006, Continuing Resolution passed by Congress. Mr. Prather advised that the funding would be used to augment the budget of the Urban League in Clark County for the support of its community services and administrative structure.

Chairman Arberry opened the hearing to public testimony and with no response from members of the public declared the hearing on Item D.31 closed.

SENATOR RAGGIO MOVED APPROVAL OF ITEM D.31.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

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

32. Department of Health and Human Services – Health Care Financing and Policy Administration – FY 07 – Addition of $2,476,199.00 in Medicaid federal Title XIX funds to provide the federal share of Medicaid administrative costs incurred by the Division of Welfare and Supportive Services for eligibility expenses. Requires Interim Finance approval since the amount added to the Transfer to State Agencies category exceeds $50,000.00. **Work Program #C27604**

Refer to the motion for approval under Item D.

33. Department of Health and Human Services – Health Care Financing and Policy Medicaid – FY 07 – Addition of $5,119.00 in state Children's Health Insurance Program federal Title XXI funds, and the deletion of $4,082.00 in Medicaid federal Title XIX funds to allocate payroll expenditures for time spent on Nevada Check Up to the appropriate funding source. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C27601**

Patrick Cates, Administrative Services Officer, Division of Health Care Financing and Policy, Department of Health and Human Services (HCFP), appeared before the Committee to request approval to establish revenue authority for cost allocation of payroll expenditures between Medicaid and the State Children's Health Insurance Program (SCHIP). Mr. Cates advised that SCHIP (Federal Title XXI) authority would be increased to $5,119 and Medicaid (Federal Title XIX) authority decreased by $4,082 to align the agency's payroll and time-tracking system. Additionally, Mr. Cates advised that $1,037 would be placed in Category 93 for reversion to the state General Fund.

Chairman Arberry opened the hearing to public testimony and with no response from members of the public declared the hearing on Item D.33 closed.

ASSEMBLYMAN HARDY MOVED APPROVAL OF ITEM 33.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

34. Department of Health and Human Services – Health Care Financing and Policy Medicaid - FY 07 – Transfer of $11,144,946.00 from the Waiver category to the Division of Child and Family Services (DCFS) Payments category to fund caseload increases and related primary care expenses for mental health, prescription drugs, outpatient/inpatient hospital and other practitioner services for child welfare recipients. Requires Interim Finance approval since the amount transferred to the DCFS Payments category exceeds $50,000.00. **Work Program #C27607**

Refer to the motion for approval under Item D.

35. Department of Health and Human Services – Mental Health and Developmental Services – Administration – FY 07 – Addition of $81,738.00 in Health Resource and Services Administration Bioterrorism funds transferred from the Health Division to develop, train and implement disaster mental health response plans. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $50,000.00. **Work Program #C31144**

Refer to the motion for approval under Item D.

36. **Department of Health and Human Services – Mental Health and Developmental Services – Northern Nevada Adult Mental Health Services – FY 07 –** Transfer of $100,000.00 from the Personnel Services category to the Professional Services category to continue providing psychiatric services through the end of the fiscal year. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds $50,000.00. **Work Program #C31134**

Refer to the motion for approval under Item D.

37. **Department of Health and Human Services – Mental Health and Developmental Services – Northern Nevada Adult Mental Health Services – FY 07 –** Addition of $500,684.00 in Medicare Medical Services Charges to cover payment to the contractor for preparation of the Medicare billing rate adjustment report. Requires Interim Finance approval since the amount added to the Operating category exceeds $50,000.00. **Work Program #C31136**

Refer to the motion for approval under Item D.

38. **Department of Health and Human Services – Mental Health and Developmental Services – Northern Nevada Adult Mental Health Services – FY 07 –** Addition of $130,000.00 in Pharmacy Sales to continue meeting the pharmacy needs for Lake's Crossing and Rural Clinics through the end of the fiscal year. Requires Interim Finance approval since the amount added to the Pharmacy-Other Agencies category exceeds $50,000.00. **Work Program #C31135**

Refer to the motion for approval under Item D.

39. **Department of Health and Human Services – Mental Health and Developmental Services – Facility for the Mental Offender – Lake's Crossing Center – FY 07 –** Addition of $84,409.00 in Washoe County receipts to provide increased psychological evaluations for the Washoe County District Court. Requires Interim Finance approval since the cumulative amount added to the Personnel Services category exceeds $50,000.00. **Work Program #C28798**

Refer to the motion for approval under Item D.

40. **Department of Health and Human Services – Mental Health and Developmental Services – Rural Clinics – FY 07 –** Addition of $59,870.00 in federal Housing and Urban Development Shelter Plus Care grant funds to provide subsidized housing services to clients in need of residential support. Requires Interim Finance approval since the amount added to the state Transitional Living category exceeds $50,000.00. **Work Program #C31152**

Refer to the motion for approval under Item D.

41. **Department of Health and Human Services – Mental Health and Developmental Services – Rural Clinics – FY 07 –** Transfer of $161,000.00 from the Personnel Services category to the Indigent Drug Program category to continue providing medications to clients through the end of the fiscal year. Requires Interim Finance approval since the amount transferred to the Indigent Drug Program category exceeds $50,000.00. **Work Program #C31151**

Refer to the motion for approval under Item D.

42. **Department of Health and Human Services – Mental Health and Developmental Services – Southern Nevada Adult Mental Health Services – FY 07 –** Addition of $526,405.00 in federal Housing and Urban Development Shelter Plus Care Program grant funds to provide housing subsidy services to clients in need of residential support. ***Requires Interim Finance approval since the amount added to the federal Housing and Urban Development Shelter Plus Care Program category exceeds $50,000.00.*** **Work Program #C31162**

Refer to the motion for approval under Item D.

43. **Department of Health and Human Services – Mental Health and Developmental Services – Southern Nevada Adult Mental Health Services – FY 07 –** Addition of $42,927.00 in Clark County Receipts for Mental Health Court to provide support for Mental Health Court services in Clark County. Requires Interim Finance approval since the cumulative amount added to the Mental Health Court category exceeds $50,000.00. **Work Program #C31160**

Refer to the motion for approval under Item D.

44. **Department of Health and Human Services – Health Division – Office of Minority Health – FY 07 –** Addition of $113,358.00 in Department of Health and Human Services, Public Health Services grant funds to provide support for education, health care services, and outreach programs to 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 #C33002**

Refer to the motion for approval under Item D.

45. **Department of Health and Human Services – Health Division – Health Facilities – FY 07 –** Addition of $400,000.00 in Health Facilities Fees to support surveyor travel to health facilities located in Southern Nevada, and long term care facilities in rural regions, as well as additional training for existing and new staff. Requires Interim Finance approval since the amount added to the Staff Training category exceeds 10% of the legislatively-approved level for that category. **Work Program #C31298**

Refer to the motion for approval under Item D.

46. **Department of Health and Human Services – Health Division – Immunization Program – FY 07 –** Addition of $426,400.00 in Agency Services funds to immunize children enrolled in the Nevada Check Up State Children's Health Insurance Program. Requires Interim Finance approval since the amount added to the Vaccines (rural) category exceeds $50,000.00. **Work Program #C33000**

Amy Roukie, Administrative Services Officer, Health Division, Department of Health and Human Services, appeared before the Committee to request approval to increase revenue and expenditure authority required to utilize additional funding provided to the Immunization Program. The funds would be used through the Health Division's interlocal agreement with the Division Health Care Financing and Policy (HCFP) to purchase vaccines for children enrolled in the Nevada Check Up State Children's Health Insurance Program (SCHIP).

Chairman Arberry opened the hearing to public testimony and with no response from members of the public declared the hearing on Item D.46 closed.

SENATOR MATHEWS MOVED APPROVAL OF ITEM D.46.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

47. **Department of Health and Human Services – Health Division – Maternal Child Health Services – FY 07 –** Addition of $31,746.00 in Early Childhood Systems grant funds to provide better access to health care for children from birth to five years of age. Requires Interim Finance approval since the cumulative amount added to the Early Childhood Systems category exceeds $50,000.00. **Work Program #C33004**

Refer to the motion for approval under Item D.

48. **Department of Health and Human Services – Health Division – Maternal Child Health Services – FY 07 –** Addition of $15,944.00 in Health Resources and Services Administration federal contract funds, and the transfer of $69,945.00 from the Reserve category to the Student/Resident Experiences and Rotations in Community Health (SEARCH) Contract category to continue making subgrants available to health care providers that agree to provide a clinical setting for medical and dental school students. Requires Interim Finance approval since the amount added to the SEARCH category exceeds $50,000.00. **Work Program #C31288**

Refer to the motion for approval under Item D.

49. **Department of Health and Human Services – Health Division – Maternal Child Health Services – FY 07 –** Addition of $1,001,262.00 in Maternal & Child Health Services block grant funds to improve the health of infants, children, adolescents and pregnant women. **Requires Interim Finance approval since the amount added to the Real Choices category exceeds $50,000.00 and involves the allocation of block grant funds, and this action requires a public hearing. Work Program #C31243**

Refer to narrative and motion for approval under Item 50.

50. **Department of Health and Human Services – Health Division – Maternal Child Health Services – FY 07 –** Transfer of $4,000.00 from the Personnel Services category to the Out-of-State Travel category, $3,000.00 from the Personnel Services category to the In-State Travel category, and $40,000.00 from the Personnel Services category to the Operating category to continue programs that improve the health of infants, children, adolescents, and pregnant women. **Requires Interim Finance approval since the amount transferred from the Personnel Services category involves the allocation of block grant funds, and this action requires a public hearing. Work Program #C33001**

Amy Roukie, Administrative Services Officer, Health Division, Department of Health and Human Services, appeared before the Committee to request approval of Items 49 and 50. Approval of Item 49 would increase authority by $1,001,262 in Maternal and Child Health Block Grant funds to provide for the reallocation of salary costs to meet expenditure requirements for three existing positions previously funded under the Real

Choices Systems. Approval of Item 50 would revise authority to utilize Maternal Child and Health Block Grant vacancy savings to continue programs to improve the health of infants, children, adolescents, and pregnant women.

Chairman Arberry opened the hearing to public testimony and with no response from members of the public declared the hearing on Items D.49 and D.50 closed.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF ITEMS D.49 AND D.50.

ASSEMBLYMAN PARKS SECONDED THE MOTION.

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

51. Department of Health and Human Services – Health Division – Early Intervention Services – FY 07 – Addition of $2,208,080.00 in Infants and Toddlers with Disabilities grant funds to provide early intervention services to eligible clients. Requires Interim Finance approval since the amount added to the Individuals with Disabilities Education Improvement Act Direct Services category exceeds $50,000.00. **Work Program #C31285**

Refer to the motion for approval under Item D.

52. Department of Health and Human Services – Health Division – Women, Infants, and Children (WIC) Food Supplement – FY 07 – Transfer of $25,680.00 from the Reserve category to the WIC Breastfeeding Program category, and $7,684.00 from the Reserve category to the Central Bank Contract category to provide counseling to clients of the WIC Program and pay for additional bank services related to processing WIC vouchers. Requires Interim Finance approval since the amount added to the WIC Breastfeeding Program category exceeds 10% of the legislatively-approved level for that category. **Work Program #C31289**

Refer to the motion for approval under Item D.

53. Department of Health and Human Services – Health Division – Public Health Preparedness Program – FY 07 – Transfer of $2,079,998.00 from the Reserve category to the Centers for Disease Control (CDC) Bioterrorism Preparedness category to purchase anti-viral treatment courses, as provided in grant guidance from the Centers for Disease Control. Requires Interim Finance approval since the amount added to the CDC Bioterrorism Preparedness category exceeds $50,000.00. **Work Program #C31245**

Refer to the motion for approval under Item D.

54. Department of Health and Human Services – Welfare and Supportive Services Administration – FY 07 – Addition of $174,921.00 in federal Public Assistance Reporting Information System (PARIS) grant funds to implement the Public Assistance Reporting Information System which will afford the ability to validate client reported payments and identify improper payments based on data received. Requires Interim Finance approval since the amount of the grant added to the PARIS federal grant category exceeds $100,000.00. **Work Program #C22584**

Refer to the motion for approval under Item D.

55. Department of Health and Human Services – Welfare and Supportive Services Temporary Assistance for Needy Families (TANF) – FY 07 – Addition of $640,000.00 in federal Temporary Assistance for Needy Families (TANF) program funds to provide payments to qualified Kinship Care recipients based on projected caseload increases for the remainder of the fiscal year. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C22564**

Roger Mowbray, Administrative Services Officer, Division of Welfare and Supportive Services, Department of Health and Human Services, appeared before the Committee to request approval to augment revenue and expenditure authority in the Temporary Assistance for Needy Families (TANF) budget. Approval of the work program would provide TANF funds for qualified Kinship Care recipients.

Chairman Arberry opened the hearing to public testimony and with no response from members of the public declared the hearing on Item D.55 closed.

ASSEMBLYWOMAN MCCLAIN MOVED APPROVAL OF ITEM D.55.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Titus and Assemblywoman Leslie were not present for the vote.)

56. Department of Health and Human Services – Welfare and Supportive Services Temporary Assistance for Needy Families (TANF) – FY 07 – Addition of $1,317,258.00 in federal TANF program funds to increase funding to Washoe County for expanded Emergency Assistance and Child Welfare Services consistent with recommendations made by the Program Improvement Plan and Blue Ribbon Panel. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C22587**

Roger Mowbray, Administrative Services Officer, Division of Welfare and Supportive Services, Department of Health and Human Services, appeared before the Committee to request approval to augment revenue and expenditure authority in the Temporary Assistance for Needy Families (TANF) budget. Approval of the request would transfer $1,317,258 in federal TANF program funds to Washoe County for Emergency Assistance and Child Welfare Services.

Chairman Arberry opened the hearing to public testimony and with no response from members of the public declared the hearing on Item D.56 closed.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF ITEM D.56.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Titus and Assemblywoman Leslie were not present for the vote.)

57. Department of Health and Human Services – Welfare and Supportive Services Child Support Enforcement Program – FY 07 – Transfer of $160,244.00 from the Reserve category to the Hearings category to meet projected contractual obligations with the Judicial Districts for hearing master services for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Hearings category exceeds $50,000.00. **Work Program #C22583**

Refer to the motion for approval under Item D.

58. Department of Health and Human Services – Welfare and Supportive Services Child Support Enforcement Program – FY 07 – Addition of $344,170.00 in Child Support Withholding Fees, and the deletion of $257,418.00 in federal Child Support Program funds to record child support withholding fees, and distribute the state's retained portion equally between the county enforcing authorities (District Attorney Offices) and the state. Requires Interim Finance approval since the amount added to the County Share of Costs category exceeds 10% of the legislatively-approved level for that category. **Work Program #C22585**

Refer to the motion for approval under Item D.

59. Department of Health and Human Services – Welfare and Supportive Services Child Care Assistance and Development – FY 07 – Addition of $2,004,795.00 in federal Child Care Development Mandatory Match grant funds, and deletion of $1,037,857.00 in federal Child Care Development Discretionary grant funds, and $100,000.00 in federal Health Systems Development in Child Care Community Integrated Services System grant funds to allow child care subsidies to provide assistance to families seeking to attain a level of self-

sufficiency and avoid dependency on public assistance. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C22586**

Roger Mowbray, Administrative Services Officer, Division of Welfare and Supportive Services, Department of Health and Human Services, appeared before the Committee to request approval for adjustments in the Child Care Assistance and Development budget and the movement of Child Care Development block grants funds which required a public hearing.

Chairman Arberry opened the hearing to public testimony and with no response from members of the public declared the hearing on Item D.59 closed.

ASSEMBLYMAN GRADY MOVED APPROVAL OF ITEM D.59.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Titus and Assemblywoman Leslie were not present for the vote.)

60. **Department of Health and Human Services – Aging Services – Elder Protective Services/Homemaker Programs – FY 07 –** Transfer of $100,000.00 from the Personnel Services category to the Purchase of Services category to continue contracting for homemaker services to meet the current level of service for clients with the highest needs that are on the waiting list. Requires Interim Finance approval since the amount transferred to the Purchase of Services category exceeds $50,000.00. **Work Program #C26381**

Refer to the motion for approval under Item D.

61. **Department of Health and Human Services – Aging Services – Older Americans Act FY 07 –** Addition of $33,123.00 in federal Administrative Cost Allowance to cover administrative support costs for services provided to Nevada seniors under the federal Title III program for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Operating category exceeds 10% of the legislatively-approved level for that category. **Work Program #C26382**

Refer to the motion for approval under Item D.

62. **Department of Health and Human Services – Child and Family Services – Child, Youth, and Family Administration – FY 07 –** Addition of $759,647.00 in federal Title IV-B II funds to support the Promoting Safe and Stable Families program initiatives, which promote family strength and stability, enhance parental functioning, and protect children. Requires Interim Finance approval since the

amount added to the Promoting Safe and Stable Families category exceeds $50,000.00. **Work Program #C25103**

Refer to the motion for approval under Item D.

63. Department of Health and Human Services – Child and Family Services – Child, Youth, and Family Administration – Addition of $837,000.00 in Juvenile Justice and Delinquency Prevention grant funds to cover contractual obligations with the University of Nevada, Reno, and the University of Nevada, Las Vegas for mandatory training for future/current Division of Child and Family Services social workers. Requires Interim Finance approval since the amount added to the Specialized Training category exceeds $50,000.00. **Work Program #C25102. WITHDRAWN MARCH 7, 2007**

Item 63 was withdrawn.

64. Department of Health and Human Services – Child and Family Services – Clark County Integration – FY 07 – Addition of ~~$23,211,128.00~~ ***$17,298,552.00*** in federal Title IV-E Retroactive Claims funds to allow the Division to reimburse the Clark County Department of Family Services for eligible federal Title IV-E expenses incurred from July 1, 2002 through June 30, 2006. Requires Interim Finance approval since the amount added to the Title IV-E Retroactive Claims category exceeds $50,000.00. **Work Program #C25106. REVISED MARCH 7, 2007.**

Item 64, Fernando Serrano, Administrator, Division of Child and Family Services, Department of Health and Human Services introduced Tina Leahy, Administrative Services Officer, Division of Child and Family Services, Department of Health and Human Services. Mr. Serrano appeared before the Committee to request approval to augment the Clark County Integration budget. Approval of the work program would allow the pass-through of $17,298,552 in federal Child Welfare Title IV-E revenue to the Clark County Department of Family Services for eligible expenses incurred July 1, 2002, through June 30, 2006.

Mr. Serrano advised the Committee that the Division of Child and Family Services (DCFS) and the Clark County Department of Family Services, developed a Corrective Action Plan in response to a request by the Department of Health and Human Services, Administration for Children and Families. The Department of Health and Human Services, Administration for Children and Families requested Clark County to validate its methodology of determining administration components of the Title IV-E funds requested for reimbursement.

Mr. Serrano advised that Clark County had completed the action steps and DCFS was currently in the process of verifying costs and claim submissions for 2003 and 2004 and would prepare a "findings report" for submission to the Department of Health and Human Services, Administration for Children and Families on or before March 31, 2007.

Mr. Serrano advised that once the Administration for Children and Families reviewed the 2003-2004 claims, the 2005-2006 claims would be submitted.

In response to questions Assemblywoman Buckley asked regarding the action plan, Mr. Serrano confirmed that Clark County had completed the action steps, and DCFS was currently in the process of verifying costs and claim submissions. Mr. Serrano expressed optimism that the plan would be approved.

Assemblywoman Buckley addressed the importance of the receipt of the federal funds into the system and indicated that the State could not continue to bear the burden for the system, which was not yet under control.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF ITEM 64.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Titus was not present for the vote.)

65. Department of Health and Human Services – Child and Family Services – Clark County Integration – FY 07 – Addition of $80,000.00 in federal Child Welfare Service Title IV-B grant funds to support the start-up of a foster parent association in the south, as well as provide for foster home recruitment. Requires Interim Finance approval since the amount added to the Clark County Ongoing category exceeds $50,000.00. **Work Program #C25105**

Refer to the motion for approval under Item D.

66. Department of Health and Human Services – Child and Family Services – Unified Nevada Information Technology for Youth (UNITY)/Statewide Automated Child Welfare Information System – FY 07 – Addition of $984,704.00 in federal Title IV-E funds to reimburse Washoe and Clark Counties for the federal share of their costs associated with the operations and development of the UNITY system. Requires Interim Finance approval pursuant to AB 576, Chapter 434, Section 34 of the 2005 Legislative Session. **Work Program #C25100**

Refer to the motion for approval under Item D.

67. **Department of Health and Human Services – Child and Family Services – Rural Child Welfare – FY 07 –** Transfer of $242,100.00 from the Personnel Services category to the Non-Title XIX Medicaid category to provide payment of medical expenses for foster and adoptive children who do not qualify for coverage under the federal Medicaid program. Requires Interim Finance approval since the amount transferred to the Non-Title XIX Medicaid category exceeds $50,000.00. **Work Program #C25110**

Refer to the motion for approval under Item D.

68. **Department of Health and Human Services – Child and Family Services – Child Welfare Trust – FY 07 –** Addition of $19,780.00 in Treasurer's Interest Distribution, and the transfer of $22,820.00 from the Reserve category to the Refund Social Security/Client Rural category to allow for the refund of Social Security Administration funds to children no longer in state custody. Requires Interim Finance approval since the amount added to the Refund Social Security/Client Rural category exceeds $50,000.00. **Work Program #C25109**

Refer to the motion for approval under Item D.

69. **Department of Health and Human Services – Child and Family Services – Nevada Youth Training Center – FY 07 –** Addition of $36,440.00 in Carl Perkins Corrections subgrant transferred from Education to support the development of academic, vocational and technical skills of secondary and post-secondary students for the National Automotive Technicians Education Foundation certification. Requires Interim Finance approval since the amount added to the Carl Perkins subgrant category exceeds 10% of the legislatively-approved level for that category. **Work Program #C11659**

Refer to the motion for approval under Item D.

70. **Department of Health and Human Services – Child and Family Services – Southern Nevada Child and Adolescent Services – FY 07 –** Addition of $247,615.00 in Safe Schools Healthy Students subgrant funds to provide mental health services to the Clark County School District Safe Schools Healthy Students program. Requires Interim Finance approval since the amount added to the Clark County School District Contract category exceeds $50,000.00. **Work Program #C13475**

Refer to the motion for approval under Item D.

71. **Department of Employment, Training and Rehabilitation – Employment Security - FY 07 –** Transfer of $4,557.00 from the Reserve category to the Operating category, $10,520.00 from the Reserve category to the Equipment

category, and $99,047.00 from the Reserve category to the Information Technology category to further automate check processing for the Contributions Section including purchases of supplies, check scanners, check endorser, shredder, software and annual maintenance fees. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds $50,000.00. **Work Program #C25310**

Refer to the motion for approval under Item D.

72. Department of Employment, Training and Rehabilitation – Employment Security – Career Enhancement Program – FY 07 – Transfer of $1,500,000.00 from the Reserve category to the Client Services category to augment funding for Client Services and the Incumbent Worker Program. Requires Interim Finance approval since the amount added to the Client Services category exceeds $50,000.00. **Work Program #C25313**

Romaine Gilliland, Administrative Services Officer, Administrative Services Division, Department of Employment, Training and Rehabilitation, appeared before the Committee to request approval to transfer $1.5 million from the Reserve category to the Client Services category. Approval of the request would support higher than anticipated growth and demand for client services and incumbent worker training contracts.

Assemblywoman McClain noted that a $5.0 million enhancement for incumbent worker training contracts was recommended in the Governor's budget for the 2007-09 biennium and said she could not support a request to transfer an additional $1.5 million from the Reserves. Assemblywoman McClain expressed concern that a loss of funding from the Reserve category would prompt the agency to request General Fund dollars during a period of critical need. Assemblywoman McClain further indicated the issues in the work program request should be addressed before the Assembly Committee on Ways and Means and the Senate Committee on Finance Joint Subcommittee on General Government.

Senator Beers, who served as the co-chairman of the Joint Subcommittee on General Government with Assemblywoman McClain agreed that the issue should be addressed by the Joint Subcommittee.

ASSEMBLYWOMAN MCCLAIN MOVED TO DEFER THE REQUEST TO THE ASSEMBLY COMMITTEE ON WAYS AND MEANS AND THE SENATE COMMITTEE ON FINANCE JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Titus and Assemblyman Marvel were not present for the vote.)

73. Department of Employment, Training and Rehabilitation (DETR) – Employment Security - Special Fund – FY 07 – Transfer of $222,836.00 from the Reserve category to the Maintenance of Buildings and Grounds category to fund building maintenance projects at various DETR locations. Requires Interim Finance approval since the amount added to the Maintenance of Buildings and Grounds category exceeds $50,000.00. **Work Program #C25311**

Refer to the motion for approval under Item D.

74. Department of Corrections – High Desert State Prison – FY 07 – Deletion of $47,075.00 in Transfer from Education, and the transfer of $25,903.00 from the Department of Education-Meal Program category to the Inmate Driven category to eliminate the NutriKid Program grant funded by the Department of Education, as the program has been relocated to Southern Nevada Correctional Center. Requires Interim Finance approval since the amount deducted from the Department of Education-Meal Program category exceeds $50,000.00. **Work Program #C31940**

Refer to the motion for approval under Item D.

75. Department of Corrections – Southern Nevada Correctional Center – FY 07 - Deletion of $526,027.00 in Transfer from Education, and the transfer of $175,025.00 from the Reserve category to the Inmate Driven category to realign revenues and expenditures for the Residential Child Care Institution's Child Nutrition Program grant through the Department of Education. Requires Interim Finance approval since the amount deducted from the Child Nutritional Program category exceeds $50,000.00. **Work Program #C31936**

Refer to the motion for approval under Item D.

76. Department of Motor Vehicles – Administrative Services – FY 07 – Transfer of $40,000.00 from the Electronic Payments category to the Operating category to provide adequate funds for unanticipated shortfalls in supplies, fuel and outside maintenance of vehicles, ***and $80,000.00 from the Electronic Payments category to the Real ID category to provide funds to hire a contract program manager for the Real ID Act.*** Requires Interim Finance approval since the ~~**cumulative**~~ amount transferred from the Electronic Payments category exceeds $50,000.00. **Work Program #C31667. REVISED MARCH 7, 2007.**

Dennis Colling, Administrative Services Officer, Administrative Services Division, Department of Motor Vehicles (DMV), appeared before the Committee to request authority to transfer $40,000 from the Electronic Payments category to the Operating category to provide funding for unanticipated shortfalls and $80,000 from the Electronic Payments category to a newly established Real ID, category 46. Approval of the request would enable the DMV to enter into a contract with a company to provide

management services and program management for the Real ID Act in April 2007 rather than July 2007.

Senator Beers pointed out that the federal government had delayed implementation of the Real ID Act and indicated that the DMV had been requested to return to legislative committee hearings with a "less-than-deluxe" version of how the State could comply with the Real ID Act.

Ginny Lewis, Director, Department of Motor Vehicles, told the members of the Committee that draft regulations released by the Department of Homeland Security (DHS) on March 1, 2007, extended the implementation of Real ID from May 8, 2008, to December 31, 2009, and all states had to be in compliance by January 1, 2010. However, Ms. Lewis advised that although implementation of the Real ID Act was extended, the May 2013 date for all states to complete the reenrollment process was not extended.

Addressing the challenges facing the Department, Ms. Lewis said she evaluated the opportunity for an extension and made a decision, supported by the Governor, to begin implementation of the Real ID Act on October 1, 2008, a five-month delay. Ms. Lewis based the decision to begin implementation on October 1, 2008, on the need to hire over 147 positions to provide extended office hours in the DMV field offices. The DMV planned a yearlong phased-in approach of training new hires through the DMV's new-hire academies. Additionally, Ms. Lewis spoke of the technology component and the massive changes to DMV's computer application needed to meet the requirements of the Act.

Ms. Lewis told the Committee that based on the challenges facing the Department, the project manager position was "critical to the process." Additionally, she indicated that while the joint legislative subcommittee was considering the Real ID budget, the Department had established executive and technical committees and involved the deputy director from the Department of Information Technology (DoIT) who would assist in the implementation of the technology component. Ms. Lewis also advised that during the next three months, which she described as Phase I, the DMV would develop a plan on how to implement the Real ID Act.

Ms. Lewis asked for the Committee's favorable consideration to hire a project manager, which she said would assist the successful implementation of the Real ID Act and minimize the impact to Nevada residents.

Senator Mathews pointed out that legislation objecting to the Real ID Act was pending and, in view of the extended implementation, suggested waiting until the legislative session ended before beginning the implementation process.

Mr. Colling explained that despite the extension for implementation, the period for enactment was compressed, which he said emphasized potential problems. Mr. Colling

indicated that if the DMV used the maximum time to begin the process and waited until January 1, 2009, Nevada residents would mob DMV offices.

Mr. Colling defined the Real ID Act as a difficult project considering the challenges of the massive information technology changes and training components and asked for the Committee's favorable consideration of the request, which he said would facilitate the planning process.

Senator Raggio pointed out that the DMV was a well-run department and was providing responsible planning to implement the Real ID Act. Although hopeful that the federal requirements would be relaxed, the Senator indicated that sending legislative resolutions to Congress normally did little to effect change. Senator Raggio pointed out that the request for expenditure was prudent and, if approved, would allow the DMV to stay "ahead of the curve." Considering the challenges the Department was facing to implement the Real ID Act and the imposition that would be placed on Nevada citizens if the DMV was not prepared for implementation, Senator Raggio suggested approving the request and crediting the DMV for planning ahead and acting responsibly.

Assemblywoman Buckley also commended the DMV for their foresight and presentation relative to compliance requirements but expressed her preference that the Assembly Committee on Ways and Means and the Senate Committee on Finance Joint Subcommittee on Public Safety, Natural Resources and Transportation more thoroughly explore alternative options. Assemblywoman Buckley indicated that in recent discussions with Nevada's congressional delegation she learned that issues relative to a repeal or delayed implementation of the Real ID Act were under consideration. Although a repeal or additional delays might not be determined by the close of the legislative session, Assemblywoman Buckley reiterated that every alternative should be explored.

Ms. Lewis advised that whether the Committee chose to delay, comply, or request an extension, all states were required to provide a certification package to Homeland Security by February 8, 2008. Ms. Lewis indicated that the certification package requirements were "massive" and explained that nonsubmittal would penalize Nevada residents whose drivers' licenses could not be used as identification, for example, to board an airplane.

In response to questions Assemblywoman Buckley asked relative to hiring a project manager and complying with imposed deadlines, Ms. Lewis indicated that with the challenges the Department was facing, she needed the project manager to assist with the implementation effort. However, Ms. Lewis said that if the Joint Subcommittee decided to wait and fund the project manager position on July 1, 2007, the DMV could comply but would face a compressed timeline to implement the Real ID.

Senator Coffin expressed concern regarding the Committee's position relative to the Real ID Act and indicated that the DMV should be commended for acting responsibly.

Additionally, Senator Coffin anticipated unforeseen problems if the State did not meet the established deadlines.

Chairman Arberry expressed appreciation for DMV's proactive approach but indicated that with the implementation deadline extension, the issues that were before the Committee should be resolved by the Joint Subcommittee on Public Safety/Natural Resources/Transportation.

In response to questions Assemblywoman Weber asked relative to the availability of hiring a qualified manager and the consequences of a delay, Ms. Lewis advised that the DMV had a contract with a company in Salem, Washington contingent upon IFC and Board of Examiners (BOE) approval. Ms. Lewis advised that the company could provide the needed project management support, and the project manager had previously worked with the DMV, the Department of Administration's e-payment project, and the Governor's $300 million rebate project.

In response to a question Chairman Arberry asked relative to whether only one company could provide the contractual services needed, Ms. Lewis advised that the Department of Administration's Purchasing Division had approved the contract on a sole-source basis.

Senator Beers pointed out that technically the Real ID Act was not an unfunded mandate on the State since there was no penalty for noncompliance but rather a mandate on Nevada citizens to have a Real ID compliant identification that could be recognized for federal purposes. Senator Beers indicated that Nevada residents would be required to endure a painful process to comply with the law whether they endured the process in crowded DMV offices or nearly empty passport offices since either document provided a route to compliance.

Senator Beers noted that the DMV developed the request for the project management proposal prior to the release of federal draft regulations, which did not include a number of previously included positions and reiterated previous remarks that the Joint Subcommittee asked DMV to submit a less costly plan.

Senator Raggio pointed out that the $80,000 request would accelerate the start date for a project manager who had been identified as "appropriate and ready to serve," a separate issue from the Joint Subcommittee's consideration of the Real ID budget for the 2007-09 biennium. Additionally, the Senator noted that despite action by the Committee, the DMV had to submit an implementation plan to DHS by February 2008, which provided only a short time to develop the plan if the project manager was hired in July.

Additionally, Senator Raggio noted that the majority of Nevada residents would not go to the post office to obtain a passport but rather to one of the DMV offices for a driver's license that would meet the requirements of the Real ID Act.

Chairman Arberry pointed out that the issue before the Committee was whether to approve a transfer of $40,000 to the Operating category to cover an unanticipated shortfall and $80,000 for the Real ID Act.

In response to Assemblywoman Buckley who questioned the funding request, Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, clarified that the $310,000 per year funding recommended for the project manager covered the 2007-09 biennium. Approval of the $80,000 request before the Committee would provide funding to accelerate the start date for the project manager to April 2007, and the $40,000 request would cover an unanticipated shortfall.

In response to questions Assemblywoman Smith asked regarding being obligated to the $310,000 contract if the Committee authorized the $80,000, Mr. Stevens indicated that if the project manager was hired in April, the Committee could anticipate continuing that contractor into the next biennium.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF ITEM D.76.

SENATOR RAGGIO SECONDED THE MOTION.

THE MOTION FAILED. (Chairman Arberry, Assemblywoman Buckley, Assemblyman Denis, Assemblyman Hogan, Assemblywoman Koivisto, Assemblywoman Leslie, Assemblywoman McClain, Assemblyman Parks, Assemblywoman Smith, Senator Beers, and Senator Mathews voted nay.

Assemblywoman Gansert, Assemblyman Grady, Assemblyman Hardy, Assemblyman Marvel, Assemblywoman Weber, Senator Cegavske, Senator Coffin, Senator Rhoads, Senator Raggio voted aye. Senator Titus was not present for the vote.)

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ASSEMBLYWOMAN LESLIE MOVED TO APPROVE THE TRANSFER OF $40,000 TO THE OPERATING CATEGORY TO COVER AN UNANTICIPATED SHORTFALL AND TO DEFER THE $80,000 REQUEST TO FUND THE PROJECT MANAGER CONTRACT TO THE JOINT SUBCOMMITTEE FOR CONSIDERATION.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Hardy and Assemblywoman Weber voted nay, and Senator Titus was not present for the vote.)

Senator Mathews asked that the record reflect that even though she did not support the DMV's request, she agreed that the DMV was a well-run agency.

77. **Department of Motor Vehicles – Salvage/Wreckers/Body Shops – FY 07 –** Transfer of $55,000.00 from the Reserve category to the Salvage Titles category to provide adequate funds for the cost allocation paid to Central Services for costs associated with Salvage Titles. Requires Interim Finance approval since the amount transferred to the Salvage Titles category exceeds $50,000.00. **Work Program #C31670**

Refer to the motion for approval under Item D.

78. **Department of Motor Vehicles – Pollution Control – FY 07 –** Transfer of $47,500.00 from the Reserve category to the Operating category, and $2,500.00 from the Reserve category to the Utilities category to provide adequate funds for unanticipated shortfalls due to the cost of supplies, equipment repair, maintenance of agency vehicles, fuel and utilities. Requires Interim Finance approval since the amount transferred from the Reserve category exceeds 10% of the legislatively-approved level for that category. **Work Program #C31669**

Refer to the motion for approval under Item D.

79. **Department of Motor Vehicles – Central Services – FY 07 –** Transfer of $500,000.00 from the License Plate Factory category to the Operating category to provide adequate funds to cover a shortfall due to postage costs. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $50,000.00. **Work Program #C31665**

Refer to the motion for approval under Item D.

80. **Department of Motor Vehicles – Verification of Insurance – FY 07 –** Transfer of $375,000.00 from the Reserve category to the Operating category to provide adequate funds for shortfalls primarily due to the cost of postage and toll-free charges. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $50,000.00. **Work Program #C31664**

Refer to the motion for approval under Item D.

81. **Department of Public Safety – Emergency Management – FY 07 –** Addition of $14,000.00 in federal Waste Isolation Pilot Plant (WIPP) funds to purchase radiological monitoring/measuring equipment, and supplies associated with the WIPP project. Requires Interim Finance approval since the cumulative amount added to the WIPP category exceeds $50,000.00. **Work Program # C32777**

Refer to the motion for approval under Item D.

82. **Department of Public Safety – Emergency Management Assistance – FY 07 -** Addition of $50,000.00 in federal Waste Isolation Pilot Plant (WIPP)

funds to cover additional program costs associated with the new WIPP shipping route. Requires Interim Finance approval since the cumulative amount added to the WIPP category exceeds $50,000.00. **Work Program #C32778**

Refer to the motion for approval under Item D.

83. Department of Public Safety – Records and Technology – Criminal History Repository – FY 07 – Transfer of $561,515.00 from the Reserve category to the Information Services category to cover a funding shortfall associated with programming charges related to the division's migration away from the mainframe, and to cover increased costs associated with the state's switch transactions and network costs. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds $50,000.00. **Work Program #C32775**

Refer to the motion for approval under Item D.

84. Department of Public Safety – Records and Technology – Criminal History Repository – FY 07 – Transfer of $608,960.00 from the Reserve category to the Equipment category to purchase 23 Live Scan machines for placement throughout the state. Requires Interim Finance approval since the amount transferred to the Equipment category exceeds $50,000.00. **Work Program #C32773**

Captain P. K. O'Neill, Division Chief, Records and Technology Division, Department of Public Safety (DPS), appeared before the Committee to request approval to transfer $608,960 from the Reserve category to the Equipment category. Approval would provide for the replacement of 23 online, automated Live Scan fingerprint machines for several Nevada county and municipality law enforcement agencies and two DPS agencies.

Captain O'Neill provided the following information:

- As the result of an oversight, the expenditure to replace the equipment was not included in the Department's 2007-09 budget request.
- Neither the General Fund nor the Highway Fund provided funding to the Criminal History Repository.
- Accrued user fees from the Criminal Justice Information System provided funding to the Criminal History Repository's Reserve.
- Federal Edward Byrne Memorial Grant funding paid for acquisition of the machines in the past, but funding was no longer available.

Captain O'Neill indicated that the request should have been placed in the DPS budget for the 2007-09 biennium, and if the Committee desired, he would formally request that the budget be adjusted to delay the purchase until fiscal year 2008. Captain O'Neill indicated, however, that the preference was to gain the Committee's approval to purchase the equipment in fiscal year 2007 for what he defined as "just and valid reasons."

In response to Chairman Arberry who asked for comments relative to the justification to purchase the equipment, Captain O'Neill explained that the machines currently in service were at the end of their useful life cycle and were no longer under warranty. He explained that several weeks ago, a machine in the Storey County Sheriff's office had to be replaced at a cost of $1,700. Additionally, a change brought about by the federal Adam Walsh Act included new equipment capability to capture and transmit palm prints of sex offenders, a function that the current equipment lacked. Captain O'Neill expressed his preference to purchase all 23 machines at one time and assured the Committee that future replacement requests would be included in the budget.

In response to questions Chairman Arberry asked relative to not including the equipment in The Executive Budget, Captain O'Neill reiterated that the request was not included as the result of an oversight. Additionally, Captain O'Neill said that his being new to the Records and Technology Division, staff turnover, and acquisition through a request for proposal (RFP) to replace the equipment rather than a sole-source contract lengthened the process and contributed to the oversight.

Assemblywoman McClain expressed support for the request, which she indicated, if approved, would contribute to updating the Criminal History Repository. Assemblywoman McClain advised that Captain O'Neill had developed a flow chart for the Joint Subcommittee on Public Safety/Natural Resources/Transportation that provided information on the agencies that entered data into the Repository and breakdown problems that were associated with the system. Assemblywoman McClain indicated that by continually updating a system that provided integrated services among the reporting agencies benefited public safety.

Captain O'Neill advised that although there were additional records and information systems poised for integration within the Criminal History Repository, the automated fingerprint process was the initial step in maintaining and providing criminal justice information for the law enforcement community. Captain O'Neill recalled that during the week it took to replace the fingerprint equipment for the Storey County Sheriff, the Sheriff's Office used the old-fashioned system of ink-rolling prints, which delayed the processing of and receipt of criminal justice information.

Chairman Arberry questioned why the State was subsidizing the purchase of equipment for local entities that appeared to have funding to pay for their own equipment. Captain O'Neill advised that purchasing the equipment in bulk provided for an economy of scale, and as a part of the State's Criminal Justice System, the division could better control and maintain the overall usage of the machines.

In response to Chairman Arberry, who questioned the replacement schedule, Captain O'Neill indicated replacement should take every four years, and the cost would be built into future budget requests.

ASSEMBLYWOMAN MCCLAIN MOVED APPROVAL OF D.84.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Beers was not present for the vote.)

85. **Department of Public Safety – Highway Patrol – FY 07 –** Transfer of $100,371.00 from the Information Services category to the Lab Services category to cover projected budget shortfall in lab services. Requires Interim Finance approval since the amount transferred to the Lab Services category exceeds $50,000.00. **Work Program #C32782**

Refer to the motion for approval under Item D.

86. **Department of Public Safety – Highway Patrol – FY 07 –** Addition of $21,000.00 in Seatbelt Convincer grant funds transferred from the Office of Traffic Safety to provide reimbursement from the Office of Traffic Safety for overtime and educational items. Requires Interim Finance approval since the amount added to the Seatbelt Convincer grant category exceeds 10% of the legislatively-approved level for that category. **Work Program #C32771**

Refer to the motion for approval under Item D.

87. **Department of Public Safety – Highway Patrol – FY 07 –** Addition of $70,405.00 in Joining Forces grant funds transferred from the Office of Traffic Safety to cover additional cost associated with the agency's participation in statewide multi-jurisdictional traffic enforcement activities. Requires Interim Finance approval since the amount added to the Joining Forces category exceeds $50,000.00. **Work Program #C32772**

Refer to the motion for approval under Item D.

88. **Department of Public Safety – Highway Safety Grants Account – FY 07 –** Addition of $459,261.00 in federal Motor Carrier Safety Assistance Program grant funds to authorize the receipt and expenditure of additional federal Motor Carrier reimbursement grant funds. Requires Interim Finance approval since the amount added to the Motor Carrier Safety Program category exceeds $50,000.00. **Work Program #C32768**

Colonel Chris Perry, Chief, Highway Patrol Division, Department of Public Safety, introduced John Borrowman, Administrative Services Officer, Highway Patrol Division, Department of Public Safety.

Colonel Perry appeared before the Committee to request approval to augment the Highway Safety grants account by $259,650 in federal Motor Carrier Safety Assistance Program grant funds to authorize the receipt and expenditure of additional federal Motor Carrier Reimbursement grant funds.

In response to Chairman Arberry who questioned whether the request had been amended, Colonel Perry advised the request had been amended to reflect authorization to augment the Highway Safety grants account by $259,650.

ASSEMBLYWOMAN MARVEL MOVED APPROVAL OF ITEM D.88 AS AMENDED.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

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

89. Department of Conservation and Natural Resources – Environmental Protection - Air Quality – FY 07 – Addition of $250,000.00 in Mercury Research Program funds to support a contract to examine and evaluate mercury air emissions from land disturbed by mining activity as compared to similarly undisturbed mineralized land. Requires Interim Finance approval since the amount added to the Operating category exceeds $50,000.00. **Work Program #C32620**

Refer to the motion for approval under Item D.

90. Department of Conservation and Natural Resources – Environmental Protection - Bureau of Water Pollution Control – Transfer of $44,100.00 from the Reserve category to the Water Permit Fees category to provide for a contract to implement a monitoring program in the Truckee and Carson River watersheds to retrieve information associated with phosphorus and nitrogen impacts on water quality. Requires Interim Finance approval since the cumulative amount transferred to the Water Permit Fees category exceeds $50,000.00. **Work Program #C32624**

Refer to the motion for approval under Item D.

91. Department of Conservation and Natural Resources – Environmental Protection - Bureau of Safe Drinking Water – FY 07 – Transfer of $20,000.00 from the Reserve category to the Personnel Services category to cover estimated payroll costs for the remainder of FY 07 due to the 4% COLA.

Requires Interim Finance approval since the cumulative amount transferred from the Reserve category exceeds 10% of the legislatively-approved level for that category. **Work Program #C32621**

Refer to the motion for approval under Item D.

92. Department of Wildlife – Administration – FY 07 – Transfer of $131,310.00 from the Reserve category to the Transfer to Prior Year 4457 category to correct an inadvertent error in the deposit of Partnership in Wildlife donations collected in the Main Draw in fiscal year 2006. Requires Interim Finance approval since the amount transferred to the Transfer to Prior Year 4457 category exceeds $50,000.00. **Work Program #C32030 - Relates to Work Program #C32031**

Refer to the motion for approval under Item D.

93. Department of Wildlife – Trout Stamp Program – FY 07 – Transfer of $3,035,018.00 from the Reserve category to the Hatchery Refurbishment category to complete the renovation of the Gallagher Hatchery in Ruby Valley, and emergency repairs at the Spring Creek rearing station in view of the developing mussel problem at Lake Mead Hatchery. Requires Interim Finance approval since the amount transferred to the Hatchery Refurbishment category exceeds $50,000.00. **Work Program #C32033**

Laura Richards, Wildlife Diversity Chief, Department of Wildlife, introduced Richard Haskins, Chief, Fisheries Bureau, Department of Wildlife, and Sherry Fenison, Administrative Services Officer, Department of Wildlife. Ms. Richards appeared before the Committee to request approval to transfer $3,035,018 from the Reserve category to the Hatchery Refurbishment category. Approval of the request would provide funding for the Public Works Board to complete the renovation of the Ruby Valley Gallagher Hatchery and emergency work repairs at the Spring Creek rearing station.

In response to questions Senator Raggio asked regarding the $525,271 request for unspecified hatchery work, Mr. Haskins advised that Department of Wildlife and Public Works Board representatives were working on how to address emerging issues at the Lake Mead Hatchery. Mr. Haskins explained that upon completion of the initial refurbishment project, other issues related to water temperature, defining Lake Mead water levels, and an invasion of quagga mussels developed. Mr. Haskins indicated that while the State Public Works Board would manage the design and construction effort, he did not have specific information on the projects.

In response to Senator Raggio who noted that approval of the request would reduce the Department's Reserve funding from $4.4 million to $932,167, Mr. Haskins discussed the Department's efforts to control the infestation of quagga mussels at the Lake Mead Hatchery that included:

- removal of the entire fish population

- drying the hatchery
- plans to reopen the facility
- developing an additional water source with Southern Nevada Water Authority

In response to Senator Raggio who asked whether the use of Reserve funding would impact the Department's ability to pay hatchery refurbishment project bond debt service costs, Mr. Haskins advised that the Department had the potential to bring in additional federal aid dollars to address the bond debt service costs.

In response to questions that Senator Raggio asked regarding the balance forward from fiscal year 2007 to fiscal year 2008, Ms. Fenison indicated that the balance forward was estimated at $400,000 when the budget was developed.

> SENATOR RAGGIO MOVED APPROVAL OF ITEM D. 93 BUT STIPULATED THAT THE $525,271 FOR UNDETERMINED FISH HATCHERY WORK WOULD BE CONTINGENT ON STAFF APPROVAL AFTER THEY WERE PROVIDED WITH THE APPROPRIATE INFORMATION REGARDING THE PROJECTS BEING CONTEMPLATED.
>
> ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Assemblywoman McClain was not present for the vote.)

94. **Department of Wildlife – Heritage Trust Account – FY 07 –** Addition of $131,310.00 in Transfer from Wildlife to correct an inadvertent error in the deposit of Partnership in Wildlife donations collected in the Main Draw in fiscal year 2006. Requires Interim Finance approval since the amount added to the Reserve category exceeds $50,000.00. **Work Program #C32031 - Relates to Work Program #C32030**

Refer to the motion for approval under Item D.

95. **Department of Transportation – Administration – FY 07 –** Addition of $76,527,540.00 in Highway Fund Authorization, and $39,472,460.00 in federal aid to provide adequate funds to continue the ongoing construction program. Requires Interim Finance approval since the amount added to the Land and Building Improvements category exceeds $50,000.00. **Work Program #C28578**

Robert Chisel, Assistant Director, Administration, Nevada Department of Transportation (NDOT), introduced Felicia Denney, Administrative Services Officer, (NDOT) and Richard Nelson, Assistant Director, Operations, NDOT.

Mr. Chisel appeared before the Committee to request an additional $76,527,540 in Highway Fund Authorization and $39,472,460 in federal aid, a total of $116 million of

capital outlay, to ensure that adequate authority was available to continue paying for the ongoing construction program. To date the NDOT had expended approximately $339 million in Highway Fund Authorization and $67 million in bond funds. Additionally, the Department had received approximately $233 million to date in federal aid.

Mr. Chisel projected that in fiscal year 2007, the NDOT would expend $495 million in capital outlay from the Highway Fund Authorization, $120 million in bond funds and would receive $272 million in federal aid. The figures were included in the Department's budget presentation and in comparative statements for the 2007-09 budget request. Additionally, the Department projected a $49 million Highway Fund ending cash balance as of June 30, 2009.

In response to questions Senator Raggio asked relative to qualifying for additional federal funding, Mr. Chisel advised that additional federal allocations were distributed to states at the end of the fiscal year based on the nonutilization of federal aid by other states. During the last federal fiscal year, which ended September 30, 2006, Nevada received approximately $43 million in federal aid, which was more than any other state received and more than the $5 million to $10 million in additional authorization Nevada had received in the past. Mr. Chisel expressed some uncertainty regarding the receipt of additional federal allocations but indicated that any additional funds that were received were quickly obligated.

SENATOR BEERS MOVED APPROVAL OF ITEM D.95.

SENATOR RHOADS SECONDED THE MOTION.

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

96. **Department of Transportation – Administration – FY 07 –** Addition of $97,844.00 in Highway Fund Authorization to provide adequate funds for utilization of services provided by the Department of Information Technology. Requires Interim Finance approval since the amount added to the Information Services category exceeds $50,000.00. **Work Program #C28579**

Refer to the motion for approval under Item D.

97. **Public Employees' Benefits Program – FY 07 –** Transfer of $185,000.00 from the Reserve category to the Operating category for actuarial and consulting work required to provide updated GASB review, valuation and scenario analysis. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $50,000.00. **Work Program #C17850**

Refer to the motion for approval under Item D.

98. **Public Employees' Benefits Program – FY 07 –** Transfer of $16,600.00 from the Reserve category to the In-State Travel category, $249,546.00 from the Reserve category to the Operating category, $8,003,513.00 from the Reserve category to the Fully Insured Program Costs category, and $522,345.00 from the Reserve category to the Self Insured Admin Costs category to cover additional costs due to a greater number of participants than anticipated, and increased operational costs associated with the implementation of a new enrollment and eligibility system. Requires Interim Finance approval since the amount transferred to the Fully Insured Program Costs category exceeds $50,000.00. **Work Program #C17851**

Leslie Johnstone, Executive Officer, Public Employees Benefits Program (PEBP), appeared before the Committee to request approval to transfer funds from the Reserve category to the Operating and Insurance categories as a result of increased enrollment.

Ms. Johnstone advised that the Committee's staff had recommended recognition of premium income from increased enrollment, which added a $15,099,506 revenue line item work program with an adjustment to increase the Reserves, Category 86 by $6,307,502.

SENATOR RAGGIO MOVED APPROVAL OF ITEM D.98 BASED ON THE CHANGES RECOMMENDED BY THE LEGISLATIVE COUNSEL BUREAU'S FISCAL ANALYSIS DIVISION ANALYSTS TO RECOGNIZE PREMIUM INCOME AND INCREASE CATEGORY 86.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Titus and Assemblywoman McClain were not present for the vote.)

99. **Office of Veterans' Services – Home Account – FY 07 –** Transfer of $20,000.00 from the Information Services category to the Utilities category, $20,000.00 from the Equipment category to the Utilities category, and $25,000.00 from the Training category to the Utilities category to cover projected shortfall for utility services. Requires Interim Finance approval since the amount transferred to the Utilities category exceeds $50,000.00. **Work Program #C32203**

Refer to the motion for approval under Item D.

100. **Department of Business and Industry – Housing Division – Enterprise Fund - FY 07 –** Addition of $61,200.00 in Bond Program Income to accept bond transfer fees to implement the Governor's Teachers' First Home Loan Program. Requires Interim Finance approval since the amount added to the Operating category exceeds $50,000.00. **Work Program #C17503. RECEIVED AFTER DEADLINE MARCH 7, 2007**

Charles Horsey, Administrator, Housing Division, Department of Business and Industry, introduced Lon DeWeese, Chief Financial Officer, Housing Division, Department of Business and Industry.

Mr. Horsey appeared before the Committee to request approval for the addition of $61,200 in bond program income to accept bond program transfer fees. Mr. Horsey advised that in a recent budget hearing, Senator Beers requested the identification of costs necessary to implement the Teachers' First Program. The $61,200 identified in the work program involved the costs for development of contract forms as well as travel and meetings with various financial institutions in school districts throughout the State.

Assemblywoman Leslie expressed support for the program but questioned whether the Joint Subcommittee on General Government Subcommittee had reviewed the Teachers' First Program.

Mr. Horsey explained that the Housing Division began development of the Teachers' First Program after the Governor's State of the State address in January and implementation was imminent.

Assemblywoman Leslie pointed out that the Legislature had not yet approved the Division's budget and asked whether a budget amendment was forthcoming.

Mr. Horsey advised that $25,000 was recommended in each year of the 2007-09 biennium to pay for the costs of outsourcing the Division's internal loan processing function to various lenders throughout the State. However, since the program proved too small to outsource, the loan processing function would take place in-house, and an amendment would be submitted to decrease the Division's budget by $50,000.

Assemblywoman Leslie questioned the Division's appearance before the Committee indicating her understanding was that the Teachers' First Program was a pilot program that would begin in the next budget cycle.

Mr. Horsey explained that the Teachers' First Program was not a part of the budget but rather a request by the Governor that the Division focus their expertise on helping the State recruit teachers.

Additionally, Mr. DeWeese advised that the Division had responded to the Governor's initiative and to Nevada school districts' request to have a program in operation during their April, May, and June recruiting season.

In response to questions Assemblywoman Leslie's asked regarding the pending budget amendment, Mr. DeWeese explained that the amendment would obviate the need for the budget enhancement associated with down payment assistance, but not specifically for the Teachers' First Program. Additionally, Mr. DeWeese said that the amendment would be submitted upon approval of the work program request before the Committee.

Assemblywoman Buckley asked whether the Division's longstanding first-time home buyers' program was the same program that was being developed for teachers.

Mr. Horsey explained that while the Teachers' First Program would use the same sale of tax-exempt bonds to fund first mortgages as others who qualified for the program, teachers would be provided with down payment assistance that was not available to others in the program.

Assemblywoman Buckley asked whether science, mathematics, and special education teachers were the only teachers eligible for down payment assistance.

Mr. Horsey explained that down payment assistance was limited to $4 million and confirmed that the first priority was to provide assistance to science, mathematics, and special education teachers. Additionally, Mr. Horsey indicated the Division was working on several different approaches to finding additional down payment assistance monies that could be made available to all modest-income families.

In response to Assemblywoman Buckley who asked for the source of the $4 million funding, Mr. Horsey explained that $4 million in 1991 loans for the West side of Las Vegas had been repaid and would be recycled to the Teachers' First Program.

Assemblywoman Buckley expressed support for teachers and for the success of the program but suggested that additional detail on the funding should be reviewed by the Joint Subcommittee on General Government or by the Interim Finance Committee at a future meeting.

Senator Titus also expressed support for the program but indicated that there were other deserving classes including nurses and first responders who could benefit by the assistance. Senator Titus also said that additional information should be provided to staff for review by the Joint Subcommittee on General Government. Additionally, Senator Titus indicated that the Division's appearance before the Committee appeared to be an attempt to circumvent the legislative process and the Education First Initiative.

Mr. Horsey advised that the Division's funding did not originate from the General Fund and that the funds made available from the Division's programs had to be used for programs within the Housing Division.

Chairman Arberry deferred the work program request and directed the agency representatives to work with the Committee's staff to provide the information requested by Assemblywoman Buckley and Senator Titus.

II. RECLASSIFICATIONS

Agency	Agency/ Account Number	Position Number	Present Class, Code, Grade & Salary	Proposed Class, Code, Grade & Salary
Department of Health and Human Services, Child and Family Services **REVISED 3/7/07**	409/3259	0110	Youth Training Center Counselor, 12.562, grade 35, step 10, $63,809.28, Employee/ Employer-Paid	Mental Health ~~**Coordinator**~~ ***Counselor*** II, 10.139, grade 35, step 10, $63,809.28, Employee/ Employer Paid
Department of Corrections, ~~**Administrative**~~ ***Programs*** Division **REVISED 2/14/07** **WITHDRAWN 2/28/07**	440/3711	0301	Program Officer III, 7.643, grade 35, step 10, $63,809.00, Employee/ Employer-Paid	Correctional Casework Specialist III, 12.556, grade 40, step 7, $69,844.00, Employee/ Employer Paid
Department of Motor Vehicles	810/4745	CC0030	Administrative Assistant III, 2.211, grade 27, step 8, $41,154.48, Employee/ Employer-Paid	Management Analyst I, 7.637, grade 33, step 4, $44,871.12 Employee/ Employer Paid
Department of Motor Vehicles	810/4741	CC7098	Administrative Assistant II, 2.212, grade 25, step 1, $25,891.20, Employee/ Employer-Paid Retirement	Microfilm Operator IV, 9.729, grade 25, step 1, $25,891.20, Employee/Employer Paid Retirement

*E. .DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES.

1. DIVISION OF STATE LANDS.

a. On behalf of the Division of Forestry, in accordance with NRS 322.007, request for approval of a lease amendment to permit Washoe County's Sierra Fire Protection District to occupy the following Nevada Division of Forestry stations at no cost:

(1) Station #30, Bowers Station, for 25 years.
(2) Station #39, St. James Village, for 5 years.

Pam Wilcox, Administrator, Division of State Lands, Department of Conservation and Natural Resources, appeared before the Committee to request approval of two leases.

Ms. Wilcox advised that the two leases were being entered into pursuant to an interlocal agreement between the Nevada Division of Forestry and Washoe County Sierra Fire Protection District that shifted responsibility for fire protection in Washoe County from the Division of Forestry to the Sierra Fire Protection District.

The State lands identified in the leases were for Fire Station #30, Bowers Station and Fire Station #39, St. James Village. Ms. Wilcox explained that the reason for a lease for Bowers Station rather than a transfer was that the Nevada Division of Forestry would retain some fire protection responsibilities near the Station.

Senator Raggio assumed the duties of the Chairman and questioned whether the leases involved any cost to the State.

Ms. Wilcox advised that the leases involved no cost to the State.

Chairman Raggio noted that the lease for the Bowers Station was for 25 years, and the lease for St. James Village Station was for 5 years.

Ms. Wilcox advised that the St. James Village Station lease was for 5 years or until the property was transferred. The property was the subject of A.B. 22, which would authorize the transfer of Station #39 to the Sierra Fire Protection District.

There were no concerns expressed by the members of the Committee, and Chairman Raggio entertained a motion for approval.

> ASSEMBLYWOMAN LESLIE MOVED APPROVAL TO LEASE STATE LAND IDENTIFIED AS STATION 30, BOWERS AND STATION 39, ST. JAMES VILLAGE TO WASHOE COUNTY'S SIERRA FIRE PROTECTION DISTRICT.
>
> ASSEMBLYMAN MARVEL SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Chairman Arberry was not present for the vote.)

b. Pursuant to NRS 353.335(2) (c), request for approval to accept a gift in excess of $10,000 of the Elgin Schoolhouse in Lincoln County ($130,000).

Pam Wilcox, Administrator, Division of State Lands, Department of Conservation and Natural Resources, appeared before the Committee to request approval to accept the donation by the Bradshaw Family of the Elgin Schoolhouse in Lincoln County, Nevada.

Ms. Wilcox expressed appreciation to the Bradshaw Family for the property, which appraised at $130,000 and would become a part of the State Parks system.

In response to a question Chairman Raggio asked regarding the proposed use of the schoolhouse, Ms. Wilcox advised that the restored schoolhouse was "already" being managed as a part of the State Parks system and encouraged anyone traveling to Caliente to visit.

Chairman Raggio also extended his appreciation to the Bradshaw Family for their contribution and entertained a motion for approval.

SENATOR RHOADS MOVED APPROVAL TO ACCEPT THE DONATION OF THE ELGIN SCHOOLHOUSE.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

In response to Senator Beers, who asked about the road to the property, Ms. Wilcox indicated that on her last visit the road was passable but needed repair.

THE MOTION CARRIED. (Chairman Arberry was not present for the vote.)

2. DIVISION OF STATE PARKS.

   a. Request to transfer funds of $6,675.01 from the Sand Harbor Roadway/Parking Lot project to the Sand Harbor Maintenance Shop project (S.B. 517, 2007 Legislative Session).

   b. Pursuant to NRS 407.0762, Section 4, request to replace the septic system at Fort Churchill, residence #4, for a total of $59,500.

Steve Weaver, Chief of Planning and Development, Division of State Parks, Department of Conservation and Natural Resources, appeared before the Committee to request approval under Item 2.a to transfer $6,675 from the Sand Harbor Roadway Parking lot project to the Sand Harbor Maintenance Shop project. Mr. Weaver explained that the Roadway/Parking Lot project was completed with 1 percent of the budgeted funds remaining, and a cost overrun was anticipated for the Sand Harbor Maintenance Shop, which was going to bid in April.

Mr. Weaver requested approval under Item 2.b to replace the septic system at Fort Churchill, residence #4 directly behind Buckland Station. Mr. Weaver explained that the residence and existing leach field were in the flood plain and subject to a high water table. An effective system required a pump and relocation of the leach field.

SENATOR RAGGIO MOVED APPROVAL OF ITEMS A. AND B.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

*F. NEVADA SYSTEM OF HIGHER EDUCATION – UNIVERSITY OF NEVADA SCHOOL OF MEDICINE – Request to allocate medical malpractice funding in fiscal year 2006-07.

D. Blain Claypool, Chief Operating Officer, University of Nevada School of Medicine (UNSOM), Nevada System of Higher Education (NSHE), appeared before the Committee to request approval to reallocate medical malpractice funding for fiscal year 2006-07.

Mr. Claypool explained that the UNSOM received funding from the State during the 2005-07 biennium to cover a portion of medical malpractice insurance for faculty and residents. After bidding for a new medical malpractice provider and negotiating with partner hospitals for faculty providing services within their institutions, the NSHE reported a surplus malpractice insurance premium balance in fiscal year 2007.

Mr. Claypool reported that expanding Medical School residencies and fellowships would depend on recruiting faculty in varying specialties, and in the course of working with community physicians, a number of groups in the north and in the south expressed an interest in joining the Medical School as employees. Mr. Claypool advised that medical malpractice coverage was a key factor in the recruitment effort, and the UNSOM malpractice coverage would only cover the new faculty from the date of their employment forward. New physicians would be required to purchase "tail coverage" from their previous carrier. Mr. Claypool advised that approval to reallocate surplus funds would help offset the cost of the "tail coverage" for new physicians joining the UNSOM faculty. In the event the Medical School was unsuccessful in recruiting the physicians, the surplus funds would be reverted to the General Fund.

Senator Raggio discussed being involved in ongoing discussions to encourage medical specialists who wanted to join the Medical School faculty. As indicated, Senator Raggio said there were a number of practicing groups in the north and south who wanted to participate as faculty, and an offset to the cost of the "tail coverage" would provide an incentive and an impetus to further recruitment efforts, which he supported.

Chairman Arberry asked whether the UNSOM would have the ability to acquire the new groups of faculty without providing the offset for the "tail coverage."

Mr. Claypool explained that the "tail coverage" cost for some individuals who wanted to join the UNSOM faculty would be cost prohibitive at normally two times their annual malpractice expense.

Assemblywoman Buckley expressed concerns regarding the proposal and recalled the medical crisis in southern Nevada in 2002 when medical malpractice insurance carriers threatened to pull out of Nevada, and the actions of one doctor changed the entire medical malpractice premium base. Assemblywoman Buckley indicated the Joint Subcommittee on Higher Education/Capital Improvements should "cautiously" consider the proposal and "clearly understand" insurance underwriting procedures and the State's liability.

Additionally, staff provided information that the Legislature approved $1.4 million as the state's share of medical malpractice insurance costs for fiscal year 2006, but the UNSOM only expended $827,590, $547,884 less than the budgeted amount. The UNSOM reverted a portion of the funding, but the balance of $337,416 "apparently" was reallocated during fiscal year 2006 for other purposes within the UNSOM budget.

Assemblywoman Buckley questioned whether the UNSOM used the $337,416 for malpractice insurance.

Vince Johnson, Fiscal Officer, University of Nevada School of Medicine, indicated that the funds were used for a number of different purposes, but not for malpractice insurance.

Assemblywoman Buckley pointed out that the funds were for designated uses in the budget from which there was no deviation without approval from the Committee. Assemblywoman Buckley requested that the $337,416 be reverted to the General Fund as soon as possible.

Mr. Claypool indicated that he understood the request for reversion but reiterated that approval of the request before the Committee would offset the cost of the "tail coverage." Mr. Claypool explained that the UNSOM would purchase the "tail coverage" through the physicians' prior malpractice carriers, which would be separate from the State, whose only liability would be for acts from the date of employment forward.

Assemblywoman Buckley reiterated that the Joint Subcommittee on Higher Education/Capital Improvements should explore the proposal in detail and indicated that perhaps the State could better protect itself by paying "hard-to-recruit" doctors an additional stipend.

Assemblywoman McClain supported the issues raised by Assemblywoman Buckley and asked whether the UNSOM had purchased the "tail coverage" for other faculty physicians.

Mr. Johnson advised that "tail coverage" had been purchased for physicians in the past through the existing carrier but with other funds.

In response to questions Assemblywoman McClain asked regarding the source of funds used in the past to purchase "tail coverage," Mr. Johnson indicated that he could not recall the source of funds, but it was most likely through the UNSOM practice plans.

Assemblywoman McClain also asked UNSOM representatives to address the issue before the Joint Subcommittee on Higher Education/Capital Improvements to explore assuming additional liability. Additionally, Assemblywoman McClain supported the reversion of $337,416 to the General Fund.

Senator Beers pointed out that Assemblywoman Buckley's question regarding the reversion of funds to the General Fund was not answered and asked if a check would be forthcoming by the end of the week.

Mr. Johnson advised that a reversion of funds normally occurred at the end of the fiscal year.

Senator Beers agreed that the reversion to the General Fund should have occurred eight months prior.

In response to Senator Beers who questioned whether the UNSOM had contemplated the impact of Public Employees Retirement System (PERS) contributions and payroll taxes on the purchase of the "tail coverage" for the new doctors, Mr. Claypool said the doctors would be responsible for the taxes.

In response to Senator Beers who asked whether the UNSOM anticipated that the funds being sought would pay for wages and for the State's portion of payroll taxes, Mr. Claypool indicated he assumed so but would have to confirm the coverage.

In response to Senator Beers question regarding the impact of Public Employees Retirement System (PERS) contributions, Mr. Johnson advised that faculty did not benefit from the Public Employees Retirement System.

In response to Senator Beers who asked whether the payment would be subject to the Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) contributions rate, Mr. Johnson indicated he would find out and provide the information to staff.

Senator Titus noted that agency representatives indicated that 2006 funds had been used for unauthorized purposes as were funds in the past and asked when the Medical School's last audit was conducted.

Mr. Claypool advised that an audit of the Medical School and the faculty practice was conducted annually.

In response to Senator Titus, who asked if the Legislative Auditors had conducted an audit, Mr. Claypool indicated that Moss Adams LLP conducted the last audit.

Senator Titus asked staff to investigate whether Legislative Auditors had ever conducted an audit of the Medical School.

Senator Coffin noted that the Medical School was attempting to attract the best community doctors to join the faculty, many of whom were solo practitioners who had been buried by their malpractice insurance. Senator Coffin commended the UNSOM for continuing to try to find a way to recruit faculty but agreed with Assemblywoman Buckley's assessment that their method to do so was not one the Committee could approve.

In response to Chairman Arberry who questioned when the repayment of the $337,416 could be expected, Mr. Claypool indicated that he would work with staff to determine exactly how much the school owed, and the check would be written as soon as possible

Assemblywoman Leslie expressed her preference for the reversion of funds and agreed that the issue should be addressed by the Joint Subcommittee on Higher Education.

Senator Raggio, Chairman of the Joint Subcommittee on Higher Education/Capital Improvement Projects, indicated that time permitting, the Joint Subcommittee would address the issue on Friday, March 23, 2007.

G. STATE PUBLIC WORKS BOARD – INFORMATIONAL ONLY.

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the scope of Public Works Board projects could only be changed by concurrent resolution during the legislative session.

Mr. Stevens advised that the following projects were before the Committee to determine whether to draft a concurrent resolution to change the scope of the projects.

Senator Raggio suggested deferring the reviews to a subsequent meeting of the Interim Finance Committee or to hearings by the respective money committees.

Mr. Stevens asked Chairman Arberry to allow Gustavo Nunez, Acting Manager of the Public Works Board, to address issues pertinent to Public Works Board projects that had specific schedules to meet.

Gustavo Nunez, Manager, Public Works Board, advised that deadlines were critical to Project 05-C17, Nevada State Veterans' Home Central Dining.

SENATOR BEERS MOVED APPROVAL TO DRAFT A CONCURRENT RESOLUTION TO CHANGE THE SCOPE OF CIP 05-C17 TO ALLOW THE STATE PUBLIC WORKS TO PROCEED WITH THE DESIGN OF THE NEVADA STATE VETERANS' HOME CENTRAL DINING ROOM.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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

Senator Raggio indicated that the remainder of the State Public Works Board projects could be addressed in separate committees.

*1. Project 01-M05, Clear Creek Improvements and Maintenance – Request to change scope of project to demolition and removal of all structures at the Clear Creek Facility (the Committee may consider requesting a concurrent resolution to authorize the change in scope for project 01-M05).

The Assembly Committee on Ways and Means and the Senate Committee on Finance would address project 01-M-05 separately.

*2. Project 03-C99L, School of Medicine, University of Nevada Reno – Request to change scope of project and use remaining funds for the Nevada Health Sciences System (the Committee may consider requesting a concurrent resolution to authorize a change in scope for project 03-C99L).

The Assembly Committee on Ways and Means and the Senate Committee on Finance would address project 03-C99L separately.

3. Project 05-C17, Nevada State Veterans' Home Central Dining – Request to change scope to partial construction and use Construction Manager at Risk delivery method (the Committee may consider requesting a concurrent resolution to authorize a change in scope for project 05-C17).

Refer to motion for approval to draft a concurrent resolution under Item G.

4. Projects 01-C15, Planning, Design, and Utility Infrastructure for Science and Engineering Complex, UNLV; 03-C23, UNLV Science, Engineering, and Technology Complex Construction; and, 05-C06, Construction of Science, Engineering, and Technology Complex at UNLV – Project status report.

The Assembly Committee on Ways and Means and the Senate Committee on Finance would address project 01-C15 separately.

5. Project 05-C01, Repair exterior of the Grant Sawyer Building – Project status report.

   Refer to Exhibit C.

6. Annual report on construction projects financed by general obligation bonds, revenue bonds, or medium-term securities pursuant to NRS 341.185.

   Refer to Exhibit C.

7. Project status report.

   Refer to Exhibit C.

H. INFORMATIONAL ITEMS.

The Committee did not address Item H. Informational Items. Refer to Exhibit D to review Informational Items.

I. PUBLIC COMMENT.

There was no response to Chairman Arberry's request for public comment.

J. ADJOURNMENT.

Chairman Arberry adjourned the hearing at 11:06 a.m.

APPROVED BY:

Assemblyman Morse Arberry Jr., Chair

DATE:_____

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

EXHIBITS INTERIM FINANCE COMMITTEE		
Exhibit	**Witness/Agency**	**Description**
A	Fiscal Analysis Division	Agenda
B	Fiscal Analysis Division	Guest List
C	Public Works Board	Grant Sawyer Building Project Status Report; Annual report on construction projects financed by general obligation bonds, revenue bonds, or medium-term securities pursuant to NRS341.185; Project Status Report
D	Fiscal Analysis Division	Item H. Informational Items