

**MINUTES OF THE MEETING OF THE
INTERIM FINANCE COMMITTEE
LEGISLATIVE COUNSEL BUREAU
Carson City, Nevada**

A regular meeting of the Interim Finance Committee was called to order by Chairman Morse Arberry, Jr., on February 2, 2000, at 8 a.m., in Room 1214 of the Legislative Building, in Carson City, Nevada.

COMMITTEE MEMBERS PRESENT:

Assemblyman Morse Arberry, Jr., Chairman
Senator William J. Raggio, Vice Chairman
Senator Bob Coffin
Senator Lawrence E. Jacobsen
Senator Bernice Mathews
Senator Joseph M. Neal, Jr.
Senator William R. O'Donnell
Senator Raymond D. Rawson
Assemblyman Bob Beers
Assemblywoman Barbara K. Cegavske
Assemblywoman Vonne Chowning
Assemblywoman Marcia de Braga
Assemblyman Joseph E. Dini, Jr.
Assemblywoman Sheila Leslie, sitting as an alternate for
Assemblywoman Jan Evans
Assemblywoman Christina R. Giunchigliani
Assemblyman David E. Goldwater
Assemblyman Lynn Hettrick
Assemblyman John Marvel
Assemblyman David R. Parks
Assemblyman Richard D. Perkins
Assemblyman Bob Price

COMMITTEE MEMBERS ABSENT:

Assemblywoman Jan Evans, Excused

LEGISLATIVE COUNSEL BUREAU STAFF:

Lorne J. Malkiewich, Director
Scott Wasserman, Chief Deputy Legislative Counsel
Gary Crews, Legislative Auditor
Daniel G. Miles, Fiscal Analyst, Senate
Mark W. Stevens, Fiscal Analyst, Assembly
Gary Ghiggeri, Principal Deputy Fiscal Analyst
Robert Guernsey, Principal Deputy Fiscal Analyst
Yhvona Martin, Secretary

A. ROLL CALL.

Mr. Malkiewich called the roll and announced that a quorum of each committee was present.

B. APPROVAL OF MINUTES FROM NOVEMBER 17, 1999, MEETING.

MR. DINI MOVED TO APPROVE THE MINUTES OF THE NOVEMBER 17, 1999, MEETING. SECONDED BY SENATOR RAWSON AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

C. EXPEDITIOUS ACTION ITEMS IN ACCORDANCE WITH NRS 353.220(5)(B) – (Past 15-Day Limit) – INFORMATIONAL ONLY.

There were no questions or comments on this item.

D. APPROVAL OF GIFTS, GRANTS, WORK PROGRAM REVISIONS AND POSITION CHANGES (in accordance with Chapter 353, *Nevada Revised Statutes*).

Chairman Arberry requested testimony on the following work programs included in Volume I of the meeting packets: items 1, 2, 3, 4 and 8 on page 1; and item 12 on page 2. Volume II--items 20, 21, 22 and 25 on page 3; items 30, 31 and 32 on page 4; and items 34, 35, 39, 40 and 41 on page 5. Volume 3--item 43 on page 5; items 46, 51, 52 and 53 on page 6; no items on page 7; items 63, 64, 65 and 66 on page 8; and no items on pages 9 and 10.

MR. DINI MOVED TO APPROVE ALL ITEMS NOT PREVIOUSLY ENUMERATED ABOVE. SECONDED BY SENATOR JACOBSEN AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

1. **Office of the Attorney General – Attorney General Administration – FY 00** – Addition of \$37,105 in Attorney General charges to increase legal services for the Division of Financial Institutions of the Department of Business and Industry.

In addressing request items D1, 2, 20 and 21, Ms. Ann Cathcart, Special Assistant to the Attorney General, introduced Mr. Douglas Walther, Senior Deputy Attorney General, Commerce Unit, Carson City, Mr. Scott Walshaw, Commissioner, Financial Institutions Division, Department of Business and Industry, and Ms. Kimberly Maxon, Deputy Attorney General, Gaming Unit, Las Vegas. Ms. Cathcart noted that these requests were on the last Interim Finance Committee's meeting agenda, but they were deferred due to the lack of appropriate documentation to support the need for a full-time Deputy position. Since that time, Ms. Cathcart indicated that documentation had been provided and members of the Office of the Attorney General's staff had met with legislative Fiscal Analysis Division staff in an effort to provide as much information as possible. According to Ms. Cathcart, the position being requested was a non-general fund full-time Deputy Attorney General position that would assist the Financial Institutions Division with the implementation of Assembly Bill 64 (1999 Legislative Session). The new position would be supported by fees through the Financial Institutions Division.

During the 1999 Legislature, Ms. Cathcart indicated that she and her staff had done their best to provide an appropriate fiscal note each time A.B. 64 was amended. It was Ms. Cathcart's belief that the information provided to the committee was the best estimate possible at this point in time of what the impact was expected to be as a result of the additional responsibilities required by the Financial Institutions Division, as well as the Office of the Attorney General, as a result of passage of A.B. 64 by the 1999 Legislature. Ms. Cathcart stated:

We did our own fundamental review evaluation of this particular matter when it came back to our office a couple of months ago and we strongly believe the duties that are listed for implementation of that bill would very quickly become full time. We have not to this date been able to allocate the resources that are necessary to implement the provisions of that bill.

Ms. Cathcart said she had provided supporting letters from Commissioner Walshaw, Ms. Sidney Wickliffe, Director, Department of Business and Industry, and also the Nevada Association of Mortgage Brokers. At the request of the legislative Fiscal Analysis Division staff, Ms. Cathcart said she had also provided a number of graphs, charts, staff listings, and other pertinent information to assist the committee in evaluating this request. Ms. Cathcart pointed out that some of the provisions included in A.B. 64 were mandatory. According to Ms. Cathcart, the more responsibilities a piece of legislation mandates the more resources that must be allocated. In concluding her remarks, Ms. Cathcart told the committee that this process had been a valuable learning experience and she thanked the legislative Fiscal Analysis Division for their assistance.

After thanking Ms. Cathcart for providing the additional information, Senator Raggio said he had raised the issue at the last meeting because of the proliferation of Deputy Attorney General positions over the years. Senator Raggio asked Ms. Cathcart if she had provided a complete list of Deputy Attorney General positions and their specific assignments. Ms. Cathcart said she had provided the information, but she was not sure whether it was included in the meeting packets.

Mr. Mark Stevens, Assembly Fiscal Analyst, apprised Senator Raggio that due to the large volume of information the legislative Fiscal Analysis Division receives from state agencies prior to each Interim Finance Committee meeting, some of the information provided by the Office of the Attorney General may have been retained in the Interim Finance Committee meeting files rather than being included in the meeting packets in order to reduce the size of the meeting packets.

It was Senator Raggio's opinion that there should be some flexibility so that the Office of the Attorney General could absorb new responsibilities without, in each case, having to add a new full-time Deputy. Since he thought the responsibilities contained in A.B. 64 had diminished since its inception and only part of those responsibilities relate to administrative hearings and litigation, Senator Raggio questioned why a full-time Deputy position would be needed once the original regulations required by A.B. 64 had been adopted and the Division gains some experience in implementing the new laws and regulations. Ms. Cathcart indicated that the Office of the Attorney General was committed to utilizing its resources as effectively as possible and it does absorb a considerable amount of new responsibilities passed by the legislature without new resources. Ms. Cathcart also noted that some of the Deputy positions were funded in a particular manner that precludes them from being used for other purposes. In addition, Ms. Cathcart pointed out that the provisions in A.B. 64 requires the filing of complaints against mortgage investment brokers for which the Office of the Attorney General was mandated to investigate and take action on. She said large lawsuits take up an incredible amount of time, especially when they are high profile. She also contended that once the initial part of the regulation-making process was over, the Deputy would be required to take care of amendments to regulations, opinion requests, requests for interpretations, and other legal matters.

Senator Raggio said he would suggest the committee approve the full-time Deputy position with the understanding that when the budget is presented next time, the Office of the Attorney General include the position in a decision unit in the agency's budget request for the 2001-03 biennium that would allow the money committees to more fully evaluate the need for the position based on the agency's actual experience in enforcing the provisions of A.B. 64.

SENATOR RAGGIO MOVED TO APPROVE ITEMS D1, 2, 20 AND 21 WITH THE PROVISIO THAT THE OFFICE OF THE ATTORNEY GENERAL INCLUDE THE POSITION IN A DECISION UNIT IN THE AGENCY'S BUDGET REQUEST FOR THE 2001-03 BIENNIUM THAT WOULD ALLOW THE MONEY COMMITTEES TO MORE FULLY EVALUATE THE NEED FOR THE POSITION BASED ON THE AGENCY'S ACTUAL EXPERIENCE IN ENFORCING THE PROVISIONS OF A.B. 64. SECONDED BY SENATOR NEAL.

Mr. Goldwater recalled working on A.B. 64 from its inception. Although he shared Senator Raggio's concern about the proliferation of Deputy positions and he wondered why the Office of the Attorney General, the largest law firm in the state, could not share more resources, Mr. Goldwater spoke in support of this particular Deputy position because A.B. 64 had created new jurisdictions for the Office of the Attorney General. While he thought a decision unit in the next budget would help measure the productivity of this new position, Mr. Goldwater suggested that the best indicator of the effectiveness of this new position would be the type of laws that were enforced, the number of criminal prosecutions, and the number of civil fines that were produced by this position.

Chairman Arberry called for a vote on the motion.

MOTION CARRIED BY VOICE VOTE, WITH MR. ARBERRY ABSTAINING FROM THE VOTE.

Disclaimer: As a principal in a mortgage company, Mr. Arberry said he would not be voting on the four requests.

2. **Office of the Attorney General – Attorney General Administration – FY 01** – Addition of \$86,520 in Attorney General Agency Charges to increase legal services for the Division of Financial Institutions of the Department of Business and Industry.

Refer to testimony and motion for approval under item 1.

3. **Office of the Secretary of State – FY 00** – Addition of \$609,383 in Transfer from Special Fund to relocate offices and pay additional rent.

In addressing items 3 and 4, Mr. Dean Heller, Secretary of State, introduced Mr. Donald Reis, Chief Deputy Secretary of State. He also said he was pleased to introduce Ms. Marie Hedrick, who was participating in Groundhog Job Shadow Day activities today, and who was a Galena High School National Honor Society student, as well as a soon-to-be Millennium Scholarship recipient attending the University and Nevada, Reno (UNR). Secretary of State Heller requested approval to move the Commercial Recordings Division across the street from the Capitol Building to the old Myers Hardware Building in response to a request by Governor Guinn who wants to reduce the amount of foot traffic in the Capitol Building. Since the Commercial Recordings Division has the heaviest foot traffic, Secretary of State Heller said he was requesting to transfer a total of \$762,377 from the Special Services Fund to the Secretary of State to move most of the office staff from the Capitol Building to private space across Carson Street.

Senator Raggio wanted to know what would be done with the vacated space in the Capitol Building. It was Secretary of State Heller's understanding that the Governor had originally planned to use some of the vacated space for the executive audit team; however, office space on College Parkway had since been located. Secretary of State Heller added that the administration would decide the best use for the space.

Senator Raggio wondered whether the transfer of \$762,377 from the Special Services Fund would leave sufficient funds to meet expenditures that might arise during the biennium. It was Secretary of State Heller's understanding that the balance in the Special Services Fund was about \$1.5 million, which should adequately cover any projects during the biennium.

To respond to a question from Chairman Arberry, Secretary of State Heller said he planned to move only the Commercial Recordings Division, consisting of approximately 35 staff members, which would leave in the Capitol Building the Elections Division, the technology staff, and the customer service staff. He also indicated that 15-minute parking spaces would be available so customers could drop off their paperwork at the Myers Building.

Chairman Arberry questioned why the move needed to occur now rather than waiting until the next legislative session. Secretary of State Heller said the move probably could wait until the next legislative session; however, Governor Guinn had requested him to reduce the foot traffic in the Capitol Building and he had prepared the proposal in response to his request. Secretary of State Heller told the committee that while he would have no objections to waiting until the 2001 Legislative Session, he wished to point out that a portion of the Myers Building would be empty for a couple of years as the 10-year lease starts in May of 2000.

Chairman Arberry expressed concern that the committee does not know who would be moved into the vacated space and that the lease on the Myers Building had already been executed. Chairman Arberry wondered what would happen if the committee were to deny the request. Secretary of State Heller responded that part of the building would be unoccupied until next session. Secretary of State Heller also apprised the committee that the lease for the Myers Building had been approved by the State Board of Examiners, as well as the Buildings and Grounds Division. He indicated that because of the crowding and the additional staff positions that were added by the 1999 Legislature, part of the Secretary of State's staff had been relocated to the Myers Building. In July 1999, the State Board of Examiners approved a lease for the remaining portion of the Myers Building to house office staff that generated large numbers of visitors to the Capitol Building. It was Secretary of State Heller's understanding that the lease could be cancelled if the committee does not approve this request.

Chairman Arberry thought that the Secretary of State's actions had "tied the hands" of the committee and he expressed concern that the committee's approval of this request would establish a bad precedent.

Mr. Dini wondered whether the new lease was identical to the prior lease and Secretary of State Heller responded affirmatively.

Mr. Dini suggested that an annual escalation of \$.05 per square foot plus \$.02 for operating and maintenance costs was excessive for Carson City. Secretary of State Heller noted that the Buildings and Grounds Division was responsible for negotiating the lease.

Chairman Arberry said it would be his recommendation to defer action on the two requests until the next meeting so information could be provided on the Governor's plans for the vacated space and the cost of the lease. Since he had been dealing with crowded office conditions for the last 5 years, Secretary of State Heller said that waiting several more months would make very little difference.

Chairman Arberry asked Secretary of State Heller to have his staff work with the legislative Fiscal Analysis Division staff and he announced that items 3 and 4 were deferred until the next meeting.

4. **Office of the Secretary of State – FY 01** – Addition of \$152,994 in Transfer from Special Fund to pay additional rent for relocated offices.

Refer to testimony under item 3. This item was deferred until the next meeting.

5. **Office of the Secretary of State – FY 00** – Transfer of \$24,165 from Operating category to Salaries category, \$1,800 from Operating category to Equipment category, and \$5,000 from Operating category to Information Technology category to continue customer telephone information services with state employees in lieu of contractual services.

Refer to motion for approval under item D.

6. **Department of Education – Discretionary Grants Restricted – FY 00** – Addition of \$335,500 in Emergency Immigrant Education Grant to provide increased services to immigrant students in the school districts.

Refer to motion for approval under item D.

7. **Department of Education – Drug Abuse Education – FY 00** – Addition of \$698,335 in Safe and Drug Free Schools Program to align federal authority with the actual grant award to allow the department to continue establishing programs of drug abuse education and strengthen programs that prevent the illegal use of alcohol, tobacco and drugs in elementary and secondary schools. Funds will also be used to support programs of preventing violence in and around the schools.

Refer to motion for approval under item D.

8. **Department of Education – Education of the Handicapped Act – FY 00** - Addition of \$6,417,301 in Federal Handicapped, \$354,511 in Early Childhood and deletion of \$50,581 in Education of the Handicapped, Teacher Training to continue to provide the special education and related services needed to make a free appropriate public education available to all eligible children, including eligible preschool children. To delete balance of Teacher Training Fund grant that has expired.

Mr. Douglas Thunder, Deputy Superintendent for Administrative and Fiscal Services, Department of Education, explained that this request pertains to budget account 2715, which tracks special education federal revenue. The purpose of this work program augmentation, according to Mr. Thunder, was primarily twofold: (1) to enter revenue that was increased over last year at the time the budgets were prepared; and (2) to carry forward authority that was in last year's budget, but not used. He indicated that the combination of the two items results in the \$6.4 million addition being requested for this budget account. He said about \$5.6 million of the additional \$6.4 million would go to Aid to Schools. He also indicated that a smaller grant of approximately \$370,000 for the Early Childhood component was included in this request.

Senator Raggio questioned how the additional federal funding could be used to help the school districts this year. Ms. Mary Peterson, Superintendent of Public Instruction, Department of Education, apprised the committee that an additional \$6.4 million was available this year and, of that amount, \$5.6 million would go directly to schools. Next year, the Department of Education has been advised that there would be at least \$3.5 million in additional federal special education revenue of which amount a large portion would be allocated directly to Aid to Schools. She added that there were "two pots": \$6.4 million this year and \$3.5 million next year.

Senator Raggio wanted to know how the funding would be allocated to the school districts. Mr. Thunder responded that 95 percent of the funding would be a direct allocation to the school districts and that the funding was available over a 27-month period.

It was Senator Rawson's understanding that the Department of Education was proposing to increase the administrative reserves by \$681,346 in the basic program and \$114,869 in the Early Childhood program and he wondered whether it would be possible to allocate a portion of this funding to the school districts. Mr. Thunder explained that it had been the Department of Education's policy in the past with many of the federal grants to book only the amount of money that was planned on being expended during the state fiscal year. He said, however, about 1-1/2 years ago, the Department of Education reached an agreement with the Budget Division and the legislative Fiscal Analysis Division to book the entire amount of the federal grants. The Department also agreed to include any administrative money that was available, but not used as a reserve for administration for one year. If the funding was not expended during that year, then that funding would be added to the amount that would be allocated to school districts.

Since there were no additional comments or questions from the committee, Chairman Arberry said he would entertain a motion.

SENATOR RAGGIO MOVED TO APPROVE THE REQUEST WITH THE PROVISIO THAT IN THE EVENT REGULATION NAC 388, THE REDUCTION OF CASELOAD AND CLASS SIZE FOR SPECIAL EDUCATION PROGRAMS, THAT WAS APPROVED BY THE STATE BOARD OF EDUCATION ON JANUARY 29, 2000, WERE TO BE UPHELD, THAT ANY FUNDING NOT OTHERWISE NECESSARY FOR A SPECIFIC PURPOSE BE EARMARKED FOR THE SCHOOL DISTRICTS TO ADDRESS THE FISCAL IMPACT ON THE SCHOOL DISTRICTS OF REGULATION NAC 388. SECONDED BY MS. GIUNCHIGLIANI AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

9. **Department of Education – Occupational Education – FY 00** – Addition of \$184,640 in Federal Perkins Basic Grant and \$249,010 in Prior Year Refunds to align federal authority with the actual grant awards to allow the department to expand programs of vocational education and provide equal access in vocational education to special needs populations. Also increases authority for prior year refunds which will be reallocated to local school districts in FY 2000.

Refer to motion for approval under item D.

10. **Department of Museums, Library and Arts – State Historic Preservation Office – FY 00** – Acceptance of \$349,000 in NDOT Grant Funds and \$30,000 in BLM Grant Funds to develop a Cultural Resources Information System to transfer paper-based system and records of archaeological sites to a comprehensive electronic database.

Refer to motion for approval under item D.

11. **Department of Museums, Library and Arts – Micrographics and Imaging Program – FY 00** – Transfer of \$15,000 from the Vendor Services category to the Operating category and \$25,151 from the Reserve category to the Operating category to cover expenses associated with temporary staffing to meet special project needs of state agencies for microfilming and imaging.

Refer to motion for approval under item D.

12. **Department of Administration – Printing Division – Printing Office Equipment Purchase – FY 00** – Transfer of \$77,995 from Reserve category to Equipment Purchase category to purchase printing equipment including image setter and supply cassette for image setter.

Mr. Donald Bailey, State Printer, introduced Mr. Rod Corbit, Deputy State Printer, and Mr. Tracy Raxter, Administrator, Administrative Services Division, Department of Administration. Mr. Bailey said he had been asked to return to the Interim Finance Committee to discuss the purchase of the Imagesetter by the Printing Division. In the meantime, Mr. Bailey apprised the committee that he had met with legislative Fiscal Analysis Division staff who proposed the following solution: the Printing Division would return \$77,995 to the general fund and the Printing Division would request to transfer \$77,995 from the reserve category to pay for the Imagesetter.

To respond to a question from Chairman Arberry, Mr. Bailey said the balance of the legislative appropriation would be reverted at the end of the fiscal year.

MS. GIUNCHIGLIANI MOVED TO APPROVE THE REQUEST. SECONDED BY SENATOR JACOBSEN AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

13. **Department of Information Technology – Mobile Communications – FY 00** – Addition of \$8,667 in Special Services and transfer of \$1,500 from Reserve category to Out-of-State Travel category to allow for Out-of-State Travel to purchase federal surplus equipment for the mountain top communications and to receive pass-through funds from the Health Division for the support of their EMS.

Refer to motion for approval under item D.

14. **Department of Administration – Risk Management Division – Insurance and Loss Prevention – FY 00** – Transfer of \$530,000 from Reserve category to Property Claims category to allow for payment of projected property claims through the end of FY 00 as a result of unanticipated increases in self-insured losses.

Refer to motion for approval under item D.

15. **Department of Administration – Purchasing Division – Commodity Food Program – FY 00** – Addition of \$833,312 in Direct Sales Processing to accommodate an increased volume in USDA commodities received and requested for conversion to complete food products.

Refer to motion for approval under item D.

16. **Department of Agriculture – Nevada Beef Council – FY 2000** – De-augmentation of \$43,030 in Assessments, \$1,418 in Interest Distribution and transfer of \$21,515 from Distribution category to Beef Promotion category, \$1,679 from Reserve category to transfer to Livestock Inspection category, and \$6,010 from Reserve category to Beef Promotion category to adjust expenditures on the basis of projected revenue, increase Beef and Veal Consumption Promotion, and increase inter-local contract with Agriculture (livestock inspection) for fiscal services.

Refer to motion for approval under item D.

17. **Department of Business and Industry – Transportation Services Authority – FY 00** – Transfer of \$8,800 from Reserve category to Equipment category and \$15,000 from Reserve category to Personnel category to provide funding for required overtime for the enforcement staff and to purchase equipment for the enforcement staff.

Refer to motion for approval under item D.

18. **Department of Business and Industry – Housing Division – FY 00** – Addition of \$93,723 in Federal Weatherization Program Grant to increase sub-grants associated with Nevada's Weatherization Program.

Refer to motion for approval under item D.

19. **Department of Business and Industry – Financial Institutions Investigations – FY 00** – Transfer of \$40,000 from Reserve category to Investigations category to pay for the costs associated with the appointment of a conservator subject to an administrative possession order pursuant to NRS 645.150.

Refer to motion for approval under item D.

20. **Department of Business and Industry – Financial Institutions Investigations – FY 00** – Transfer of \$37,105 from the Reserve category to the Attorney General Cost Allocation category to provide for additional costs associated with a greater use of the Deputy Attorney General's time due to an increase in the workload required by the agency.

Refer to testimony and motion for approval under item 1.

21. **Department of Business and Industry – Financial Institutions Investigations – FY 01** – Transfer of \$86,520 from the Reserve category to the Attorney General Cost Allocation category to provide for additional costs associated with a greater use of the Deputy Attorney General's time due to an increase in the workload required by the agency.

Refer to testimony and motion for approval under item 1.

22. **Department of Business and Industry – Taxicab Authority – FY 00** – Transfer of \$60,000 from Reserve category to Transfer of Aging category to provide additional funding for the expansion of the Senior Ride Program.

Speaking to items 22 and 25, Mr. Robert Anselmo, Administrator, Taxicab Authority, recalled that during the last budget cycle, the Taxicab Authority had deferred a request from the Division for Aging Services for approximately \$60,000 to support the Senior Ride Program. During the 1999 Legislative Session, the money committees issued a Letter of Intent requesting the Taxicab Authority to review its annual income in October and report back to the Interim Finance Committee in November if sufficient funds were available to expand the Senior Ride Program in FY 2000. The Taxicab Authority provided a report to the Interim Finance Committee in November that the revenues were sufficient to re-instate the \$60,000 and Mr. Anselmo said he was requesting the committee's approval today to transfer \$60,000 from the reserve category to the Division for Aging Services to provide additional funding for the expansion of the Senior Ride Program.

MRS. CHOWNING MOVED TO APPROVE ITEMS 22 AND 25. SECONDED BY MR. PARKS AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

23. **Department of Agriculture – Administration – FY 00** – Addition of \$174,700 in Miscellaneous Fees and \$2,546 in Treasurer's Interest to establish expenditure authority for the Rangeland Resources Commission per S.B. 310, 1999 Legislative Session; provides per diem for members and operating expenses.

Refer to motion for approval under item D.

24. **Department of Employment, Training and Rehabilitation – Employment Security Division – FY 00**– Addition of \$703,523 in Federal Admin Cost Allowance and \$100,000 in Contract Services to assist dislocated workers in rural Nevada who have been impacted by the decline of the mining industry with job search, retraining and relocation allowances.

Refer to motion for approval under item D.

25. **Department of Human Resources – Division of Aging Services – FY 00** – Addition of \$60,000 - Transfer from Taxicab Authority and \$27,534 in Coupon Book Sales to expand the Senior Ride Program per 1999 Legislature Letter of Intent.

Refer to testimony and motion for approval under item 22.

26. **Department of Human Resources – Child and Family Services – Youth Community Services – FY 00** – Addition of \$241,891 in Adoption Now Federal Grant and transfer of \$27,006 from Reserve category to Adoption Now category to identify qualities, conditions and services that have led to successful adoptions, remove barriers that discourage families from adopting and establish and maintain “Adoption Buddy System” to recruit families, help them through the adoption process, and support families after the process is complete.

Refer to motion for approval under item D.

27. **Department of Human Resources – Child and Family Services – Youth Community Services – FY 00** – Addition of \$24,500 in Dave Thomas Foundation Gift to create and implement a targeted adoptive parent recruitment campaign and to contract for an adoption project manager and spokesperson within the African American community in Nevada.

Refer to motion for approval under item D.

28. **Department of Human Resources – Child and Family Services – U.N.I.T.Y. – FY 00** – Addition of \$69,368 in Title IV–E to reimburse the state for depreciation costs for U.N.I.T.Y. equipment and for under drawn Title IV funds for FY 99 expenses.

Refer to motion for approval under item D.

29. **Department of Human Resources – Child and Family Services – Youth Community Services – FY 00** – Addition of \$10,000 in Title IV-E Funds and \$10,000 in Transfer from State Claims to allow for payment of stale claims that are state and federal funded.

Refer to motion for approval under item D.

30. **Department of Human Resources – Child and Family Services – Juvenile Accountability Block Grant – FY 00** – Transfer of \$51,401 from the Administration Reserve category to the Salaries category, \$5,813 from the Administration Reserve category to the Out-Of-State Travel category, \$7,500 from the Administration Reserve category to the In-State Travel category, \$12,342 from the Administration Reserve category to the Operating category, \$3,861 from the Administration Reserve category to the Equipment category, \$4,652 from the Administration Reserve category to the Information Services category, \$1,305 from the Administration Reserve category to the Training category, \$42,270 from the Administration Reserve category to the New Administration Reserve category, \$392,648 from the Discretionary Reserve FFY 98 category to the Discretionary Reserve FFY 99 category, \$45,292 from the Discretionary Reserve FFY 98 category to the Local Government category, and \$29,967 from the Discretionary Reserve FFY 98 category to the Administration Reserve FFY 98 to align the federal fiscal year, grants and interest earned, and to add a full-time Management Assistant III to provide administrative support for the new Deputy Administrator for Corrections.

Mr. Stephen Shaw, Administrator, Division of Child and Family Services (DCFS), introduced Mr. Jim Baumann, Administrative Services Officer, DCFS, and newly appointed Deputy Administrator of Youth Corrections, Ms. Willie Smith. Mr. Shaw noted that Ms. Smith had extensive experience in substance abuse issues and was well known nationally, as well as in the State of Nevada, where she chaired the Juvenile Justice Commission for several years. Mr. Shaw asked Mr. Baumann to explain the work program revision.

Mr. Baumann apprised the committee that this work program revision would align federal fiscal years 1998 and 1999 juvenile accountability block grant awards with state fiscal year 2000 expenditure authority. The Office of Juvenile Justice and Delinquency Prevention administers this program, which provides funds for use by states and units of local government to develop programs to promote greater accountability in the Juvenile Justice System. Additionally, this work program requests one full-time equivalent (FTE) support staff with equipment to support the new Juvenile Corrections Deputy authorized by the 1999 Legislature. The 10 percent match for amounts passed through to units of local government would be met by these units of local government. The match for grant funds allocated to state programs and administrative expense would be met through expenditures for the juvenile corrections facility currently being constructed in southern Nevada. With the committee's approval, Mr. Baumann said DCFS would like to amend this request to defer the allocation of \$26,960 to out-of-state travel (02), in-state travel (03), operating (04) and training (30) categories, and place the \$26,960 in category 91 (reserve). Mr. Baumann apprised the committee that DCFS would like to reprioritize the use of this funding and return to the Interim Finance Committee at its next meeting with a revised spending plan.

Chairman Arberry opened the meeting to a public hearing. He inquired as to whether anyone in the audience wished to testify. After hearing no response, Chairman Arberry said he would entertain a motion to approve the request as amended.

MR. MARVEL MOVED TO APPROVE THE REQUEST AS AMENDED. SECONDED BY MR. HETTRICK.

Disclaimer: Mr. Beers said although his wife works in this field, he would be voting on the motion since he did not believe it would present a conflict of interest.

Chairman Arberry called for a vote on the motion.

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

31. **Department of Human Resources – Welfare Division – Employment and Training Program – FY 00** – Addition of \$1,361,722 in Temporary Assistance for Needy Families Block Grant to provide child care services to cover the projected increase in TANF recipients participating in the New Employees of Nevada (NEON) Program.

Speaking to items 31 and 32, Mr. Bob Anderson, Administrative Services Officer, Nevada State Welfare Division (NSWD), pointed out that NSWD was constantly reviewing funding levels in both the Temporary Assistance for Needy Families (TANF) and the Child Care Development Fund block grants. At the end of the federal fiscal year ending September 30, 1999, Mr. Anderson indicated that NSWD had reconciled draws and prepared two work programs to carry forward all earned and unused federal funding. These two work programs, according to Mr. Anderson, would maximize the available funds for both of the block grants and redirect the expenditure authority to reduce the waiting lists discussed at previous Interim Finance Committee meetings, as well as meet the projected demand for child care services provided by NSWD. In total, an additional \$5.6 million in child care services can be injected into the communities to support self-sufficiency. Mr. Anderson said these federal block grant funds require no general fund matching dollars.

To briefly address the waiting list issue, Mr. Anderson apprised the committee that NSWD had in the past spent an average of \$1,324 per child for child care and the additional funding would provide child care for about 1,367 additional children through the state fiscal year, which would represent an approximate 11.4 percent increase in outcome performance measures. In total, NSWD supplied child care to 12,012 children during federal fiscal year of 1999. Although the provision of additional child care would account for most of the money being requested, Mr. Anderson said that NSWD was asking for an increase in the quality assurance section to take

care of many needs that have been disclosed by the Child Care Advisory Committee. Mr. Anderson indicated that instead of a 4 percent level of expenditure for quality assurance, including the set asides, there would be about a 10.4 percent level of expenditure.

Senator Rawson wanted to clarify whether the funding proposed to be allocated for quality assurance would be used to provide services. Mr. Anderson apprised the committee that specific regulations require NSW to spend money on quality assurance, which includes referral services, training, elder childhood development, licensing, monitoring, and other similar operations. Mr. Anderson said it was NSW's intent to increase the standard of child care in the communities that service the children.

Senator Rawson suggested that if the level of expenditure for quality assurance were to be increased to 10.4 percent, it would be difficult in the future to adjust funding designated for quality assurance expenditures to a level below the threshold being proposed in the two work programs. Mr. Anderson thought NSW was experiencing a "bubble effect" because funding for child care assistance had increased from \$7.1 million 3 years ago to \$26 million this current year. In order to ensure that the children are getting quality child care services, Mr. Anderson indicated that NSW needs to do a better job monitoring those services, especially in the larger child care development centers.

Chairman Arberry opened the meeting to a public hearing. He inquired as to whether anyone in the audience wished to testify. After hearing no response, Chairman Arberry said he would entertain a motion to approve the two requests.

SENATOR RAWSON MOVED TO APPROVE THE REQUESTS IN ITEMS 31 AND 32. SECONDED BY MR. DINI AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

32. **Department of Human Resources – Welfare Division – Employment and Training Program – FY 00** – Addition of \$4,237,239 in Child Care Development Fund to meet waiting list projections for child care services through the remainder of FY 00 and increase Quality Assurance measures as recommended by the Child Care Advisory Board.

Refer to testimony and motion to approve the request under item 31.

33. **Department of Human Resources – Health Care Financing and Policy – Nevada Medicaid – FY 00** – Transfer of \$58,139 from the Salaries category to the Operating category and \$9,000 from the Salaries category to the Information Services category to cover projected shortfall due to increased costs associated with marketing efforts to include higher-than-budgeted costs for printing, postage, telephone, and other operating expenses, to provide for additional contract staff needed to process applications, determine eligibility, handle re-determinations and process premium payments, and to provide additional computer programming to complete data needed for federal reporting.

Refer to motion for approval under item D.

34. **Department of Human Resources – Health Division – Alcohol and Drug Rehabilitation – FY 00** – Addition of \$240,000 in Substance Abuse Federal Grant to conduct a statewide alcohol and drug use needs assessment by contract with the University of Nevada, Center for Applied Research.

Mr. Alex Haartz, Administrative Services Officer, Health Division, introduced Ms. Yvonne Sylva, Administrator, Health Division, and Ms. Maria Canfield, the newly appointed Chief, Bureau of Alcohol and Drug Abuse (BADA). Mr. Haartz noted that the two work program requests in items 34 and 35 were deferred by the Interim Finance Committee at its last meeting for additional information. Mr. Haartz apprised the committee that he had worked with the legislative Fiscal Analysis Division staff in preparing the two new work programs; however, subsequent to resubmitting them, the Health Division received some additional information from the University of Nevada, Reno (UNR), Center for Applied Research, with regard to the actual costs for the contract work. This additional information was provided to the legislative Fiscal Analysis Division.

Item 34--Mr. Haartz explained that the Health Division was requesting to increase by \$92,000 its original request, from \$240,000 to \$332,000, in Substance Abuse federal grant funding to conduct a statewide alcohol and drug use needs assessment in FY 00.

Item 35--Mr. Haartz explained that the Health Division was requesting to decrease by \$92,000 its original request, from \$238,014 to \$146,014, in Substance Abuse federal grant funding to conduct a statewide alcohol and drug use needs assessment in FY 01. The two work programs were prepared based on the projected costs to be incurred by UNR. Mr. Haartz said he would be happy to respond to questions from the committee.

Ms. Leslie said she wished to first commend Mr. Haartz for providing the additional information she requested at the last meeting. Although she thought too much work had already been done for her to continue to oppose the contract, Ms. Leslie asked that the record reflect her desire that in the future the Health Division concentrate more on funding treatment dollars rather than study dollars. According to Ms. Leslie, it was a well-known fact that in Washoe County alone the level of prevalence is 15.7 percent of the population; therefore, she did not believe it was necessary to continue studying the alcohol and drug problem in Nevada.

Ms. Leslie wondered why the federal funds had not been drawn down. To respond to Ms. Leslie's question, Mr. Haartz said it was his understanding that the reason the funds were not drawn down was because even though authority was established in state FY 99, it took time for UNR to "ramp up" and, in effect, incur work. Mr. Haartz also pointed out that since the contract between BADA and UNR was not finalized until the end of January, 1999, it was not possible to get the project in place in such a short period of time.

Ms. Leslie wanted to know if the information gleaned from the study would actually be used by BADA. Ms. Sylva apprised the committee that the information that would be gained from the research project would assist the Health Division in better allocating resources to treatment programs within the State of Nevada; thereby, maximizing available funding. The information would also assist the Health Division in working towards its goal of being able to obtain data which would identify Nevada's progress in providing treatment that meets national standards.

To reiterate the question she posed at the last meeting, Ms. Leslie wanted to know when the Health Division was going to comply with the Assembly Concurrent Resolution 57 Interim Study of System of Juvenile Justice in Nevada Committee's request for a comparison of the effectiveness of treatment programs being provided specifically in Nevada. Ms. Sylva apprised Ms. Leslie that some of that information would be available within approximately four months and it would look at the evaluation of treatment services based upon the type of treatment services that were being provided in Nevada by modality. Ms. Sylva indicated that the prevention piece included in A.C.R. 57 would take longer and would not be available until next year, given the fact that prevention takes much longer to measure.

Ms. Leslie said she did not believe that the information previously referred to by Ms. Sylva would satisfactorily comply with the A.C.R. 57 Committee's request. Ms. Leslie said the A.C.R. 57 Committee specifically wants to know which treatment programs in Nevada work better for the young people than others.

To address Ms. Leslie's concerns, Ms. Canfield said that since her appointment as Chief of BADA, she and her staff had examined the work being done by BADA in terms of overall evaluation strategies and had

identified as a priority getting a response to the A.C.R. 57 Committee regarding treatment programs in Nevada. She said she was proposing to redirect some funds that had been earmarked for other outcome evaluation studies for this purpose. Ms. Canfield indicated that her staff had designed the methodology so the A.C.R. 57 Committee would receive the information it had requested. Ms. Canfield estimated that it would require 6 to 8 weeks to identify the parameters of the study and, once that was accomplished, a Request for Proposal (RFP) would be prepared to secure the best contractor who could deliver the results in the shortest amount of time. While she could not guarantee the exact date when the information would be available, Ms. Canfield thought it would take at least 6 months to compile the data, assuming the A.C.R. 57 Committee still wants a 3-month and 6-month follow up.

While she thought the move of BADA's activities from the Department of Training, Employment and Rehabilitation (DETR) to the Department of Human Resources (DHR) was a step in the right direction, Ms. Leslie also suggested that the legislative audit scheduled to be completed in the near future would provide valuable information as well. In the meantime, Ms. Leslie urged Ms. Canfield to refocus BADA's efforts so that useful data could be compiled. She also thought it was important for BADA to use the data once it becomes available and, most importantly, to focus its efforts on prevention and treatment. Since everyone knows Nevada has a serious drug and alcohol problem, Ms. Leslie stressed that BADA needs to do more to solve the problem, not study the problem.

Since there were no further comments or questions from the committee, Chairman Arberry said he would entertain a motion to approve the request.

SENATOR RAWSON MOVED TO APPROVE ITEMS 34 AND 35 AS AMENDED. SECONDED BY MS. LESLIE AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

35. **Department of Human Resources – Health Division – Alcohol and Drug Rehabilitation – FY 01** – Addition of \$238,014 in Substance Abuse Federal Grant to conduct a statewide alcohol and drug use needs assessment by contract with the University of Nevada, Center for Applied Research.

Refer to testimony and motion to approve the request under item 34.

36. **Department of Human Resources – Health Division – Health Facilities – FY 00** – Transfer of \$15,368 from Reserve category to Salary category, \$350 from Reserve category to Travel category, \$3,767 from Reserve category to Operating category, \$701 from Reserve category to Equipment category and \$500 from Reserve category to Training category to establish a new Accounting Specialist position plus support costs to perform all accounts payable functions.

Refer to motion for approval under item D.

37. **Department of Human Resources – Health Division – Health Administration – FY 00** – Addition of \$101,768 in Federal Fluoridation Grant to provide fluoridation equipment for the Southern Nevada Water Authority and Henderson Water System per Assembly Bill 689, 1999 Legislative Session.

Refer to motion for approval under item D.

38. **Department of Human Resources – Health Division – Health Administration– FY 00** – Addition of \$201,382 in Federal Tobacco Grant to fund existing position support costs, and contracts for media campaigns and tobacco related research.

Refer to motion for approval under item D.

39. **Department of Human Resources – Mental Health Institute – FY 00** – Transfer of \$135,000 from Salary category to Medications category, \$100,000 from Operating category to Medications category, and \$180,000 from Professional Services category to Medications category to fund shortfall in client medications.

Dr. Harold Cook, Director, Nevada Mental Health Institute (NMHI), introduced Dr. Wendy Oliver, Statewide Medical Coordinator, and Mr. Bob Harnish, Administrative Services Officer, NMHI. Dr. Cook requested the committee's approval to transfer budget authority from category 01 (salaries), category 04 (general operations), and category 08 (professional services) to category 40 (medications). Dr. Cook pointed out that the 1997 Legislature had provided increased funding in category 40 for the newer and safer medications. Due to the unanticipated time required to transition clients from the older medications to the newer medications, Dr. Cook indicated that NMHI was unable to fully expend its FY 98 budget of \$1,762,000. Of this budgeted amount, \$650,000 was reverted at the end of FY 98 and an additional \$650,000 was reverted at the end of FY 99. In addition, the FY 00 and FY 01 budgets were built on the actual expenditures of \$1,180,000 in FY 98. As NMHI's outpatient medications program continues to mature, Dr. Cook said that he was anticipating a funding shortfall. To resolve this issue, Dr. Cook apprised the committee that he had instituted a number of programs within NMHI's clinical staff to ensure the most cost-effective medications were used without reducing the client's quality of care. NMHI's pharmacy, for example, has been utilizing ordering procedures that would allow for reduced shelf stock without reducing the pharmacy's ability to fill prescriptions. NMHI has also improved its inventory control with monthly test counts of shelf stock. NMHI has also continued to gather data on the utilization and effectiveness of the newer and safer medications. Dr. Cook said he would be happy to respond to questions from the committee.

Chairman Arberry wanted to know why medications had exceeded budgeted amounts. According to Dr. Cook, the original projections that were made in FY 98 were overly ambitious in terms of the time lines required for clients to change from the old medications to the new medications. Dr. Cook said NMHI had budgeted medications at a higher level in FY 98 and FY 99 because it anticipated having more clients on the new medications earlier than it actually did. Although NMHI did experience an increase in the medications category in FY 1998, it was not to the extent projected; therefore, \$650,000 was reverted in FY 98 and another \$650,000 was reverted in FY 99. Dr. Cook indicated that although the current budget was based on actual FY 98 expenditures, NMHI was experiencing a continual increase in the use of newer and more expensive medications; thus, he anticipates having a shortfall in the medications category for that reason.

Chairman Arberry wondered if some of the clients were using old drugs and new drugs simultaneously. Dr. Cook responded affirmatively and he asked Dr. Wendy Oliver to address that issue. Dr. Oliver said there were a number of clients who were on both the newer medications, as well as the older conventional anti-psychotic medications. Dr. Oliver said she would like to remind the committee that when the new drugs were first introduced, it was not entirely clear even to the manufacturers of the drugs exactly how these drugs would be used. Dr. Oliver suggested that because NMHI staff treats probably the most treatment-refractory patients in the entire state, it was difficult sometimes to manage some of the patients on any one drug. According to Dr. Oliver, the staff at NMHI does whatever it can to try to get the patients to an optimum level of functioning by sometimes treating with two anti-psychotic drugs; i.e., an atypical or newer drug along with a conventional older drug. It has been staff's experience that when an atypical anti-psychotic drug was used, all of the symptoms may not be treated, but the patient experiences fewer side effects. Staff has also found that by adding a typical or conventional anti-psychotic in a very low dose, the drug was more tolerated. Dr. Oliver pointed out that staff tries to address both positive and negative symptoms when they are treating patients with schizophrenia.

While he has always supported NMHI's budgets, Mr. Goldwater wanted to know whether NMHI was achieving every efficiency possible in the purchasing of the drugs. Dr. Cook asked Mr. Harnish to address Mr.

Goldwater's question. Mr. Harnish explained that NMHI currently participates with one of the largest pharmaceutical buying groups on the west coast. He also noted that NMHI had also negotiated an inflation factor that was below the national average. It was Mr. Goldwater's belief that when the patents on the new drugs expire, costs would go down.

To respond to a question from Ms. Leslie, Dr. Oliver said there was no doubt in her mind that the use of anti-psychotic drugs to treat people on an outpatient basis had reduced the census at NMHI. Dr. Oliver apprised the committee that she had previously worked on the inpatient unit at NMHI and, after she transferred to the outpatient unit, she observed patients that she had previously treated month after month in the inpatient unit who were able to live out in the community.

Mr. Hettrick recalled that Dr. Cook had stated earlier that during the last budget cycle medications were budgeted at \$1,180,000. It was also Mr. Hettrick's understanding that this budget was based on a monthly average of 1,292 patients; however, the total number of patients receiving medications for the first five months has averaged 1,284. Mr. Hettrick said he found it difficult to believe that by providing a low dose of a cheaper anti-psychotic drug in combination with a new drug had caused a 33 percent increase in the cost of medications during FY 00 although fewer patients were treated. Mr. Harnish apprised the committee that when the projections were originally made in FY 98, NMHI had anticipated that 868 clients would be on SSRI's and 246 clients would be on the more expensive atypical anti-psychotic drugs. Mr. Harnish said, however, in actuality, there were 464 clients on SSRI's and 382 clients on atypical anti-psychotic drugs during FY 00.

According to Mr. Harnish, these figures show a significant shift in the dosage between the SSRI's and the atypical drugs. The average cost of an SSRI is \$75.39 per month. He indicated that the increase of approximately 136 clients on atypical drugs that cost on average \$285 per month had created a shift. He also pointed out that Nevada was the first state in the Union to use the new drugs. He said a pharmaceutical company representative with whom he spoke yesterday applauded Nevada's efforts in using the new drugs since no other state had made the transition. Mr. Harnish also suggested that some of the original data was flawed and, also, as Dr. Cook testified earlier, the new drugs were not used in the first year because of the unanticipated time required to transition patients from the older drugs to the new drugs.

While he appreciated the fact that NMHI had reverted the unused funding, Mr. Hettrick said he wanted to encourage NMHI to work a little harder in the future on its projections.

Senator Coffin said he was glad to hear that Nevada was considered to be one of the leaders in the use of new drugs and he wondered whether NMHI had received offers from pharmaceutical companies to participate in drug trials. It was Senator Coffin's understanding that participants in drug trials oftentimes receive free samples of medications, which he thought might help keep the drug costs down. Dr. Cook indicated that NMHI staff had attended a meeting last Monday, January 31, 2000, with various representatives of pharmaceutical companies who indicated that they would be providing free medications either through samples or vouchers in the near future.

To address a question from Senator Coffin, Dr. Oliver explained that when the funding first became available, approximately 22 percent of the patients at NMHI were on atypical drugs; whereas, today 73 percent of the patients were on atypical anti-psychotic drugs. Dr. Oliver thought it was important for the committee to understand that for the doctors at NMHI administering the new drugs was a "new ballgame" and a learning curve was inevitable in terms of switching a patient from a conventional typical anti-psychotic to an atypical anti-psychotic drug. Dr. Oliver also indicated that NMHI staff had found it to be in the best interest of their patients to go slow and to be cautious.

Senator Coffin wanted to know whether the legislature would have access to the results of the drug trial studies. Dr. Oliver said she had not yet been contacted by any of the pharmaceutical companies about participating in drug studies, but she would be willing to consider such an offer if one were to be advanced. Dr. Oliver said, however, the patient's best interests would need to be considered first because some pharmaceutical companies engage in placebo control studies and she was concerned about patients not getting their medications.

Chairman Arberry asked Dr. Cook to provide an analysis to the legislative Fiscal Analysis Division staff of the specific reasons contributing to the anticipated funding shortfall. Dr. Cook apprised the committee that NMHI was in the process of refining its data processing system and more accurate data would be available in the future.

MS. GIUNCHIGLIANI MOVED TO APPROVE THE REQUEST. SECONDED BY MR. DINI AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

40. Department of Human Resources – Mental Health – Southern Nevada Adult Mental Health – FY 00 – Addition of \$65,056 in Mental Health Block Grant to add one new Clinical Social Worker and support costs to support the homeless outreach program. .

Mr. Michael Torvinen, Administrative Services Officer, Division of Mental Health and Developmental Services, explained the purpose of this request was to book the authority for the Community Mental Health Services Block Grant award that was received in December of 1999. He added that the period of the Block Grant was from October 1, 2000 to September 30, 2001.

While she thought this funding would provide good services at the homeless shelters, Mrs. Chowning wanted to know what had been done to help the homeless thus far; i.e., the number of people who had been placed in jobs or treatment programs and whether they had been able to stay out of jail. After directing the committee's attention to page 40.3 of Volume II of the meeting packets, Mrs. Chowning expressed concern that of the \$65,056 to be received by SNAMHS, \$37,466 was for the position and \$27,590, or 42 percent, was for operating, equipment, and data processing. In particular, Mrs. Chowning questioned why the new staff person would need their own printer rather than sharing a printer.

Since she had calculated that only about \$9,000 out of the \$65,056 was going directly to the homeless shelters, Mrs. Chowning wanted to know whether it was possible to reallocate some of this funding to provide more direct support for the homeless shelters. Mr. Torvinen pointed out that the Block Grant award had been received in late December and the deadline for submitting the work programs to the Interim Finance Committee was shortly thereafter. Mr. Torvinen indicated that SNAMHS anticipates receiving an increase in this grant of approximately \$450,000, and at that time staff would re-examine the expenditures prior to submitting a work program for the additional grant award. Mr. Torvinen apprised the committee that Dr. Carlos Brandenburg, Administrator, Division of Mental Health and Developmental Services, feels strongly that some of the administrative-type dollars proposed to be expended for office equipment should be absorbed by the SNAMHS budget so additional funding could be applied directly to services.

Mrs. Chowning said she would appreciate being advised as to the reallocation of the Block Grant dollars. Mr. Torvinen said he would be happy to provide the information to her.

Chairman Arberry opened the meeting to a public hearing. He inquired as to whether anyone in the audience wished to testify.

Ms. Pat Hines, a resident of Las Vegas, and a parent of a paranoid schizophrenic son who was being served by the SNAMHS, wanted to know whether the new position was going to be available in northern Nevada or southern Nevada. Mr. Torvinen replied that the new position would be located at the SNAMHS in Clark County.

After he ascertained that no one else wished to testify on this request, Chairman Arberry closed the public hearing and said he would entertain a motion for approval.

MRS. CHOWNING MOVED TO APPROVE THE REQUEST. SECONDED BY SENATOR RAWSON AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

41. **Department of Human Resources – Mental Health Division – Developmental Services Administration – FY 00** – Addition of \$84,470 in Mental Health Block Grant to provide a contract employee, travel and operating expenses to support activities of the Mental Health Planning Advisory Council including the Center for Mental Health Services.

To respond to a question from Mrs. Chowning, Mr. Torvinen explained that item 41 was the administrative portion of the Block Grant that was used to fund the activities of the Mental Health Planning Advisory Council, which was a requirement of the Block Grant. According to Mr. Torvinen, this money was used to provide for travel, training, and a contract person to administer the activities of the Advisory Council.

Chairman Arberry opened the meeting to a public hearing. He inquired as to whether anyone in the audience wished to testify. After hearing no response, Chairman Arberry said he would entertain a motion for approval of the request.

MR. DINI MOVED TO APPROVE THE REQUEST. SECONDED BY SENATOR RAWSON AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

42. **Department of Motor Vehicles and Public Safety – Investigations – FY 01** – Transfer of \$282,516 from Reserve category to Salary category, \$8,912 from Reserve category to Operating category, \$4,608 for Reserve category to Travel category, and \$629 from Reserve category to Training category to continue the Vehicle Enforcement Program (VIPER) reestablished for fiscal year 2000 to reduce motor vehicle theft and fraud.

Refer to motion for approval under item D.

43. **Department of Motor Vehicles and Public Safety – Highway Safety – FY 00** – Addition of \$126,260 in Traffic Safety Grant to add a staff position to conduct statewide traffic safety programs.

Ms. Joanne Keller, Coordinator, Office of Traffic Safety, Department of Motor Vehicles and Public Safety (DMV&PS), introduced Mr. Fred Drees, Chief Safety Engineer, Nevada Department of Transportation (NDOT). Ms. Keller explained that the committee's approval of this request would allow the Office of Traffic Safety to accept \$126,260 from the National Highway Traffic Safety Administration (NHTSA) for state highway safety data improvements. Ms. Keller indicated that the funding would also be used to hire a Traffic Records Manager. In providing background information, Ms. Keller indicated that back in 1995-96, a statewide committee worked with a number of law enforcement agencies and other people interested in traffic data in revising the crash form used by all troopers at an accident site. According to Ms. Keller, it was the consensus of the group that the revised form contains all of the data elements that would be of interest to anyone using the traffic data. Following the revision of this form, the group worked on designing a traffic records system that would incorporate the new data elements. At that time, the group envisioned having a Traffic Records Manager position that would ensure all law enforcement agencies statewide use a similar crash form and participate in this traffic data system.

Ms. Keller pointed out that the Office of Traffic Safety had included a request for a Traffic Records Manager position in its budget requests to the 1997 and 1999 Legislatures, but the position was not approved. She said, however, with passage of the Transportation Equity Act for the 21st Century by the federal government in June 1998, additional money became available for traffic records improvement. Based upon that new funding and the Office of Traffic Safety's need to continue this project, Ms. Keller said the Office of Traffic Safety had applied for a grant award. She directed the committee's attention to a letter on page 43.4 of Volume III of the meeting packets from Mr. David Manning, Regional Administrator, NHTSA Region IX, National Highway Traffic Administration, approving the grant award in the amount of \$126,260. Since federal funding was currently available, Ms. Keller urged the committee to approve this request to hire the new position and to continue its progress in improving traffic records.

To respond to a question from Senator Rawson, Ms. Keller indicated that the grant was multi-year funded and the Office of Traffic Safety could apply for additional funding every year. Ms. Keller said that the Office of Traffic Safety had already submitted its second-year request to NHTSA's Regional Office in San Francisco, California, which had approved the request and forwarded it to NHTSA's Washington, D.C. office. According to Ms. Keller, NHTSA was supposed to meet yesterday on the funding; however, she did not yet know the dollar amount that was approved.

Since he was concerned about the availability of future funding, Senator Rawson wondered about the feasibility of contracting this position rather than hiring a state employee. Ms. Keller said that it was the Office of Traffic Safety's intent to hire an individual with the understanding that if the funding goes away the position would go away. Ms. Keller also indicated that she would be concerned about losing control over the work product and processes if an independent contractor were to be hired; whereas, she thought more course alterations could be made during a classified employee's tenure.

SENATOR RAWSON MOVED TO APPROVE THE REQUEST. SECONDED BY SENATOR JACOBSEN.

Chairman Arberry recognized Ms. Giunchigliani who had a question on the request. Ms. Giunchigliani asked Ms. Keller to describe the type of activities the managerial position would be managing. Ms. Keller indicated that the Traffic Records Manager was an in-house term; however, the Office of Traffic Safety intends to recruit for a Program Officer III, which was the same classified pay grade as the other analysts in the Office of Traffic Safety who administer grant funding.

Ms. Giunchigliani thought it would make more sense to contract the position for the initial first-year grant to allow time to determine exactly what type of individual would be best suited to fill the position in the future. Ms. Keller indicated that the funding level of the grant was for 5 years, but it was renewable each year.

Mr. Perkins wanted to know whether the Office of Traffic Safety had stated goals and objectives for the Traffic Records Manager position. Ms. Keller stated that the overall goal for the Traffic Records Manager position was to produce an integrated highway safety information system that would contain data elements to meet the needs of the statewide traffic safety partners; such as, highway engineering, law enforcement agencies, emergency medical services, and anyone who has an interest in traffic record data.

It was Mr. Perkins' belief that Ms. Keller had previously described a mission statement rather than goals and objectives. Mr. Perkins asked Ms. Keller if she could describe activities that could be measured. Ms. Keller suggested that the first visible accomplishment would be the new crash form, if the form were to be utilized by all of the law enforcement agencies. Ms. Keller suggested another visible accomplishment would be the creation of a Traffic Records Committee. Ms. Keller thought the ultimate goal was to increase the quality of the records on which the Office of Traffic Safety bases its decisions. She suggested that this would also be a determinant on the amount of federal funds the Office of Traffic Safety would receive in the future.

Since there were no further comments or questions from the committee on this request, Chairman Arberry called for a vote on the motion.

MOTION CARRIED BY VOICE VOTE WITH MS. GIUNCHIGLIANI VOTING NO.

44. **Department of Motor Vehicles and Public Safety – FEMA #1153 DR-NV – FY 00** – Addition of \$181,800 in Flood Damage Refunds to receive unspent flood damage project refunds.

Refer to motion for approval under item D.

45. **Department of Motor Vehicles and Public Safety – Records Search – FY 00** – Transfer of \$90,000 from Reserve category to Modular Unit category to provide for the 18 months rental of modular housing units to house the Records Search personnel during remodeling.

Refer to motion for approval under item D.

46. **Department of Motor Vehicles and Public Safety – Forfeiture – FY 00** – Transfer of \$36,795 from the Reserve category to the Nevada Highway Patrol category to complete the purchase of data processing hardware and software for the Attorney General's Case Management Tracking System of Nevada Highway Patrol (NHP) cases.

Colonel Michael Hood, Chief, Nevada Highway Patrol (NHP), explained the purpose of the request.

Chairman Arberry asked Colonel Hood if any of the functions of the case management system in the Office of the Attorney General were assisting the NHP with forfeiture cases. Colonel Hood apprised the committee that NHP was currently involved in a number of lawsuits regarding forfeiture cases, as well as other types of lawsuits. At the present time, NHP performs a hand-search for information to defend the lawsuits. Colonel Hood recalled that approximately 2 years ago NHP had purchased tracking equipment to help consolidate its records so it would be better able to defend lawsuits and he was requesting some software that would complete that package.

Ms. Giunchigliani inquired as to the number of lawsuits that had been filed against NHP during the last 5 years. Although he thought only about four lawsuits had reached the litigation stage, Colonel Hood estimated that approximately 20 lawsuits had been filed against NHP over the last 5 years.

To respond to Ms. Giunchigliani's concern about whether there would be a duplication of effort between the Office of the Attorney General and the NHP, Colonel Hood said he wished to provide an example that he hoped would illustrate the type of problem NHP was experiencing. NHP's administrative personnel had expended over 100 hours in one month on one lawsuit hand-searching records to defend a lawsuit and, 60 days later, another lawsuit was filed, which required NHP's administrative personnel to hand search the documentation a second time. According to Colonel Hood, the tracking system would enable the deputies assigned to NHP to consolidate that information.

It was Mr. Perkins' understanding that the lawsuits previously referred to by Colonel Hood were not against individual NHP troopers, but rather were the result of NHP's interdiction methods and tactics which lead to the arrest of individuals and seizure of certain assets used in the commission of a crime and that NHP follows through with a lawsuit, if necessary, to secure that property as an asset for the State of Nevada. Colonel Hood said Mr. Perkins' understanding was correct.

After directing the committee's attention to page 46.5 of Volume III of the meeting packets, which provides a list of the hardware to be purchased, Ms. Giunchigliani requested Colonel Hood to explain how digital cameras, camcorder with tripod, Fax machine, desktops, laptops, and LCD projector would help track forfeiture information. Colonel Hood said the hardware would help defend a litigation when it goes to trial. Also, according to Colonel Hood, it was sometimes necessary for NHP to engage the services of an outside printer when charts were required.

Ms. Giunchigliani wanted to know whether NHP personnel were preparing the necessary documentation for lawsuits rather than the Office of the Attorney General. Colonel Hood cited an example where a trooper was accused of stopping too many vehicles in a certain area. NHP personnel did a hand-search of documentation to show that even though the trooper had made a number of stops in that area, he made a number of stops in other areas as well. Comparisons would also be made to other troopers who work similar beats.

Since there had been a number of high-profile cases across the country about certain minority groups being stopped by law enforcement officers without cause, Senator Neal said he understood the need for NHP to have the necessary equipment to access the records.

MR. PERKINS MOVED TO APPROVE THE REQUEST. SECONDED BY SENATOR RAWSON AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

47. **Department of Motor Vehicles and Public Safety – Forfeiture – FY 00** – Transfer of \$38,750 from the Reserve category to the Nevada Highway Patrol category to purchase lap top computers, fencing for an auto impound in Elko, and a car lift to allow drug searches.

Refer to motion for approval under item D.

48. **Department of Motor Vehicles and Public Safety – Emergency Management – FEMA #1153 DR-NV – FY 00** – Addition of \$588,311 in federal emergency assistance to increase availability of funds for the flood of 1997 Federal Disaster Eligible Projects.

Refer to motion for approval under item D.

49. **Department of Motor Vehicles and Public Safety – Traffic Safety Programs- FY 00** – Addition of \$587,000 in Federal Traffic Safety Grant to provide pass-through funds to local jurisdictions to conduct a variety of Highway Safety Programs.

Refer to motion for approval under item D.

50. **Department of Motor Vehicles and Public Safety – Hazardous Materials – FY 00** – Transfer of \$38,946 from the Reserve category to the Data Processing category to meet projected Department of Information Technology financial requirements.

Refer to motion for approval under item D.

51. **Department of Prisons – Stewart Conservation Camp – FY 00** – Addition of \$3,417 in Budgetary Transfer to cover projected shortfall in Maintenance of Buildings and Grounds category. The shortage occurred when the glycol was drained from the HVAC System. The Inspector General is currently conducting an investigation of the incident.

In explaining items 51 and 52, Ms. Janet Johnson, Chief, Fiscal Services, Nevada Department of Prisons (NDOP), said the requests would transfer savings from the Lovelock Correctional Center (LCC) to the Stewart Conservation Camp (SCC) to take care of an emergency expenditure to replace the glycol in all of the heating units at SCC. Ms. Johnson noted that approval of the requests would put authority back into the Maintenance of Buildings and Grounds category in the SCC budget to allow for the continuation of the preventative maintenance program.

Chairman Arberry said it was his understanding that someone had allegedly drained the system. Ms. Johnson told the committee that the incident was under investigation at this time and she would provide a report of NDOP's Inspector General's findings to the Interim Finance Committee when the investigation was completed.

Mr. Marvel wanted to know whether the incident was inmate-related. Ms. Johnson said NDOP's Inspector General had not yet ascertained whether the incident was inmate-related; however, if an inmate (or inmates) were involved in the incident NDOP would attempt to recover the cost from the inmates.

MR. MARVEL MOVED TO APPROVE ITEMS 51 AND 52. SECONDED BY SENATOR JACOBSEN AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

52. Department of Prisons – Lovelock Correctional Center – FY 00 – Deletion of \$3,417 in Budgetary Transfer to provide for projected shortfall in Maintenance of Buildings and Grounds at Stewart Conservation Camp.

Refer to discussion and motion to approve the requests under item 51.

53. Department of Transportation – Transportation Administration – FY 00 – Addition of \$88,400,216 in Highway Fund Authorization to allow for increased construction activity.

Mr. Gerry Colquhoun, Chief, Programs and Budget, Nevada Department of Transportation (NDOT), introduced Mr. Jerry Ross, Budget Division, NDOT. Mr. Colquhoun requested an increase in NDOT's Capital Outlay expenditure account (category 06). He said the increase was necessary for a number of reasons; namely: (1) NDOT's state funded work program has increased significantly, from approximately \$101 million in FY 1998, to \$256 million in FY 1999. Mr. Colquhoun said NDOT was anticipating that the state funded work program in FY 2000 would be approximately \$200 million; (2) an increase in consultant costs as a result of NDOT fast tracking super projects. Since NDOT anticipated there would be an impact to the Capital Outlay as a result of fast tracking super projects, Mr. Colquhoun recalled that in June of 1998, the Interim Finance Committee had approved five super project coordinators; (3) the Federal Reauthorization Act in May of 1998, commonly known as T-21, had significantly increased federal funding. For comparison purposes, Mr. Colquhoun pointed out that in FY 1997, the last year of the old act, NDOT's federal aid apportionments were approximately \$149 million compared to \$213 million in FY 2000; and (4) weather conditions. Mr. Colquhoun recalled an unusually dry construction season last fall that had allowed the contractors to work well into the winter months. During the first 6 months, NDOT spent \$223 million, which represented the highest Capital Outlay in its history. If similar weather conditions occur during the spring of this year, Mr. Colquhoun indicated that additional Capital Outlay authority would be needed.

Chairman Arberry wanted to know what the projected year-end balance was going to be for FY 2001. Mr. Colquhoun apprised the committee that NDOT's financial management staff was currently reviewing the cash balance and the cash flow prior to developing the FY 2001 work program. Since it was NDOT's intent to maintain a \$100-million cash balance, Mr. Colquhoun said NDOT's financial management staff would be developing the FY 2001 work program with that in mind.

To respond to a question from Chairman Arberry, Mr. Colquhoun said he was confident that a \$100-million cash balance could be maintained in the FY 2001 work program.

In addressing a question from Senator Neal, Mr. Colquhoun explained that the contractors had been able to continue working through what normally would have been a winter shutdown period and that, if there had been a wet spring, the work would have fallen into the subsequent year.

SENATOR NEAL MOVED TO APPROVE THE REQUEST. SECONDED BY MRS. CHOWNING AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

54. Department of Conservation and Natural Resources – Channel Clearance – FY 00 – Addition of \$59,959 in Transfer Other Budget Same Fund to utilize the balance for FEMA funding in BA 4154 for Channel Clearance Projects that were directly related to channel clean up or maintenance resulting from the 1997 flood.

Refer to motion for approval under item D.

55. Department of Conservation and Natural Resources – Water Resources - USGS Co-Op – FY 00 – Addition of \$70,400 in Federal Receipts (15.611) to establish a project to estimate average annual water budget for the Ruby Valley which was inadvertently omitted from the original work program.

Refer to motion for approval under item D.

56. Department of Conservation and Natural Resources – DEP-Bureau of Water Quality & Pollution – FY 00 – Addition of \$267,520 in Water Pollution 106-Federal to provide a new staff engineering position to do water quality computer modeling and assist in the development of total maximum daily loads (TMDL) for the prediction of point and non-point source pollution and attendant safety margins. Included are Out-of-State and In-State travel, equipment and training for the new position as well as additional operating contract funds and indirect costs.

Refer to motion for approval under item D.

57. Department of Conservation and Natural Resources – DEP-Bureau of Water Quality & Pollution – FY 01 – Addition of \$198,345 in Water Pollution 106-Federal to provide a new staff engineering positions to do water quality computer modeling and assist in the development of total maximum daily loads (TMDLs) for the prediction of point and non-point source pollution and attendant safety margins. Included are Out-of-State and In-State travel, equipment and training for the new position as well as additional operating contract funds and indirect costs.

Refer to motion for approval under item D.

58. Department of Conservation and Natural Resources – Wildlife Bond – FY 00 – Transfer of \$200,000 from the Reserve category to the Boulder City Pond category to establish and develop an urban fishery at the Boulder City Pond/Park, which is the final phase of the park.

Refer to motion for approval under item D.

59. Department of Conservation and Natural Resources – Wildlife Obligated Reserve – FY 00 – Addition of \$100,000 in Gifts and Donations and \$300,000 in Pittman Robertson Federal Aid to provide for rehabilitation

and reseedling of fire damaged wildlife habitat areas.

Refer to motion for approval under item D.

60. **Department of Conservation and Natural Resources – USGS Co-op – FY 00** – Addition of \$443,465 in Reimbursements and \$15,000 in Transfer from other budget accounts to provide for projects and attendant costs under USGS agreement as well as 4th quarter rent.

Refer to motion for approval under item D.

61. **Department of Conservation and Natural Resources – Bureau of Water Quality and Pollution – FY 00** – Addition of \$830,378 in Non-Point Source Sec. 319 Grant to draft and execute Non-Point Source project contracts under the Clean Water Act Plan primarily for stream restoration work and construction of Non-Point Source pollution controls.

Refer to motion for approval under item D.

62. **Department of Conservation and Natural Resources – Bureau of Water Quality and Pollution – FY 01** – De-augmentation of \$402,073 in Non-Point Source Sec. 319 and transfer of \$50,544 from Operating category to Salaries category, \$13,045 from Operating category to Indirect Costs category, and \$2,978 from Operating category to Reserve category to continue funding for new position executing Non-Point Source contracts and increase indirect cost authority to budget account 3173, reserve rent costs for position and de-augment operating authority pending receipt grant notification for FY 2001.

Refer to motion for approval under item D.

63. **Department of Conservation and Natural Resources – Wildlife – FY 00** – Transfer of \$100,000 from the Reserve category to the PARC category to establish programs of predator reduction to enhance the survival of sage grouse in Washoe and Elko Counties, enhance reintroduction of sharp tailed grouse in the Snake Range, Elko County, enhance reestablishment of pronghorn antelope in Churchill Canyon, Douglas and Lyon Counties and Ione Valley, Nye County, and enhance establishment of big horn sheep on Mt. Grafton, Lincoln County.

Speaking to items 63, 64, 65 and 66, Mr. Terry Crawford, Administrator, Nevada Division of Wildlife (NDOW), introduced Mr. Robert Beach, State Director, Wildlife Services/PARC, Nevada Department of Agriculture, who he said would respond to questions on the Predatory Animal and Rodent Control (PARC) Program. Mr. Crawford requested the committee's approval to transfer up to \$100,000 based on work completed on the PARC Program for predatory management activities, primarily dealing with coyotes and ravens. NDOW currently transfers funding each year to the PARC Committee for wildlife work. Mr. Crawford indicated that NDOW had introduced populations of big game animals, as well as reintroductions of endangered species such as sharp-tailed grouse in Elko County and sage grouse.

Mr. Marvel asked Mr. Crawford if Nevada intends to list the sage grouse as an endangered species because he thought it would have an adverse effect on public land usage. Although he was aware that several private groups intend to present petitions within the next few months to the U.S. Fish and Wildlife Service to include the sage grouse on the endangered species list, Mr. Crawford pointed out that Nevada was taking the lead amongst the western states in doing everything possible to prevent the sage grouse from being placed on the endangered species list. Mr. Crawford also advised the committee that the U.S. Fish and Wildlife Service had received a petition for the State of Washington population of sage grouse and the petition was currently under the 90-day review period. He also indicated that the U.S. Fish and Wildlife Services had received petitions last week for the Gunnison population of sage grouse in the states of Colorado and Utah. He said, however, a range-wide petition had not yet been drafted and submitted.

Senator Neal wanted to know whether the sage grouse could fly and Mr. Crawford responded affirmatively. Senator Neal said he did not understand why NDOW was concerned about predators when the sage grouse could fly. Mr. Crawford pointed out that coyotes and ravens disturb the nests of the sage grouse. He also noted that there had been a significant increase in the raven population in Nevada.

Although he realized environmental concerns and endangered species were always a consideration, Senator Jacobsen asked Mr. Crawford if Nevada was making progress with predator containment. Mr. Crawford thought the PARC's programs that he outlined today were a responsible approach to address problems when predators impact either wildlife or private livestock.

A copy of a letter dated January 28, 2000, from the Washoe County Advisory Board to Manage Wildlife, supporting items 63, 64, 65 and 66, was provided to the committee as a handout and a copy of which is included in the meeting minutes as Exhibit A.

SENATOR RAWSON MOVED TO APPROVE ITEMS 63, 64, 65 AND 66. SECONDED BY MR. DINI AND MOTION CARRIED BY VOICE VOTE WITH SENATOR MATHEWS VOTING NO.

64. **Department of Conservation and Natural Resources – Wildlife – FY 01** – Transfer of \$100,000 from the Reserve category to the PARC category to establish programs of predator reduction to enhance the survival of sage grouse in Washoe and Elko Counties, enhance reintroduction of sharp tailed grouse in the Snake Range, Elko County, enhance reestablishment of pronghorn antelope in Churchill Canyon, Douglas and Lyon Counties and Ione Valley, Nye County, and enhance establishment of big horn sheep on Mt. Grafton, Lincoln County.

Refer to testimony and motion to approve the request under item 63.

65. **Department of Conservation and Natural Resources – Predatory Animal and Rodent Control – FY 00** – Addition of \$100,000 in Transfer from Wildlife to establish programs of predator reduction to enhance the survival of sage grouse in Washoe and Elko Counties, enhance reintroduction of sharp tailed grouse in the Snake Range, Elko County, enhance reestablishment of pronghorn antelope in Churchill Canyon, Douglas and Lyon Counties and Ione Valley, Nye County, and enhance establishment of big horn sheep on Mt. Grafton, Lincoln County.

Refer to testimony and motion to approve the request under item 63.

66. **Department of Conservation and Natural Resources – Predatory Animal and Rodent Control – FY 01** – Addition of \$100,000 in Transfer from Wildlife to establish programs of predator reduction to enhance the survival of sage grouse in Washoe and Elko Counties, enhance reintroduction of sharp tailed grouse in the Snake Range, Elko County, enhance reestablishment of pronghorn antelope in Churchill Canyon, Douglas and Lyon Counties and Ione Valley, Nye County, and enhance establishment of big horn sheep on Mt. Grafton, Lincoln County.

Refer to testimony and motion to approve the request under item 63.

67. **Office of the Military – Adjutant General and National Guard – FY 00** – Addition of \$31,701 in Federal Receipts to accept federal funding to continue the Electronic Security Systems, Operation and Maintenance Program in accordance with the Master Cooperative Agreement between Nevada and the National Guard Bureau.

Refer to motion for approval under item D.

68. RECLASSIFICATION CHANGES REQUIRING INTERIM FINANCE COMMITTEE APPROVAL:

1. Department of Information Technology (DoIT), reclassification of position number 0005, from Equipment Mechanic III, grade 32-14, \$41,864, to Development Technician, grade 33-14, \$43,764.
2. DoIT, reclassification of position number 0006, from Electrician II, grade 32-1, \$31,695, to Development Technician, grade 33-1, \$33,073.
3. Department of Administration, reclassification of position number 0027, from Store Supervisor I, grade 29-1, \$25,598, to Driver Warehouse Worker, grade 28-1, \$24,575.
4. Department of Administration, reclassification of position number 0029, from Storekeeper IV, grade 27-6, \$31,695, to Driver Warehouse Worker II, grade 28-6, \$33,073.
5. Department of Human Resources, Health Division, reclassification of position number 0014, from Accounting Clerk II, grade 23-3, \$22,947, to Personnel Technician I, grade 25-3, \$24,805.
6. DHR, Division of Child and Family Services, reclassification of position number 0032, from Grants and Projects Analyst Supervisor, grade 37-13, \$46,729, to Social Welfare Program Chief I, grade 38-13, \$48,880.
7. DHR, reclassification of position number 0018, from Chief Compliance Investigator II, grade 37-8, \$53,452, to Social Welfare Program Chief I, grade 38-8, \$55,916.
8. Department of Employment, Training and Rehabilitation (DETR), Employment Security Division (ESD), reclassification of position number 6726, from Employment Security Specialist II, grade 28-8, \$35,997, to Program Officer II, grade 33-5, \$39,233.
9. DETR, Information Development and Processing Division, reclassification of position number 3024, from Employment Services Officer I, grade 35-8, \$44,704, to Information Systems Specialist II, grade 37-8, \$48,880.
10. Department of Motor Vehicles and Public Safety (DMV&PS), reclassification of position number 0006, from Commercial Vehicle Safety Inspector II, grade 33-1, \$30,234, to Program Assistant II, grade 25-1, \$21,798.
11. DMV&PS, Safety, Management Services, reclassification of position number CC2010, from Environmental Scientist III, grade 36-8, \$46,729, to DMV Program Manager, grade 39-7, \$51,114.
12. DMV&PS, Safety, Highway Patrol Division, reclassification of position number 0007, from Commercial Vehicle Safety Inspector II, grade 33-1, \$30,234, to Computer Network Technician I, grade 33-1, \$30,234.
13. DMV&PS, Safety, Registration Division, reclassification of position number CC5529, from Data Entry Operator, grade 21-1, \$20,441, to DMV Services Technician II, grade 25-1, \$23,844.
14. Department of Conservation and Natural Resources, Wildlife Division, reclassification of position number 0807, from Program Assistant II, grade 25-4, \$26,825, to Conservation Educator II, grade 33-1, \$33,073.
15. DCNR, Wildlife Division, reclassification of position number 0201, from Word Processing Operator I, grade 23-1, \$20,170, to Conservation Educator I, grade 30-1, \$26,684.
16. DCNR, Environmental Protection Division, reclassification of position number 0598, from Staff III, Registered Professional Engineer, grade 38-1, \$37,458, to Environmental Scientist II, grade 35-1, \$32,906.
17. Colorado River Commission (CRC), reclassification of position number 0015, from Power Marketing Specialist, grade 35-1, \$31,361, to Program Officer II, grade 33-1, \$28,814.

Refer to blanket motion for approval under item D for the above listed reclassification requests.

E. STATEMENT OF CONTINGENCY FUND BALANCE.

Mr. Mark Stevens, Assembly Fiscal Analyst, apprised the committee that the current balance in the Contingency Fund as of January 21, 2000, was \$3,841,274. He noted that there were three requests to be considered today, which are: \$500,000 - State Board of Examiners, Statutory Contingency Fund; \$788,400 - Office of the Secretary of State; and \$216,769 - Department of Motor Vehicles and Public Safety (DMV&PS). In addition, Mr. Stevens indicated that the committee might need to address a potential obligation against the Contingency Fund prior to the 2001 Legislative Session as a result of the committee, at its September 21, 1999, meeting, approving a transfer of \$525,000 from next fiscal year to the current fiscal year to fully fund the Senior Citizens' Property Tax Assistance Program. Unless those benefits are prorated in FY 2001, Mr. Stevens said additional funds in the estimated amount of \$1.1 million would be needed in August or September of 2000, when the benefits are paid. He also noted that the committee would need to consider an allocation of approximately \$500,000 for Desert Research Institute's (DRI) Weather Modification Program for next year. Lastly, he pointed out that the cost of the summer 2000 fire season was an unknown. Mr. Stevens said he had done a brief cost analysis, which included approving the three requests on today's agenda and the potential obligations he previously outlined, from which amount he deducted a mid-range figure of \$1.4 million for reimbursement from the Nevada Division of Forestry (NDF) for the 1999 fire season. If all of the aforementioned factors were taken into consideration, Mr. Stevens told the committee the balance in the Contingency Fund would be reduced to approximately \$2.1 million.

F. REQUESTS FOR ALLOCATION FROM THE CONTINGENCY FUND:

1. State Board of Examiners – Statutory Contingency Fund.....\$500,000

Mr. Perry Comeaux, Administrator, Department of Administration, said the purpose of this request was to replenish the Stale Claims Fund. He directed the committee's attention to a financial statement for the Stale Claims Fund on pages 185 – 188 in Volume III of the meeting packets that shows a balance of \$222,480, as of December 8, 1999, and a deficit balance of (\$499,002) if spending continues at the projected rate through March 31, 2001. Mr. Comeaux told the committee that this request was designed to provide enough funding to take care of stale claims until a supplemental appropriation could be approved by the 2001 Legislative Session.

MR. MARVEL MOVED TO APPROVE THE REQUEST. SECONDED BY MR. DINI AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

A copy of the resolution adopted by the committee is included in the meeting minutes as Exhibit B.

2. Office of Secretary of State.....\$788,400

Secretary of State Dean Heller provided the committee with a handout, a copy of which is included in the meeting minutes as Exhibit C. The handout provides letters of support from Nevada's Congressional Delegation, and Senator Ann O'Connell, Chairwoman, Legislative Commission's Committee on Reapportionment and Redistricting (Senate Concurrent Resolution 1, 1999 Session), a chart entitled "Federal Government Allocations Can Be Bolstered By Reducing the Undercount," and additional information provided by the Southern Nevada Census 2000 Complete Count Committee and the Northern Nevada Census 2000 Complete Count Committee.

Speaking in his capacity as Chairman of the Governor's Task Force on the Census, Secretary of State Heller requested the committee's approval for an allocation of \$788,400 from the Contingency Fund to ensure that every citizen in Nevada gets counted to prevent the undercounting and resulting loss of federal funding that has been experienced in the past. Secretary of State Heller introduced Governor Kenny Guinn.

Governor Guinn said he was pleased to assist Secretary of State Heller with this request. If he had realized the importance of the 2000 Census prior to the 1999 Legislative Session, Governor Guinn said he would have provided a funding request in the Executive Budget for this purpose, eliminating the need for a Contingency Fund request at this time. Governor Guinn emphasized that the 2000 Census was vital to Nevada's economic well being because Nevada would not have another opportunity to set the census record straight for another 10 years. As a result of the undercount from the 1990 Census, it was Governor Guinn's belief that Nevada may have lost as much as \$200 million over the last 10 years. In view of Nevada's rapid growth, Governor Guinn suggested that Nevada could lose anywhere from \$300 to \$400 million over the next 10 years unless an aggressive stand was taken to ensure that it has the very best count possible in the upcoming census.

Continuing his testimony, Governor Guinn said he had asked Secretary of State Heller to spearhead the 2000 census campaign even though he realizes it requires a great amount of time and effort. He also noted that a number of people from the various counties and cities were performing in-kind work and providing money as well because of their belief in the importance of an accurate census count. Governor Guinn thought many people were going to be missed during the 2000 Census unless Nevada has a good public relations program and a good marketing program. Governor Guinn said he had recently examined historical information which revealed that Nevada had received back only about 70 cents for every dollar collected and sent to the federal government; whereas, California, by comparison, had received back about \$1.30 for every dollar collected and sent to the federal government. In addition, he indicated that California had approved \$20-plus million at the state level for the 2000 Census. He also pointed out that the executive branch was currently involved in a fundamental review of agency budgets and he planned to meet with agency administrators some time during May to discuss the relationship between revenues and expenditures in the State of Nevada. In concluding his testimony, Governor Guinn thanked the committee for allowing him to make his presentation and he urged the committee to approve this request.

It was Mrs. Chowning's understanding that people who were language deficient and people who lived in multi-family units were two factors that contributed to the low response during the 1990 census. Mrs. Chowning wanted to know what would be done in the 2000 Census campaign to help those people respond. Secretary of State Heller pointed out that the federal government provides a "one size fits all" program for each state. According to Secretary of State Heller, Nevada currently has the dubious distinction of having the sixth worst undercount in the nation. Because of the population growth and the number of minority communities in Nevada, Secretary of State Heller said it was critical for Nevada to be proactive and support this process. He indicated that a Complete Count Committee had been formed 4 years ago in southern Nevada as well as in northern Nevada. The Complete Count Committees, which are comprised of government officials and private sector officials, are working with church groups and leaders within minority communities to identify those neighborhoods that would be the most difficult to count. Secretary of State Heller said, however, it was not the intention of the state to duplicate the efforts of local governments. Secretary of State Heller directed the committee's attention to a chart that was included in his handout (Exhibit C) entitled "Federal Government Allocations Can Be Bolstered By Reducing the Undercount" that shows the impact on federal funding allocations if Nevada were to be able to reduce its undercount from 2.4 percent (1990 Census) to 1.6 percent (national average). The two black arrows on the chart show the breakeven point for a 10-year payback and a 1-year payback. For example, an additional 700 people would need to be counted during the 2000 Census for Nevada to breakeven in 10 years.

Mrs. Chowning wanted to know if a unified approach had been used during the 1990 Census. Although he was not aware of a unified approach during the 1990 Census, Secretary of State Heller said he was aware of the efforts of one individual from one of the local governments in southern Nevada who had neither the resources nor the time to get the job done and that there was no effort at the state level. Governor Guinn pointed out that Nevada's population is far more diversified today than it was 10 years ago. While he would agree with Mrs. Chowning about the importance of a second language, Governor Guinn pointed out that there were over 60 different languages being spoken in Clark County today. He said Nevada would need a program that was inclusive of, say, the Asian community, where as many as 15 to 20 different languages were spoken. In addition, an extensive media program would be needed to ensure that people understand the importance of an accurate census count.

It was Secretary of State Heller's belief that the key to a successful census count was to make the campaign a Nevada issue rather than a federal government issue. He said it would be equally as difficult to convince people of the importance of an accurate census count in rural Nevada as in the metropolitan areas.

Mr. Dini said he had attended the meeting on Reapportionment and Redistricting (Senate Concurrent Resolution 1, 1999 Legislative Session) and while the committee agreed with the media campaign in concept, it wanted to have additional information provided on the manner in which the funding would be expended. Since it was his belief that there had been a significant undercount in the rural areas during the 1990 Census, especially the Native American population, Mr. Dini expressed concern that there could be an additional problem getting an accurate count during the 2000 Census as a result of the large Hispanic population that had moved into the rural counties since 1990. To address Mr. Dini's concerns, Secretary of State Heller said he had met with the Complete Count Committee in northern Nevada and the committee had agreed to expand its service area to include more of the rural areas. Secretary of State Heller asked Mr. Bob Harman, who represents the Complete Count Committee in northern Nevada, to respond to Mr. Dini's concerns.

Chairman Arberry recognized Mr. Bob Harman, Public Information Officer (PIO), Washoe County, and a representative of the Complete Count Committee in northern Nevada. Mr. Harman said the initial focus of the Complete Count Committee had been Washoe County, Douglas County, and Carson City. He said, however, following the Reapportionment and Redistricting Committee meeting, Secretary of State Heller had apprised him of the committee's concern about including the rural counties in the marketing plan. Mr. Harman said the Complete Count Committee was aware of the television outlet in Elko and it would be looking into radio and print as well. To echo Secretary of State Heller's previous remarks, Mr. Harman said the purpose of the Complete Count Committee in both northern and southern Nevada was to successfully get their message across through the mainstream media about the importance of an accurate census count to Nevada. He said the committees' main objective was to devise a marketing strategy that would focus on the undercounted minority communities.

While no one on the committee would argue about the importance of getting an accurate census count in 2000, Ms. Giunchigliani thought the Reapportionment and Redistricting Committee wanted to ensure that the Complete Count Committees have a locally grown media message that would recognize Nevada's independence from the federal government. Since it was her understanding that children had also been undercounted in the 1990 Census, Ms. Giunchigliani said she would hope the Complete Count Committees would craft a coordinated and cohesive media campaign that involves students and school districts. As an example, the school districts could offer an incentive program for students who return the completed census forms. According to Ms. Giunchigliani, many of the children are the only ones who speak English in their homes. Ms.

Giunchigliani suggested that if the Complete Count Committees were to ignore this communication link, it would miss a huge captive audience who would not only be able to learn something more about citizenship, but who would also be the direct beneficiaries of additional federal funding for schools, housing, and other programs.

Senator Neal said he wished to commend Governor Guinn and Secretary of State Heller for their efforts. Senator Neal said he had observed the development of the census in Nevada since about 1960 and he thought there had been a deliberate undercount in the minority communities because a higher count would have resulted in an increased demand for services. Senator Neal urged the committee to support this funding request so that all Nevadans could be recipients of additional federal funding.

Senator Raggio urged the committee to approve funding for the media campaign for an accurate census count in Nevada because of the impact it would have upon one of the fastest growing states in the country for the next 10 years. Although he thought the federal government had done a good job, Senator Raggio suggested that the federal government had taken a “vanilla-type approach” in its census-taking efforts across the country. According to information provided by the Secretary of State (Exhibit C), Senator Raggio said that an independent study done after the 1990 Census indicated there were not enough local publicity campaigns to warrant a higher response rate. In addition, Senator Raggio noted that Nevada was the sixth most undercounted state in the nation during the 1990 Census, which had cost Nevada hundreds of millions of dollars in federal funding. He also pointed out that the information provided in Exhibit C indicates that the response rate was 78 percent nationwide in 1970; 75 percent in 1980; 65 percent in 1990; and, if the current trend continues, it projects 55 percent for 2000. Senator Raggio thought it was imperative to have a concerted effort to get a full count and he urged the committee to support this funding request, as well as any additional funding request if this allocation proves to be inadequate to accomplish an accurate count.

Mrs. de Braga spoke in support of the importance of an accurate count in the 2000 Census. Mrs. de Braga said she especially agreed with Ms. Giunchigliani’s previous suggestion that the local school districts be included in the media campaign for the 2000 Census because of the undercounting of children that occurred during the 1990 Census. She thought there had been a tendency during past census-taking efforts to provide media coverage in the two large counties of Washoe and Clark and to combine media coverage into one entity for the remaining 15 counties. Mrs. de Braga said it was important for the Complete Count Committees to remember that a large part of the people living in rural Nevada do not receive delivery of a major Nevada newspaper and they receive TV reception from TV stations located in Idaho or Utah rather than Nevada. To ensure that Nevada has a complete count during the 2000 Census, Mrs. de Braga urged the Complete Count Committees to find a solution to reaching people in the rural areas.

While he thought the media campaign to have an accurate count was commendable, Chairman Arberry wanted to know whether the Secretary of State had sought funding from other sources, particularly the local governments, before bringing the request to the Interim Finance Committee. Secretary of State Heller pointed out that the Complete Count Committee of southern Nevada had already invested between \$250,000 to \$300,000 in time and effort over a 4-year prior. He said approximately 25 to 30 people who serve on the committee have devoted one day of their time and effort once a month. For its meeting on January 26, 2000, Secretary of State Heller said he had provided a list to the Board of Examiners of approximately 100 programs in Nevada that are dependent on the census population count. He cited several emergency assistance programs such as Women, Infants and Children (WIC), Food Stamps, and Violence Against Women. After the Board of Examiners looked at the impact the census would have on the various programs, as well as highway funds, educational funds, and the amount of money that was spent either directly or indirectly by the local governments, Secretary of State Heller said a decision was made to seek an allocation from the Interim Finance Committee’s Contingency Fund.

Chairman Arberry wanted to know whether a study had been done to determine the amount to be expended for television, radio, print ads, and other expenditure items, in both northern and southern Nevada. Secretary of State Heller said the expenditures had been compiled by the Complete Count Committees after receiving input from industry experts. He indicated that funding had been increased in some cases at the suggestion of industry experts.

It was Chairman Arberry’s understanding that the Complete Count Committees had solicited the opinions of several advertising agencies on the cost of the media campaign and he wanted to know if those advertising agencies were now under the impression they would be awarded the contract for the advertising or whether the media campaign would be put out to bid. Secretary of State Heller said the Complete Count Committees had been requested to report back to the Board of Examiners on the effectiveness of the media programs and he suggested that the two Complete Count Committees report back to the Interim Finance Committee as well. Secretary of State Heller indicated that the media campaign would be bid through the normal process. Governor Guinn told the committee he did not believe it would be difficult to ask the advertising agencies in Clark County as well as in Washoe County to contribute their fee for placing ads with the TV and radio stations. According to Governor Guinn, advertising agencies, generally speaking, receive between 17 and 18 percent as a fee for doing that placement. Governor Guinn recalled that several of the advertising agencies had contributed their fees for school bond issues and other public issues in the past. Governor Guinn said he would be willing to meet with the advertising agencies so that the funding could be maximized for this important cause.

To respond to a question from Mr. Marvel, Secretary of State Heller said an accurate census count was critical to make sure all communities have a fair voice in government.

MR. MARVEL MOVED TO APPROVE THE REQUEST. SECONDED BY SENATOR NEAL AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

A copy of the resolution adopted by the committee is included in the meeting minutes as Exhibit D.

3. Department of Motor Vehicles and Public Safety.....\$916,769

Ms. Ginny Lewis, Deputy Director, Department of Motor Vehicles and Public Safety (DMV&PS), requested funding for additional staff in the Motor Vehicles Branch that is being driven by DMV&PS’ obligation to provide acceptable service delivery to its customers. Acceptable service delivery means that on average the customer should not wait more than 1 hour in the metropolitan offices and that those customers renewing registrations and drivers licenses by mail should expect a reasonable turnaround time of no more than 12 to 13 days. Since the customer starts counting from the day they mail the renewal until the day they receive it back, Ms. Lewis said that DMV&PS’ goal was to process the request within 5 to 6 days in order to meet customer demand.

It was Ms. Lewis’ contention that DMV&PS, the Governor’s Office, and the legislators were tired and frustrated by customer complaints about long waits for services at DMV&PS offices. Ms. Lewis said it had become evident over the past 60 days that the continued long lines in DMV&PS’ metropolitan offices were not related to any computer issues that had been experienced in September and October of 1999, when the new computer system was first implemented, but rather the long lines were attributable to staff availability. Ms. Lewis told the committee that DMV&PS does not have adequate staff to provide coverage at the windows to meet customer demands, specifically in the Las Vegas and the Reno offices.

Ms. Lewis apprised the committee that this request represents a total of 57 positions for the Motor Vehicles Branch, including 23 positions for southern Nevada. Ms. Lewis indicated that 17 of those 23 positions would be designated to provide Saturday services at the Henderson office, with the remaining 6 positions designated to the other Las Vegas offices. In addition, 24 positions would be designated for the Galletti Way office in Reno to provide increased staffing for Saturday services, as well as provide better coverage during the week to reduce the wait time. She said 1 position was designated for the Fallon office to improve the wait time in that office and 7 positions would be dedicated for the Central Services Division for mail renewal and titling programs. Of those 7 positions, 3 positions are for mail renewal to ensure maintaining the

turnaround time as DMV&PS continues to market this program to its customers and reestablish customer trust. The remaining 4 positions would support the title and license review section and opening the mail; thereby, allowing the designated staff to focus their time on title production. Lastly, 2 positions would be dedicated to ongoing training for new hires in the branch offices. Ms. Lewis told the committee that it was incumbent on DMV&PS to keep the vacancies down to a minimum and always have new hires trained to fill vacant positions as they occur.

After a review of available salary savings, Ms. Lewis apprised the committee that DMV&PS had been able to reduce the amount of the request from \$916,769 to \$216,760, which would minimize the impact to the Contingency Fund. Furthermore, DMV&PS intends to seek during the 2001 Legislative Session a supplemental appropriation from the Highway Fund in the amount of \$216,760 with which to reimburse the loan from the Contingency Fund. The Board of Examiners, at its meeting on January 26, 2000, recommended approval of the loan from the Contingency Fund in the amount of \$216,760.

Ms. Lewis said it was DMV&PS' intention to ask for permission to continue the 57 new positions during FY 2001 and that the new positions would be funded within the existing authorizations in DMV&PS' budgets. The salary balances would be closely monitored and DMV&PS hopes to be able to cover the salaries of the 57 new positions until March 2001, at which time a request for a supplemental appropriation would be submitted to the 2001 Legislative Session. She said, however, if DMV&PS were to be unable to fund the new positions for that length of time, DMV&PS would return to the Interim Finance Committee next fall to request a Contingency Fund allocation to cover any salary deficiency until a supplemental appropriation could be requested during the 2001 Legislative Session. While she had no doubt that some level of salary savings could be achieved in FY 2001 to offset the additional funding needed, Ms. Lewis said it was impossible at this point in time to determine the extent of that savings.

Although she realizes some people may view DMV&PS' approach to annual staff availability and productivity as liberal, it was Ms. Lewis' belief that DMV&PS had realistically identified those functions that take an employee away from servicing a customer. Without recognizing all of those areas and being able to capture them in a formula, Ms. Lewis said DMV&PS would never correctly quantify the total number of employees required to service the windows in the branch offices. While DMV&PS believes the formula identifies its present needs, the formula would be reevaluated before a request for additional staff was submitted. Since it would not be realistic to assume that employees are going to be 100 percent productive, Ms. Lewis indicated that DMV&PS had applied a 90 percent productivity rate per employee for the hours available in a year. DMV&PS has identified several significant issues for the 10 percent of the time employees are not providing direct customer service. For instance, the Family Medical Leave Act (FMLA) mandates that DMV&PS grant extended leave to certain employees under certain conditions. In addition, the Americans with Disabilities Act (ADA) mandates that DMV&PS provide light duty to employees who need it. An evaluation of the impact of the two acts in calendar year 1999 determined that 4,271 days were lost either from extended leave or employees who were reassigned to light duty. Based upon a 7-1/2 hour day, the 4,271 days that were lost equates to 19 positions. Ms. Lewis said the formula recognized this loss of productivity had impacted staff availability.

Ms. Lewis apprised the committee that a total of 15 positions had been dedicated for testing of computer application fixes in the Carson City and Las Vegas offices. According to Ms. Lewis, this level of testing was critical to ensure that "bug fixes" are well tested and regression testing occurs before the application goes into production. There are 5 dedicated testers in various functional areas in the Las Vegas offices and approximately 10 in the Carson City office. Ms. Lewis pointed out that this important task was not required in the past, but was currently being performed by different staff within the branch offices.

As staffing needs were evaluated, especially in southern Nevada, Ms. Lewis said it had become clear to DMV&PS that employees were "burned out" because of their efforts to take care of customers during a very stressful period. Ms. Lewis suggested that DMV&PS employees were probably the only employees in state government who have split days off. In order to provide Saturday services and ensure adequate coverage on Mondays and Fridays, Ms. Lewis said DMV&PS had been unable to give employees two consecutive days off. The employees indicated that they were tired of working late at night to serve customers who were in the branch offices before the close of business. To address this concern, in December of 1999, DMV&PS piloted adjusted office hours in the Las Vegas branch offices from 8 a.m. until 5 p.m. There was an immediate improvement as the offices were able to provide better coverage. This change in hours was a win-win solution because more windows were open during the day and the employees were able to leave at night at a more reasonable hour. By having better coverage early in the morning and throughout the day, DMV&PS staff has been able to handle a large volume of customers waiting at the doors of the branch offices at 8 a.m. Ms. Lewis noted that it was not unusual to have over 100 customers waiting in line at 8 a.m. at the Flamingo office in Las Vegas. Due to the positive response from employees and customers, DMV&PS has formalized the 8 a.m. to 5 p.m. office hours, but this adjustment alone has not provided the coverage needed to attain DMV&PS' goal of no more than a 1-hour wait.

Since July of 1999, Ms. Lewis indicated that DMV&PS had moved 29 vacancies from southern Nevada to address staffing needs in the mail renewal section, the phone center, and different branch offices in northern Nevada. This shifting of positions has reduced DMV&PS' ability to adequately staff the branch offices in southern Nevada and has resulted in staff being spread too thin to meet the needs of the customers. The growth in Nevada continues to impact DMV&PS' branch offices. New registrations increased 4 percent from 1998 to 1999. Total registration renewals showed a 26 percent increase from 1998 to 1999. In comparing October and December of 1998 with the same period in 1999, there has been a 40 percent increase in DMV&PS' mail renewal driver's license program. Driver's license renewals in the field represent a 16 percent increase. With approximately 5,000 people moving into southern Nevada each month, Ms. Lewis suggested that many of those new residents would visit (perhaps multiple times) one of the branch offices for either a driver's license or registration before they have their vehicle(s) legally registered.

While many people have questioned why DMV&PS needs additional staff when enabling technologies were scheduled to come on line this spring, Ms. Lewis apprised the committee that if the positions were approved, DMV&PS expects to have the new positions manning windows at the same time that the enabling technologies come on line, allowing customers to renew via the Internet, telephone, or at emission stations. She said, however, until the new technologies were accepted by the customers, DMV&PS would be unable to determine which customer group would be impacted. While DMV&PS hopes the new technologies offer an alternative to those customers who are currently coming into the branch offices, Ms. Lewis said that the outcome remains an unknown at this point in time. Although DMV&PS plans to implement an aggressive marketing campaign to educate customers on these alternatives, Ms. Lewis said human behavior was difficult to predict. In concluding her testimony, Ms. Lewis said that DMV&PS believes that approval of this request would increase staffing to the level needed to provide services to the customers in a fashion that they expect and deserve.

Chairman Arberry said that if the committee approves this request, he would expect DMV&PS to tell the committee when it expects to be able to reduce the waiting time to 1 hour in the branch offices. To respond to Chairman Arberry's question, Governor Guinn said he had spent a considerable amount of time with management and staff at DMV&PS and he wished to state for the record that the testimony previously provided by Ms. Lewis was correct. Since DMV&PS currently has an unacceptable system and it has had an unacceptable system for years, Governor Guinn suggested that it was time to show the taxpayers of Nevada that DMV&PS can do a better job of servicing its customers. Since the majority of people who live in Nevada or move to Nevada have contact with DMV&PS and judge him and all state employees according to their experience with DMV&PS, Governor Guinn thought it was time to change an unacceptable system.

Governor Guinn said he asked DMV&PS to do a number of things. First, he has asked DMV&PS to have a training academy so that when an employee was absent due to Family Medical Leave, or vacates their position by termination, it could be filled immediately without DMV&PS having to wait 2 to 3 months to fill that position. As a case in point, he cited the school districts that have substitute teachers when teachers need time off. With over 850 employees in the Motor Vehicles Branch alone, Governor Guinn suggested that DMV&PS would always have 50 to 60 vacancies because of the working conditions and environment.

Governor Guinn indicated that he had asked DMV&PS to set a goal of less than 1 hour as the acceptable wait time in all branch offices. While it was his understanding that the wait time was currently less than 1 hour in some of the branch offices, Governor Guinn said he had asked DMV&PS to focus on those branch offices that have longer wait times. He also wants DMV&PS to focus on public relations problems with the taxpayers of Nevada. In addition, he pointed out that the legislature had provided funding for several large buildings for DMV&PS; i.e., Henderson and Flamingo Road in Las Vegas, that have 30 or more windows,

yet some of those branch offices have staffing for only 17 or 18 windows. Governor Guinn questioned the feasibility of the state providing funding for those buildings without providing adequate staffing. Governor Guinn said he realizes and he hoped the committee realizes that it would not always be possible for DMV&PS to serve customers within a 1-hour timeframe because of language barriers, unacceptable documentation from other states, or other reasons.

Governor Guinn told the committee that if the Economic Forum projections had been more accurate, he would have been able to include the additional positions for DMV&PS in the Executive Budget for consideration by the 1999 Legislature. Governor Guinn pointed out that the surplus began growing at the end of last fiscal year, a month after the May 31, 1999, adjournment of the 1999 Legislative Session. By the time the state's books were closed, the state had accrued \$21.5 million more in revenue than was expected. Unless something drastic happens in the next 4 to 5 months, Governor Guinn said that state revenues were expected to produce another \$49.2 million by June 30, 2000, for a total surplus of \$71 million. Although he does not publicize it, Governor Guinn reminded the committee that he had not lifted the hiring freeze in state government. He estimated that there were between 1,200 to 1,500 vacant positions even after 300-plus employees were transferred into other state positions when the State Industrial Insurance System (SIIS) was privatized. Although he disliked having to request \$216,760 for new positions, Governor Guinn said DMV&PS employees were tired, frustrated, under trained, and, in some instances, under paid. In concluding his testimony, Governor Guinn stated:

In these circumstances you and I depend on these people at the front counter and we have got to give them some relief. The majority of our people will have two family members who are working to make a living in these pay categories. And when you tell these people that they cannot get two days in a row during the week with their spouse or their family, they can do it for awhile, but they have been doing it since September 17, 1999, and it is time for us to make some changes and that is what we are trying to do. If it does not work, I will be the first one to come back and tell you. It will not be John Drew or Ginny Lewis. It will be me because I think that is my responsibility. And so I ask you to allocate these. We will not set a precedent. We will come back later. When we go on the Internet, and if these things are picking up, we will drop off people through attrition and just not replace them. We will be happy to keep you and your staff updated.

Chairman Arberry inquired as to the anticipated timeframe for DMV&PS to reach the 1-hour waiting time in the branch offices. To minimize any delays, Ms. Lewis said DMV&PS was prepared to offer conditional employment. Since background checks have been completed, DMV&PS would be prepared to bring on board a group of employees who did not need to give 2-weeks notice to their current employer for training on Monday, February 7, 2000 and the remaining group who needed to give 2-weeks notice to their current employer would be brought in for training on the following Monday, February 14, 2000. Since DMV&PS has a standard 8-week training program, Ms. Lewis said it would be 8 weeks before the new employees would be able to work at the windows.

Chairman Arberry said he would rephrase his prior question by asking Ms. Lewis how long would it take for DMV&PS to reach its goal of less than 1-hour waiting time in the branch offices. Ms. Lewis responded that DMV&PS hopes to have the coverage it needs to attain a 1-hour wait in the branch offices when the new employees start working at the windows; thus, she would expect to see the impact in the month of April.

Senator Neal pointed out that the Interim Finance Committee's Subcommittee on Project Genesis and Department of Information and Technology (DoIT) had heard DMV&PS' proposal at the subcommittee's meeting yesterday. Senator Neal said he was impressed with the manner in which DMV&PS had determined the need for additional staff because he had never seen such a thorough and professional analysis done by any other state agency and he thought DMV&PS should be commended for its efforts in this regard. Senator Neal said he was aware that DMV&PS had shifted positions to adjust for growth in various branch offices. Senator Neal agreed with DMV&PS that employees should be trained so that when a vacancy occurs there was no loss of service to the public.

Mr. Hettrick said he had walked into the Carson City office yesterday and observed that there were three lines and about four windows not operating. Mr. Hettrick thought the Information Desk was very helpful in providing information to people who did not need to stand in line. He asked the lady at the Information Desk how things were going and she told him there would be no lines today except that two staff members had been sent to the branch offices in Fallon and Yerington to cover for absent employees in those two offices. When he left the Carson City office, a gentleman asked him if he had to stand in line 4 hours; thus, he believes that public perception is that you have to wait in line 4 hours. Mr. Hettrick opined that DMV&PS was doing a good job when trained staff was available. Since he agreed that DMV&PS has an obligation to service the public, Mr. Hettrick said he would be supporting DMV&PS' request.

Ms. Giunchigliani thought everyone had articulated clearly today that DMV&PS' request was neither a partisan issue nor a legislature versus executive branch issue. Ms. Giunchigliani recalled that the legislature had grappled for many years with additional staffing, Project Genesis, and many other issues pertaining to the operation of DMV&PS. Ms. Giunchigliani said she would agree with Governor Guinn that the first state agency a person contacts when they move to Nevada, if they drive a motor vehicle, is DMV&PS. Ms. Giunchigliani recalled that the legislatures in 1993, 1995, and 1997 had allocated funding for additional staff to address the lines in Washoe County and in Fallon, which were one-half hour at the time, and the lines in Clark County, which were 2 hours. Ms. Giunchigliani said she was glad to hear that DMV&PS' goal was to reduce waiting times to no longer than 1 hour. Ms. Giunchigliani said she had some questions about whether DMV&PS would be able to provide the type of services that the customer demands.

Although she heard the Governor state that the funding formula had not been changed, Ms. Giunchigliani suggested that there were two new factors in the staffing pattern; i.e., productivity and the 5 percent vacancy saving, that she had never seen before. Ms. Giunchigliani suggested that those two factors would set a huge precedent and would open the "flood gates" for additional and unanticipated funding. Ms. Giunchigliani said she would hope that portion of the funding formula could be segregated so that the committee could consider approving the new positions rather than creating a precedent.

Ms. Giunchigliani wanted to know the number of new hires that were scheduled to start training on Monday, February 7, 2000. Ms. Lewis responded that approximately 20 new hires were scheduled for training on February 7, 2000. Governor Guinn interjected that he had asked DMV&PS to train additional people to address the number of vacant positions. It was Governor Guinn's belief that DMV&PS should have a continuous training program because it had been taking at least 3 weeks for DMV&PS to hire employees through the Department of Personnel and an additional 8 weeks to train them. Governor Guinn said he had waived this requirement so that vacancies could be filled immediately.

It was Ms. Giunchigliani's understanding that DMV&PS would also be recruiting out of Welfare offices and minority populations. Governor Guinn said he had contacted Carol Jackson, Director, Department of Employment, Rehabilitation and Training (DETR) about training people for DMV&PS positions.

Ms. Giunchigliani wanted to know the total number of vacant positions at the present time, excluding the 57 new positions being requested today. Although she said the vacant positions were a "moving target," Ms. Lewis said there were currently about 20 vacant positions in the Field Services Division, which has about 500 employees.

Ms. Giunchigliani wanted to know how many of the 57 new positions being requested were envisioned as front line personnel who would handle customer service. Ms. Lewis indicated that the 48 positions identified for the field would be front line personnel, 7 positions were dedicated for back-office functions, and 2 positions for the ongoing training of new hires.

It was Ms. Giunchigliani's understanding that DMV&PS' Carey office in Las Vegas would be closing in March for remodeling and she would be interested in learning how those employees were going to be utilized

while the office was closed. Ms. Lewis explained that the Carey office was scheduled to be closed only for 3 weeks and that the employees would be deployed to other branch offices. Although she acknowledged that there could be an overstatement of staff in the other offices for about 2 weeks as a result of the overflow of employees from the Carey office, Ms. Lewis said she would anticipate that the employees could help with back-room functions.

To respond to a question from Ms. Giunchigliani, Ms. Lewis responded that DMV&PS' proposal provides for 8 a.m. to 5 p.m. office hours. She said, however, since there were usually a large number of people waiting at the doors of the Las Vegas offices before 8 a.m., it might be possible for the additional staff to provide extended hours in some of the branch offices. In addition, she hopes to provide services on Saturday at the Henderson office since it is the only branch office in Clark County that does not provide services on Saturday. Ms. Lewis also said she would consider giving employees 2 consecutive days off even if it was only once a month.

Since it was her understanding that DMV&PS currently staffs the windows at the Sahara and Flamingo branch offices on a 12-hour basis, Ms. Giunchigliani said it would appear to her that the 8 a.m. to 5 p.m. office hours being proposed by DMV&PS for the 57 new positions was a departure from the existing staffing pattern. Governor Guinn said the 8 a.m. to 5 p.m. office hours had been changed because the 12-hour shifts had posed a public relations problem. He also pointed out that because staff had been required to stagger their hours to cover the 12-hour shift, customers became frustrated when they arrived at, say, 7 a.m., and found a number of windows closed, requiring them to wait in line for an unacceptable length of time. In addition, it was DMV&PS' policy to serve customers if they were already in the office at closing time, even if it meant having employees stay until 7 p.m. or 8 p.m. When the office hours were changed to 8 a.m. until 5 p.m., Governor Guinn said this particular problem smoothed out.

Ms. Giunchigliani said she did not believe that adding more people would reduce the lines due to the limited number of windows in the branch offices. She also thought that because the existing staffing formula no longer fits, it was going to be necessary for the 2001 Legislature to re-examine the staffing formula. It was Ms. Giunchigliani's opinion that DMV&PS should be concentrating on reducing transaction times. Governor Guinn pointed out that Project Genesis generates volumes of data on transaction times. Although he thought Ms. Giunchigliani's questions were valid, Governor Guinn said he would disagree with her that the staffing formula was not working, rather he thought the opposite was true. It was Governor Guinn's opinion that the windows were closed, in many instances, because of the lack of staff.

Ms. Giunchigliani said she was trying to get a handle on the situation because the staffing formula had been a "moving target" for years. Governor Guinn agreed with Ms. Giunchigliani that the staffing formula had been a "moving target" and he thought it would always be a "moving target" because of a number of variable issues. He said he had spoken with Governor Davis in California and determined that California has an entirely different system than Nevada's. In citing one of the differences, Governor Guinn said a person living in Nevada who has not registered a vehicle for 3 years could sign an affidavit that the wheels of the vehicle have been up on blocks for 3 years and the individual would not be required to pay a fee. By contrast, in California, a person would be required to pay a stiff penalty of several thousand dollars unless that person had received prior signed approval for not registering that vehicle for 3 years. While he thought Nevada was more liberal in this particular area, Governor Guinn emphasized that it takes more time for technicians to process this type of transaction.

In providing a summation of her concerns, Ms. Giunchigliani stated:

We want to do whatever is right in order to make sure our constituents are served and I think that is what we attempted to do legislatively last session and in previous sessions.

Ms. Leslie expressed an interest in being provided with the number of new positions being requested for DMV&PS' Galletti Way office in Reno. Ms. Leslie said she had been telling her constituents to go to the Carson City or Fallon branch offices and to avoid the Galletti Way office because of the long lines. Ms. Leslie also said she was interested in having the cross training issue for the Galletti Way office addressed. Ms. Lewis indicated that 24 new positions were designated for the Galletti Way office as there had not been sufficient staff to open all of the windows for a number of years. Ms. Lewis acknowledged that DMV&PS' focus had been on southern Nevada because of the tremendous growth in Clark County. According to Ms. Lewis, the situation in Washoe County had reached the crisis point as the wait times at the Galletti Way office were probably longer than at the branch offices in Las Vegas. With the 24 new positions, Ms. Lewis said that she hoped to get all of the windows open at the Galletti Way office. Also, since the Galletti Way office was open on Saturdays and staffed with employees who are paid on an overtime basis, Ms. Lewis said the additional staff would provide coverage in those areas.

In addressing the cross training issue, Ms. Lewis pointed out that the cross training in the Galletti Way office had not yet reached the level that has been reached in southern Nevada. She said her priority had been to get the new application up and running, ensure the comfort level of the technicians in the operation of the equipment, and then return to the cross training issue. Ms. Lewis explained that the staff in the Reno offices had been rotated to the express offices to assist customers with registrations and drivers licenses in an express environment. Ms. Lewis suggested that once the Q-Matic system has been installed in the Reno offices, which is scheduled during the current fiscal year, it would allow for cross training in the service centers.

If the committee approves the new positions today, Ms. Leslie wanted to know when it would be possible to reduce the wait time to under 1 hour at DMV&PS' Galletti Way office. Ms. Lewis indicated the new employees who were dedicated to branch offices in northern Nevada were scheduled to start their training on Monday, February 7, 2000, and she estimated that they would be available to serve customers at the windows by April.

Several years ago and prior to Project Genesis, Senator O'Donnell recalled that the Senate Committee on Transportation, of which he chairs, had heard a significant amount of testimony about the long lines at DMV&PS branch offices and the committee tried to do everything it could to make sure the lines were shortened. Senator O'Donnell agreed with Governor Guinn and Ms. Lewis as to the difficulty in determining exactly when the lines would be reduced to less than 1 hour, but he could tell the committee what would happen if it does not approve the additional positions. Senator O'Donnell reminded the committee that several years ago the legislature had allowed people to register to vote at DMV&PS branch offices. If people have more time to register to vote because they are standing in line, Senator O'Donnell suggested that a number of the legislators on the Interim Finance Committee would not be around in 2 years.

Mrs. de Braga said she was glad to hear about the cross training because it had been her observation that it creates additional wait times in small branch offices such as Fallon's if employees have not been cross trained. Mrs. de Braga also thought it would be helpful to the employees at DMV&PS' Fallon office if Washoe County legislators would stop instructing people to come to the branch office in Fallon because 2-hour waits were still common and she was still receiving numerous complaints about the long waiting time.

Ms. Lewis thanked Mrs. de Braga for her comments and she pointed out that DMV&PS was proposing one new position for the branch office in Fallon to address the long lines.

Mr. Perkins recalled that several years ago the legislature had provided funding for a Business Process Reengineering (BPR) study of DMV&PS. The study indicated that once Project Genesis was implemented, it would generate savings over time. Mr. Perkins wanted to know whether those savings would ever be realized. Ms. Lewis indicated that savings would be realized when the enabling technologies were on line. Ms. Lewis stated further:

Bringing a new computer application on line does not give the customer anything and we knew that and we knew that the focus of this biennium was to get the computer application on line. Without that foundation, we could not go to the enabling technologies. Once those technologies are on line and the customers start to use them and trust them, that is when you are going to see the benefits. Our goal is to target those customers who are standing in Sahara to renew a registration. We have got to find a way to get them out of the offices. So I would hope they would take advantage of renewing at an emission station then we have achieved our goal. I have always believed that our focus has to be taking care of the new residents, the new registrations, the original drivers licenses, those people trying to reinstate. Those are the people who need to be in the field offices. Once those technologies are successful, then you start seeing the benefit in the field offices.

While he could appreciate Ms. Lewis' comments, Mr. Perkins said it was his understanding that the implementation of Genesis would enable one person at the window to handle more than one transaction at a time; thus, lines would be reduced. Mr. Perkins said he had not yet seen the benefits of implementing Genesis. It was Governor Guinn's belief that technology across America was supposed to provide more knowledge and more information, while slowing the rate of employment growth that had been experienced in the past. Governor Guinn said that if Nevada continues to grow at the rate of 6,000 to 7,000 new people each month, he would not expect DMV&PS to go below its base budget as a result of technology. Governor Guinn thought that technology programs had been sold over the years to legislative bodies throughout the country on the basis of reducing staff and he did not think that was a realistic basis.

Governor Guinn said he wished to assure the committee that the Nevada Legislature would not receive another proposal for a high technology program during his tenure unless it was consistently based on good planning. In addition, the proposal would not only have cost estimates, but the BPR's would be put out to bid so the state would have more control over the end result. At the same time, Governor Guinn said he intends to make sure that any proposal would have a transition program and a training program. It was Governor Guinn's understanding that the major problems with the Nevada Operations Multi Automated Data Systems (NOMADS) were because someone outside of the state had planned the program, no one within the state understood the program, and there was no provision for either a conversion program or a training program. Governor Guinn thought any new high technology program was destined to fail without those two elements. Governor Guinn pointed out that his executive staff was in the process of cleaning up a number of existing computer systems that were implemented prior to his administration; i.e., Integrated Financial System (IFS), Genesis, and Automated Collection Enforcement System (ACES).

Chairman Arberry recognized Mr. Perkins who said he was prepared to make the following motion:

MR. PERKINS MOVED TO APPROVE A REVISED REQUEST FOR AN ALLOCATION OF \$216,760 FROM THE CONTINGENCY FUND TO SUPPLEMENT THE APPROPRIATION MADE BY THE 1999 LEGISLATURE TO COVER UNFORESEEN EXPENSES RELATING TO THE PROVISION OF ADDITIONAL STAFF IN DMV&PS' MOTOR VEHICLES BRANCH. FURTHERMORE, DMV&PS HAS AGREED TO SEEK DURING THE 2001 LEGISLATIVE SESSION A SUPPLEMENTAL APPROPRIATION FROM THE HIGHWAY FUND TO REIMBURSE THE CONTINGENCY FUND.

APPROVAL OF THIS REQUEST SHOULD NOT BE MISCONSTRUED TO MEAN THE ENDORSEMENT BY THE COMMITTEE OF A NEW STAFFING FORMULA; THAT THE ADDITIONAL POSITIONS APPROVED TODAY WOULD BE CONTAINED IN AN ENHANCEMENT MODULE IN DMV&PS' NEXT BIENNIAL BUDGET REQUESTS SO THAT THE 2001 LEGISLATURE SHALL HAVE THE OPPORTUNITY TO EVALUATE THE NEED FOR THOSE POSITIONS AND MAKE COMPARISONS TO THE PREVIOUS BUDGET; THAT DMV&PS BE REQUESTED TO RETURN TO THE INTERIM FINANCE COMMITTEE TO REPORT ON THE PROGRESS OF REDUCING THE WAIT TIMES TO LESS THAN 1-HOUR IN THE BRANCH OFFICES.

FURTHERMORE, THAT DMV&PS SHALL MEET WITH THE LEGISLATIVE FISCAL ANALYSIS DIVISION STAFF TO IDENTIFY THE TYPE OF INFORMATION NEEDED FOR THE INTERIM FINANCE COMMITTEE TO REVIEW AND DETERMINE THE IMPACT OF THE NEW POSITIONS ON THE WAIT TIMES; AND THAT DMV&PS BE REQUESTED TO PROVIDE A REPORT TO THE INTERIM FINANCE COMMITTEE ON THE UTILIZATION OF THE STAFF ASSIGNED TO DMV&PS' CAREY OFFICE IN LAS VEGAS DURING THE CLOSURE AND REMODEL OF THAT FACILITY. SECONDED BY SENATOR RAGGIO.

Chairman Arberry recognized Mrs. Chowning who had a question on the motion. Mrs. Chowning indicated that she had visited DMV&PS' branch office on Flamingo Boulevard and it had been her observation the office was approximately 85 percent staffed. Mrs. Chowning also noticed that two of the technicians served only three customers within the span of about 1 hour because of having to correct errors in documentation. For the committee's information, she cited two types of errors that she had observed, which are: incorrect information on smog certificates and uncollected fees for personalized plates, which would result in a loss of revenue. Mrs. Chowning thought the technicians were being required to deal with problems that they did not have to deal with prior to Genesis. Mrs. Chowning said she hoped the problems would smooth out and that the enabling technologies would eliminate the need for additional positions. Mrs. Chowning said she would like to amend Mr. Perkins' motion by requesting DMV&PS to provide specific performance indicators so members of the money committees during the 20001 Legislative Session would be able to determine the exact length of time required to complete each transaction in each branch office. She also thought information should be provided on the effect of the enabling technologies. Mrs. Chowning agreed with Ms. Lewis and Governor Guinn that DMV&PS employees need help desperately and that the stress had been very difficult on their families.

To respond to Mrs. Chowning's comments, Governor Guinn told the committee that the Q-Matic system would provide specific accountability for each transaction, but DMV&PS would need additional funding to install the system in each of the branch offices. Governor Guinn said he could see no need to install the Q-Matic system in each of the branch offices, especially small offices like Carson City and Fallon, where the transaction times could be visually observed. Since the branch offices are processing 40,000 to 50,000 transactions each month, Governor Guinn said there were bound to be exceptions; some the fault of the customers and some the fault of the technicians. While he strongly believes in accountability, Governor Guinn said he also believes in the ability to have adequate funding to train people so that they can be held accountable for their actions. Governor Guinn pointed out that there was no funding for training in this state, which he thought was a serious problem because the state was putting approximately 16,000 employees at risk, as well as the residents of the state. Governor Guinn said he intended to provide funding for training in his new budget proposal to the 2001 Legislature.

Since his motion includes a request for DMV&PS to work with the legislative Fiscal Analysis Division staff to identify the type of information needed for the Interim Finance Committee to review and determine the impact of the new positions on the wait times, Mr. Perkins thought his motion would provide the information Mrs. Chowning requested.

Senator Neal said he would be opposed to putting restrictions on DMV&PS at this point in time because he thought Governor Guinn clearly understands the operation and management of DMV&PS. Senator Neal urged the committee to approve this request and to give Governor Guinn the tools he needs to make the adjustments he feels are necessary.

Senator O'Donnell cautioned the committee that it would take employees off the production line in small offices like Fallon's in order to provide the type of statistical information that was being requested for the Interim Finance Committee. Senator O'Donnell suggested that the best statistical sampling were the phone calls he receives from constituents regarding DMV&PS problems. If those phone calls diminish, Senator O'Donnell said he would know the system was working properly.

Chairman Arberry called for a vote on the motion.

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

A copy of the resolution adopted by the committee is included in the meeting minutes as Exhibit E.

Chairman Arberry recognized Ms. Cegavske who said she wished to commend Ms. Lewis and DMV&PS staff for their help in designing, what she characterized as a wonderfully informative pamphlet for teenage drivers, their parents, and teachers.

Senator Raggio said he wanted to commend Governor Guinn, Ms. Lewis and DMV&PS staff for their efforts in trying to address the numerous problems that have occurred throughout the state since implementation of the new Genesis computer system. Senator Raggio said he was personally aware of some of the DMV&PS employees who were suffering from “burnout” due to the long hours they have been spending trying to meet the concerns of the public. He recalled one instance where a lady came into the Reno office for new license plates. After waiting in line for a long time, she told the technician she had forgotten to bring in the old license plates. After the DMV&PS technician completed the necessary paperwork, she took a brief break, went outside with the lady and used her own screwdriver to remove the old license plates from the lady’s vehicle. Senator Raggio thought this one example illustrates the kind of dedication that DMV&PS employees have and he asked Ms. Lewis to pass on his commendation to all of the DMV&PS employees who are working diligently to resolve the problems.

G. STATE PUBLIC WORKS BOARD.

Project Status Report:

Mr. Eric Raecke, Manager, State Public Works Board (SPWB), introduced Ms. Kathy Dow, Deputy Manager, Administration and Fiscal Services, SPWB. Mr. Raecke apprised the committee that a recent legislative audit report indicated that SPWB was required by statute to provide a Project Status Report to the Legislative Counsel Bureau (LCB) every month. Although he had not yet devised an easy electronic system to update the Project Status Report, Mr. Raecke promised to provide a Project Status Report each month, even if some of the entries had to be made manually.

Mr. Raecke said he would highlight several projects, after which he would respond to questions from the committee.

Project No. 99-C01, High Desert State Prison, Phase II--A report issued on January 1, 2000, indicates a pretty good phase turnover of all of the buildings. Also, the water tanks and pump stations have been completed. In March, Towers No’s. 1, 2 and 3 are scheduled to be completed and turned over to NDOP. In April, the Armory K-9 Building, Security Administration, Visitation, Outside Administration, and Entry Building are scheduled to be completed and turned over to NDOP. In May, medical intake program services, all of the site earth work, and Towers No’s 4 and 6 are scheduled to be completed and turned over to NDOP. In June, the first housing unit is expected to be done, which will be one of the intake units, Inmate Services, Culinary, and Central Building are expected to be completed and turned over to NDOP. In July, Housing Unit A-10 and all of the fencing are scheduled to be completed. In August, 4 of the 6 remaining housing units, No’s 22, 23, 24, and 25, are expected to be completed. The last two housing units are scheduled to be turned over to NDOP in the month of November. Mr. Raecke indicated that since there would be about two dozen structures involved in the phase turnover, NDOP would have a big job checking out the buildings prior to occupancy by the prisoners scheduled for September 1. Mr. Raecke said he toured the facility last week and he thought it might be possible to beat that schedule.

Project No. 99-C11, Lied Library Furnishings UNLV--Although this project is scheduled to be completed by February 16, 2000, Mr. Raecke estimated that it would not be completed until a month later. Mr. Raecke said he planned to meet with the contractor this week to make sure his schedule was adjusted. If the project is completed in March, it would allow for the furnishings to be moved in and a final tune-up of the building prior to UNLV moving its library during the month of June. Mr. Raecke also pointed out that the plans for the Boyd Law School are scheduled to be completed in June and bids will be published shortly thereafter. He also noted that asbestos would need to be removed from the old Lied Library Building in order to meet an August 2001 occupancy date for the Boyd Law School.

It was Chairman Arberry’s recollection that the original completion date for the Lied Library construction project was December 1999. Mr. Raecke said he had previously apprised the committee that the project was running behind schedule. According to Mr. Raecke, UNLV prefers to have the “Library completely ready” so all of the furnishings could be moved in at one time rather than in a “helter-skelter” fashion.

Since the delay has required the shelving and furnishings to be stored, Chairman Arberry wanted to know whether the cost of the storage was being paid by the state. Mr. Raecke indicated the contractor had been placed on notice that he was responsible for the storage costs.

Project No. 97-C16, Southern Nevada Veterans’ Home--This project was originally scheduled to be completed in April; however, there have been some delays in delivery of structural steel to the site and some of the infrastructure has been slow coming through Boulder City. Mr. Raecke estimated that this project would be completed during the month of May. Since it was his understanding that no funding was available for placement of clients in the Veterans’ Home until after June 30, 2000, Mr. Raecke thought the project was in good shape. In addition, Mr. Raecke said he wished to remind the committee that the roadway/bridge portion of this project, which would involve approximately \$1.7 million in NDOT funds, was still moving forward. He also noted that the furniture bids were opened last week and the bids were being evaluated at this time.

Project No. 99-C03, State Command Complex, Carson City--This 14-month project is scheduled to be bid on March 1, 2000. Mr. Raecke indicated that the Governor’s Office was interested in placing the Emergency Management Division in the complex and SPWB had held several meetings in this regard. Mr. Raecke said it might be necessary for him to return to the Interim Finance Committee at a later date to address a change in the scope for this project.

Project No. 99-C10, FIB Interior Renovations, Carson City--There is a temporary hold on this project while SPWB is trying to get some energy upgrades through a performance-based contractor or an emergency-savings program. If SPWB is successful in getting the energy upgrades, Mr. Raecke thought it would make a better project for Museums.

Project No. 99-C17, Library and Student Center (WNCC)--This project will include an update to WNCC’s master plan to make sure it is moving in the right direction. Mr. Raecke indicated that two other projects, a feasibility study for a high-technology center in Douglas County and in Lyon County, were being dovetailed together to fit WNCC’s needs as well as possible. He also pointed out that WNCC President Carol Lucey had hired Robert Owens, a planner with whom she worked previously in New York, who has a good national reputation, to do a complete master plan of each of WNCC’s campuses.

Project No. 99-C20, Co-Op Parking w/Carson City--This project is being done by Carson City. The state has provided \$330,900 for this project. In a recent meeting with the Mayor and City Manager of Carson City, Mr. Raecke said he learned that this project had been on hold for several weeks as a result of the death of one of the owners of the Carson City Nugget. Mr. Raecke said he had been advised that the project would be back on track in the very near future because Carson City wants to have the project completed prior to the next legislative session.

Chairman Arberry requested Mr. Raecke not to release any of the state's funding until he has received a signed agreement from Carson City. After he noted that Senator Raggio had given him the same instructions, Mr. Raecke said he had advised the Mayor and City Manager of Carson City that the state's funding would not be released until a final agreement was in place.

Project No. 99-C21, NMHI Hospital (Construction Funding)--This project has a 450-day schedule. The contractor has accelerated his schedule and believes the project will be completed in 300 days. As of this week, Mr. Raecke indicated that the contractor was 2 weeks ahead of the accelerated schedule.

Mrs. Chowning asked Mr. Raecke to address Project No. 97-M34, Replace Carpet, Vinyl and Epoxy Flooring (NMHI). Mrs. Chowning said she had toured the NMHI and found the flooring in some of the areas to be in a deplorable condition for both the patients and the workers. Mr. Raecke apprised the committee that SPWB had done a significant amount of work at NMHI. He said, however, it was difficult for NMHI staff to move furnishings and patients in some of the areas due to the crowded conditions. He also indicated that a considerable amount of asbestos abatement work would need to be done when the tile was removed from the floors and when asbestos joints were removed from plumbing piping. Mr. Raecke acknowledged that NMHI had been a scheduling nightmare because NMHI wants to move furnishings and patients at the convenience of staff. Mr. Raecke also said he had notified the agency that funding could be lost unless the contractor was allowed access to do the work.

Mrs. Chowning asked Mr. Raecke to provide a status report on this project at the next Interim Finance Committee meeting and Mr. Raecke said he would.

Project No. 99-H01, New Office Building for NHP Site Acquisition--The site acquisition is still moving forward. This will be a three-way and no-cost trade with Summa Corporation, McCarran Airport, and NDOT. According to Mr. Raecke, the design work was well underway and NDOT plans to put in about 15,000 square feet at a cost of \$3 million. Mr. Raecke said he would return to the Interim Finance Committee for permission to increase the scope of the project to accommodate NDOT's space when the numbers have been finalized.

Mr. Raecke apprised the committee that as a result of passage of Assembly Bill 597 by the 1999 Legislature, which created emergency funding for school districts that meet certain criteria, the Board of Examiners had approved a total of \$15.9 million for White Pine County and Lincoln County. Mr. Raecke pointed out that SPWB would be providing full service to White Pine County for a fee for a school at Pleasant Valley and Lund, and some renovations and planning for the Ely Middle School. In addition, SPWB would be providing oversight for Lincoln County.

Mr. Raecke noted that SPWB was involved in project management and on-site inspection of a secure juvenile facility that was being built by the private sector. Mr. Raecke estimated that the facility would be completed and ready for occupancy by the Division of Child and Family Services (DCFS) in April or May of 2000. In concluding his report, Mr. Raecke said he would be pleased to respond to questions from the committee.

Mrs. Cegavske said she had visited one of the high schools in her district yesterday and learned that the school administrator was having difficulties with contractors that have completed their work on a project. She said, however, the school was having to hire another contractor to either complete unfinished work or correct work that had been completed. Mrs. Cegavske wanted to know if it was customary for the administrator of the school to sign off on a project before a contractor was paid. Mr. Raecke said he would research the problem and report his findings to Mrs. Cegavske.

It was Chairman Arberry's understanding that SPWB had combined several projects and he asked Mr. Raecke to provide a list of those projects that had been combined and bid together at the next Interim Finance Committee meeting so the committee could get a handle on this practice. Mr. Raecke said he would provide a list to the committee of the combined projects, as well as the dollar amounts for those projects. Mr. Raecke recalled one instance when SPWB had combined a new construction project with a maintenance project when work was being done at Lake's Crossing.

Chairman Arberry also asked Mr. Raecke to explain why the scope for Project No. 95-M27, Utilities Renovation for Cellblocks A & B at NSP was being reassessed. Mr. Raecke apprised the committee that this project had been on hold for a long time waiting for a construction window. It was Mr. Raecke's belief that the construction window would appear in September when High Desert State Prison (HDSP) was scheduled to be occupied. Mr. Raecke pointed out that SPWB currently has a design team looking at the situation to try to prioritize the work that needs to be done because he did not believe there was enough money to replace every utility at NSP. Mr. Raecke added that he would provide a complete report at the next Interim Finance Committee meeting.

Chairman Arberry asked Mr. Raecke to report on whether Project No. 99-S03, Statewide Fire Sprinkler Program would be completed prior to the Federal Court's deadline. It was Mr. Raecke's recollection that claims against the court settlement had to be submitted prior to August 15, 2000, and that SPWB had already filed the claims on behalf of the state. Mr. Raecke indicated that SPWB had identified 3,289 Omega sprinkler heads throughout state facilities.

Since he thought automatic doors were currently being installed in most of the government buildings, Chairman Arberry wondered about the possibility of installing an "electric eye" so the heavy front doors at the Grant Sawyer State Office Building in Las Vegas would automatically open. Mr. Raecke said he would tour the building with Buildings and Grounds Division staff and report his findings at the next Interim Finance Committee meeting.

Senator Neal wondered why some of the interior doors in the Office of the Secretary of State were hot to the touch. Mr. Raecke said he would check out the doors and report his findings to Senator Neal.

H. REQUEST FOR ALLOCATION FROM THE DISASTER RELIEF FUND (NRS 353.2755).

1. Division of Forestry.....\$313,940

Mr. Roy Trenoweth, State Forester, Nevada Division of Forestry (NDF), Department of Conservation and Natural Resources, requested the committee's approval for an allocation of \$313,940 from the Disaster Relief Fund to rehabilitate eight specific areas that were destroyed during the 1999 wildfire season that require immediate action to protect the health, safety and welfare of the residents of this state and for which no other funds are available. Mr. Trenoweth noted that the State Board of Examiners had approved NDF's request at its meeting last month. Mr. Trenoweth introduced Mr. Peter Anderson, NDF's Program Manager for Resources, who he said would address the request.

Mr. Anderson told the committee that NDF has eight specific projects that involve 1,527 acres of state land and 12,877 acres of private land. Each of the projects has been identified as critically necessary to mitigate

life and safety concerns. Those life and safety concerns include dust hazards that are impacting state, federal and county roadways; potential sediment flows, landslides, and flooding; and protection of property and infrastructure. This request includes funds for the procurement of seed, application of seed to the landscape, and project administration. Project administration involves the hiring of a Conservation Aid III position, grade 23, for a period not to exceed 6 months, or a total of 960 hours. The specific responsibilities and activities of this individual would be researching, identifying, and contacting all of the involved landowners and land managers, executing the appropriate seed agreement, assisting with seeding recommendations, and then assisting with the actual implementation of each project in the field. NDF's goal continues to be completion of this project during the spring of 2000. A worse case scenario may see some of the projects finalized next fall, depending on weather and access situations. A final report and cost accounting summary would be completed by September 1, 2000. Mr. Anderson said he would be happy to respond to questions from the committee.

Mrs. de Braga wanted to know whether there was adequate seed currently available for all of the projects. Mr. Anderson replied that seed was available for most of the projects; however, NDF was focusing primarily on wheat grasses for stabilization of sites rather than hard-to-get types of forage and shrubs.

Mrs. de Braga wanted to know whether the public volunteer seed-gathering project had been successful. Mr. Anderson indicated that the Nevada Division of Wildlife (NDOW) had led the volunteer seed-gathering effort and it had been a very successful project. NDF had also utilized conservation camp crews to gather seed. According to Mr. Anderson, the volunteer seed-gathering project not only had been a tremendous success but it was also a success from an informational and educational standpoint as well.

Mrs. de Braga said she had originally heard that the volunteers had been unable to gather enough seed for all of the projects. Mr. Anderson pointed out that the Bureau of Land Management (BLM) had spearheaded probably the largest seeding effort in the history of the country, spreading millions of pounds of seed on the ground.

Mrs. de Braga wondered whether the U.S. Navy was going to participate in the restoration efforts in the Stillwater area. Mr. Anderson said that although he did not have a recent update, he had been told that BLM anticipates the U.S. Navy to participate in the restoration efforts in the Stillwater area.

Senator Jacobsen inquired about the future of the state's Seed Bank Program. Mr. Anderson thought that the opportunities for the state's Seed Bank Program were unlimited at this point in time and that the Seed Bank Program had not only played a crucial role throughout the 1999 fire season, but would continue to do so throughout the fall and into next year. According to Mr. Anderson, NDF's conservation crews would continue to pick and gather seed and native species that are in high demand. Their efforts would be coordinated through the state's Seed Bank Program and the multi-agency efforts that share equipment and expertise. Mr. Anderson stated further "I think we are on the cutting edge of something that has never been tried before, particularly on this scale.

Senator Jacobsen asked Mr. Anderson if he thought consideration should be given to enhancing the state's Seed Bank Program to address the previous fire disasters. Mr. Anderson suggested that the state should play a significant role over the next year or two in the upcoming Great Basin Restoration Initiative promoted by BLM. It was Mr. Anderson's belief that if the state does not get a handle on some of the invasive species that are coming into the state, it would suffer a significant economic impact.

Since there were no further comments or questions from the committee, Chairman Arberry said he would entertain a motion to approve the request.

MR. MARVEL MOVED TO APPROVE THE REQUEST. SECONDED BY MRS. DE BRAGA AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

A copy of the resolution adopted by the committee is included in the meeting minutes as Exhibit F.

I. APPROVAL OF LEASE OF STATE LANDS (NRS 322.007).

1. State Lands Division - Lease of Hawthorne Armory to Mineral County.

Ms. Pamela Wilcox, Administrator, Division of State Lands, explained that the first request deals with a lease of the Hawthorne National Guard Armory to Mineral County. Ms. Wilcox noted that the 1999 Legislature had appropriated \$437,000 for expenses related to the renovation of the Hawthorne National Guard Armory and that the lease was a companion to that appropriation. Since the Nevada Army National Guard (NVARNG) no longer has an active contingent using the Armory in Mineral County, Ms. Wilcox said State Lands had been approached some time ago by the Mineral County Juvenile Probation Department about the possibility of turning the Armory into a non-secure facility to house juvenile offenders between the ages of 8 and 18. The Armory would house a maximum of 30 youngsters at any one time and would be manned at all times. It was Ms. Wilcox's belief that approval of this lease would be a win-win situation for the state and for Mineral County. The term of the lease is 5 years with the option to extend for a like term. Pursuant to NRS 322.060, Mineral County will pay fair market value of \$.50 per square foot for the leased building space for a total of \$5,202 per month. A provision in the lease would allow Mineral County to do improvements to the building (the building needs a considerable amount of work) and apply the cost of those improvements against the lease; thus, the state does not expect to have a cash flow during the first 5 years of the lease. Ms. Wilcox also indicated that there was a 90-day provision in the lease allowing the state to reoccupy the facility if it was needed for state purposes or in times of war or national emergency. Ms. Wilcox indicated that there were representatives available from NVARNG and Mineral County to respond to questions from the committee.

MR. DINI MOVED TO APPROVE THE REQUEST. SECONDED BY MR. HETTRICK AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

2. State Lands Division - Lease of Logan Creek Estates, Douglas County.

Ms. Wilcox requested approval to lease a small parcel of land, approximately 196 square feet, in the Logan Creek Estates, Douglas County, which was acquired under the first Tahoe Bond Act (Chapter 585, 1985 Session). This lease represents the settlement of a conflict that has been ongoing between the Division of State Lands and the Logan Creek General Improvement District (GID) for several years since the Division discovered the GID had drilled a well in a utility easement. This lease will be for a term of 10 years with three possible additional terms. Pursuant to NRS 322.060, payment is based on fair market value or \$350 per year with possible adjustments every 5 years. The proceeds from the lease would be deposited into the Division of State Land's Tahoe Lot Management Fund so that the compensation could be used to address any future problems. The lease also requires the GID to repair any damage that results to the lake, the stream, or to the property. Since the two existing wells were operating at capacity, Ms. Wilcox indicated that the GID does need the additional well for the small subdivision and she thought the lease was a good solution for everyone involved. Ms. Wilcox said she would be pleased to respond to questions from the committee.

MR. MARVEL MOVED TO APPROVE THE REQUEST. SECONDED BY MR. HETTRICK AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

J. DEPARTMENT OF MOTOR VEHICLES AND PUBLIC SAFETY.

Proposed Reorganization Plan (Assembly Bill 679, 1999 Legislative Session).

Ms. Lewis apprised the committee that Assembly Bill 679, passed by the 1999 Legislative Session, stated in part that any changes to the Motor Vehicles Branch must be approved by the Governor and submitted to the Interim Finance Committee before January 1, 2000. The package submitted to the committee represents an analysis of the positions and functional responsibilities within the Motor Vehicles Branch and proposes modest adjustments to the organizational structure that was passed by the 1999 Legislative Session. DMV&PS believes these adjustments would allow the Motor Vehicles Branch to continue to move forward to accomplish its goals and maximize efficiencies within the organization. The request for changes can be summarized as follows:

Four positions are to be moved into the Management Services Division as these positions perform support-type functions in the areas of purchasing, warehousing, and timekeeping.

A total of 26 inspector and appraiser positions are to be moved from the Compliance and Enforcement Division to the Field Services Division. The primary mission of these positions is to provide positive vehicle identification in support of registering and titling functions of the Field Services Division through vehicle appraisals and vehicle inspections. These functions generally occur during a customer visit to DMV&PS to process a first-time vehicle registration or as a result of a request from a business customer for assistance in gaining ownership documents for abandoned vehicles. In either case, the employees are dealing directly with and providing services to the customers.

Nine positions currently in the Emission Control Program that perform or support direct customer functions in field offices are to be moved to Field Services Division. Ms. Lewis said she was recommending for the FY 2002 and FY 2003 biennium that the feasibility be evaluated of a cost allocation based on the level of support provided by the nine positions and that a different funding source be proposed at that time for the nine positions.

A total of 6.49 positions are to be moved to Central Services Division from Field Services Division. This movement is the result of needing additional staff for mail renewal and cleanup of a position that was missed during the total movement of positions at the close of the 1999 Legislative Session.

In concluding her remarks, Ms. Lewis told the committee it was important to note that the organizational structure of the Motor Vehicles Branch would continue to undergo the test of time for probably the next 6 months. Ms. Lewis said she would bring forward any additional modifications to the structure through the budget process and submit any changes to the 2001 Legislative Session for its consideration and approval.

Chairman Arberry requested that any technical changes made by DMV&PS on the work program be agreed to by the legislative Fiscal Analysis Division and the Budget Division.

Chairman Arberry opened the meeting to a public hearing. He inquired as to whether anyone in the audience wished to testify. After hearing no response, Chairman Arberry entertained a motion to approve the request.

SENATOR RAGGIO MOVED TO APPROVE THE REQUEST. SECONDED BY MS. GIUNCHIGLIANI AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

K. INFORMATIONAL ITEMS:

1. Interim Finance Committee - Update on Implementation of Nevada's Education Financial Reporting Analysis System.

There were no comments or questions from the committee on this item.

2. Legislator Auditor - Six-Month Audit Reports.

There were no comments or questions from the committee on this item.

3. Department of Education:

- A. Report on proposed revisions to Regulation Nevada Administrative Code (NAC) 388, Caseload and Class Size for Special Education (R085-99), being considered by the State Board of Education at its meeting on January 29, 2000.

In responding to a request from the committee, Ms. Mary Peterson, Superintendent of Public Instruction, Department of Education, introduced Mr. Bill Hanlon, Vice President, State Board of Education.

Chairman Arberry recognized Mr. Hanlon, who said he wished to discuss the proposed revisions to Regulation NAC 388, caseload and class size for special education, that the State Board of Education passed at its meeting on January 29, 2000. In providing the statutory background, Mr. Hanlon indicated that NRS 387.1211 defines a special education program unit as an organized instructional unit (added language: and related services) which includes full-time services of persons licensed by the Superintendent of Public Instruction (added language: or other appropriate licensing bodies) providing a program of instruction in accordance with minimum standards prescribed by the State Board.

In addition, NRS 388.520 states: "the State Board shall prescribe minimum standards for the special education of pupils with disabilities and gifted and talented pupils. The minimum standards prescribed by the State Board must include standards for programs of instruction or special services maintained for the purposes of serving pupils with: hearing impairments, visual impairments, orthopedic impairments, speech and language impairments; mental retardation; multiple impairments; serious emotional disturbances; other health impairments; specific learning disabilities; autism; traumatic brain injuries; development delays; and gifted and talented abilities." NRS 388.520 further states: "No apportionment of state money may be made to any school district or charter school for the instruction of pupils with disabilities and gifted and talented pupils until the program of instruction maintained therein for such pupils is approved by the Superintendent of Public Instruction as meeting the minimum standards prescribed by the State Board." It was Mr. Hanlon's opinion that the previously cited statutes provide the State Board of Education with the authority to set the standards for operation of special education.

Continuing his testimony, Mr. Hanlon said he wished to provide background information on caseload and class size. The regulation adopted by the State Board regarding caseload and class size maximums currently in effect have been in effect since 1988. Since that time, the Department of Education has received numerous requests from the public to recommend reduced caseloads in all disability areas. Prior to 1999, Mr. Hanlon indicated that Assembly Concurrent Resolution 44 authorized a study committee to review special education programs. The Department received correspondence recommending significant reductions in caseloads and class size. The Department was directed to consider these reductions during the next cycle of standard codes revision. In the spring of 1999, as a result of significant revisions in the federal regulations governing special education in areas needing attention at state discretion; that is, caseloads initiated by the State Board based on the recommendations by the work group, the proposed

revisions to Regulation NAC 388 were reviewed and supported by the Special Education Advisory Committee and forwarded to the State Board of Education for initial consideration in July of 1999.

Mr. Hanlon advised the committee that the State Board of Education had conducted a workshop and four public hearings on the issue in question, culminating in specific caseload reductions adopted January 29, 2000. During the four public hearings, Mr. Hanlon indicated that the State Board reviewed quantitative and compelling testimony from parents and professionals regarding the dire conditions in special education programs due to the large number of students. Although district administrators from Washoe County and Clark County testified in support of the need for the reductions, they were opposed to the revisions going into effect on July 1, 2000. Prior to the fourth public hearing, the State Board received a letter from the Nevada Association of School Superintendents asking that the State Board delay the effective date until July 1, 2001. According to Mr. Hanlon, school districts were currently expending in excess of \$100 million above the state unit support to operate the special education programs. The State Board adopted the caseload reductions by an 8-to-2 vote. The reductions are in speech, from 60 to 50; generalists in resource room, from 24 to 22; and early childhood, from 24 to 22. In spite of the fact that the State Board recognized the significant fiscal concerns associated with special education programming, Mr. Hanlon said that the testimony for the need for these caseload reductions was overwhelming.

In continuing his remarks, Mr. Hanlon pointed out that the aggregate reductions requested since 1988, including those provided for in A.C.R. 44, have been much costlier than the conservative reductions recommended by the work group and the Special Education Advisory Committee. He also noted that these reductions would still require special educators in Nevada to have caseloads in excess of the national standards. Since 1993, Mr. Hanlon indicated that the American Speech and Hearing Association adopted caseload maximums at 40 students and the Education Policy Research, in a 1996 publication, reported a 15 to 1 maximum student/teacher ratio in special education, after reviewing existing studies on this issue.

Historically, Mr. Hanlon explained, the State Board had requested special education funding by the state to approach the average salary cost of the unit and to apply for the units needed for growth. As he previously indicated, the State Board has the statutory authority and responsibility to set these standards for special education programs. The current caseloads are far in excess of the national standards; the proposed reductions are targeted at the most egregious areas of need; and were crafted to be fiscally responsible and minimal in view of the larger special education funding picture. The 1988 caseloads currently in effect have been one reason for the exodus of special education teachers from Nevada's programs and have compromised a commitment to provide an appropriate education for students with disabilities.

While he thought the State Board of Education had acted correctly, Mr. Hanlon acknowledged that the timing was not good. Mr. Hanlon said, however, the timing to fund public education in Nevada had never been good. According to Mr. Hanlon, the State Board was responsive to study groups and to the Special Education Advisory Committee to advance the needs of students. It was Mr. Hanlon's belief that the State Board should always be able to answer this question when posed by a parent: "What are you doing to help my kid learn." Since early intervention and the ability to access services are keys to a successful education, Mr. Hanlon opined that the State Board had acted judiciously by passing the caseload reduction regulation, but he realized its actions were coming at great cost and peril to local school districts.

It was Mr. Hanlon's understanding that the reduction in caseload would cost the Clark County School District an estimated \$3.7 million in funding it does not have. In addition, the Clark County School District would need 131 additional units to accommodate growth. While the state funds at \$28,000 per unit, the Clark County School District would need to match those funds to pay for the unit estimated to be at \$56,000. The Department of Education has indicated that it would award the Clark County School District an additional 80 units and has suggested that those units could be used to offset the costs associated with caseload reduction. Mr. Hanlon said he did not believe the offset would realistically occur because the Clark County School District would still need to pay for growth and he estimated that it would cost the Clark County School District an additional \$2.3 million to accept the 80 additional units. According to Mr. Hanlon, the Clark County School District would also need to pay for the additional 50 units on its own and that would cost another \$2.5 million. While he realized funding was tight this year, Mr. Hanlon suggested that it was going to get a great deal worse next year. Mr. Hanlon apprised the committee that the caseload reduction, accepting 80 units from the state, and paying for the other 50 units on its own, would cost the Clark County School District a total of approximately \$8 million. Mr. Hanlon pointed out that the Clark County School District was already absorbing \$85 million out of its general fund budget to subsidize special education, but that money was actually being used to educate the general student population. Mr. Hanlon added that the local school districts were "robbing Peter to pay Paul."

To make matters worse, Mr. Hanlon apprised the committee that the Clark County School District was currently experiencing a shortage of 35 special education teachers and approximately 200 teachers were working on waivers. He also pointed out that the costs associated with caseload reductions were high and the local school districts were strapped for funds. Also, since Nevada does not offer a competitive salary package to attract and retain teachers, Mr. Hanlon said that Nevada was facing teaching shortages in math, science, second language, as well as in special education. In concluding his testimony, Mr. Hanlon stated:

"Unless we create an environment where professionals have an opportunity to be successful with their students, two things are sure to occur: (1) more teachers and practitioners will leave the field; and (2) fewer prospective teachers will enter the field. That will result in more and more students not receiving the accommodations and services they so desperately need to be successful. While I realize the Interim Finance Committee probably does not have the statutory authority to relieve the local school districts from this obligation, I believe that unless the State Board of Education brought this issue to the forefront public education would continue to be non-responsive to the needs of these children. As you know, you can only spend a dollar once. When a district with a \$1-billion budget is having difficulty reallocating \$4 million, you know public education is under great stress. Another concern I have is the fragmentation of school governance. We have the State Board of Education, the Council to Establish Academic Standards for Public Schools, the Professional Standards Commission on Education, the Legislative Committee on Education, the Legislative Bureau of Education Accountability and Program Evaluation, and a host of other organizations that are making decisions that impact local school districts' budgets. That results in a lack of oversight and local control. So I ask you to help the local school districts address their financial concerns in anyway that you can. And more importantly, since many of you tout education as your priority, I strongly suggest that you fund it as a priority and you fund it first when the legislature reconvenes in January of 2001. Thank you very much."

Senator Raggio pointed out that the committee had received information from at least two of the school districts indicating their financial difficulty in dealing with this new regulation. Although he thought the State Board of Education had the authority to approve the new regulation, Senator Raggio reminded Mr. Hanlon that education was not the only issue the legislature has to fund and that the legislature was constrained by law to identify a source of revenue to pay for the expenses incurred when it either establishes a new program or funds an established program. Senator Raggio suggested that consideration should be given to imposing a similar law on boards and commissions who issue regulations that have a fiscal impact because he thought the new regulation was going to force the school districts to transfer money from other programs within their budgets in order to comply with the new regulation.

Senator Raggio suggested that it was only fair to ask Mr. Hanlon, as well as Ms. Peterson, since the Department of Education had endorsed approval of the regulation, to describe the type of mechanism they would propose to fund the new regulation since Mr. Hanlon had previously indicated that there might be an \$8-million impact on the Clark County School District alone. In addition, Senator Raggio said he was concerned about having to hire additional special education teachers when there was already a shortage of special education teachers in the school districts. According to Senator Raggio, the money appropriated by the legislature for special education was for growth, not for class size reduction in special education programs. It was also Senator Raggio's understanding that the cost of the new regulation for the Washoe County School District was being estimated at approximately \$900,000. Senator Raggio thought it was easy for people to say that the legislature should appropriate more money for special education. He said, however, the legislature must consider many other priorities such as mental health and salary raises. It had been Senator Raggio's experience that when people were polled as to which taxes

they would like to have raised to pay for a particular program, their response was “any one but the one I pay.” Before opening the meeting to testimony from the school districts, Senator Raggio said he would like to hear from either Mr. Hanlon or Ms. Peterson as to whether there was some type of solution that would mitigate the impact of the new regulation with respect to the concerns expressed by at least two major school districts.

Ms. Peterson told the committee that there were two potential funding sources. The first one, as Mr. Hanlon previously pointed out, was the awarding by the Department of Education of additional state funding for additional units next year. She acknowledged, however, that the budget was built on a growth model and those units were provided with the intent of accommodating growth. Ms. Peterson said the second source was federal funding from the U.S. Department of Education. Ms. Peterson directed the committee’s attention to agenda item D8 which was a work program request for an additional \$6.4 million for special education. Of that \$6.4 million, approximately \$5.6 million goes directly to schools this fiscal year in the form of Aid to Schools. In addition, the Department of Education has also received notification from the state office in Washington, D.C., as well as information from the U.S. Department of Education, that Nevada could expect to receive at least \$3.5 million in additional federal dollars next year for special education based upon an increased child count, which could be spent to meet this need. That being said, Ms. Peterson said she must acknowledge that since the special education system was overloaded, that additional money would meet only a limited number of the existing needs. Ms. Peterson also pointed out that the work group had advised the Department of Education three categories; i.e., speech, generalists resources, and early childhood, were the areas of greatest need out of the 12 special education categories; thus, the recommendation was to reduce the caseload in only those three areas. Even with the State Board of Education’s recommendation, Ms. Peterson reminded the committee that Nevada schools would not reach the national recommended standards.

Vice Chairman Raggio recognized Ms. Jeanne Botts, Senior Director of Business and Finance Services, Washoe County School District, who thanked the committee for the opportunity to discuss the problems being experienced by the school districts as a result of the State Board of Education adopting a regulation that has a significant fiscal impact without regard to the state budget cycle. According to Ms. Botts, the Washoe County School District provided written and oral testimony to the State Board as early as July of 1999, about the potential effect of the regulation. Ms. Botts estimated that the fiscal impact to the Washoe County School District would be approximately \$1 million per year for the additional special education teachers that are required to staff with the lower required ratios. Ms. Botts said she believes that school districts fully expected that the regulation would be deferred until July 1, 2001, giving the 2001 Legislature the opportunity to consider and fund such a mandate.

In September of 1999, the Director of Special Education testified before the State Board that she was recommending an effective date of July 1, 2001. Ms. Botts said, however, when the State Board voted on December 4, 1999, it approved an effective date of July 1, 2000. School districts complained to the State Board and to members of this legislative body about the fiscal effect on school districts. She also pointed out that when the State Board mailed out the December 1999 regulation, it indicated that there was no fiscal impact despite the fact the large school districts had testified and provided documentation of the cost. When the Department of Education was made aware of the problem, Ms. Botts said the hearing was reposted for January 29, 2000, at which time the State Board again adopted the earlier effective date of July 1, 2000. Also, at the December 1999 meeting, Ms. Botts recalled that a State Board member had indicated the school districts could request funding from the Interim Finance Committee. Although she did not believe that this funding avenue was open to the school districts, Ms. Botts said this misinformation could have affected the votes of some of the members of the State Board. Ms. Botts said the school districts had learned today about the availability of additional state units and federal funding; however, they were uncertain whether that funding would be in excess of the amount the school districts would normally expect to receive for growth, inflation and salary increases. Ms. Botts acknowledged that the federal funding school districts receive does increase every year; however, as Ms. Peterson previously indicated, that increase was based on child count and was tied to growth.

Ms. Botts apprised the committee that the Washoe County School District recognizes the State Board’s authority to adopt regulations pertaining to class size and it applauds the State Board’s concern for students in special education programs. Ms. Botts said, however, the Washoe County School District would appreciate any help that the Interim Finance Committee might provide in getting the State Board to recognize and to listen to school districts’ concerns about the financial impact of the earlier effective date of the regulation. According to Ms. Botts, the State Board has adopted other regulations in the past with significant cost implications. For example, on July 9, 1999, a State Board member proposed that school districts be mandated to provide remediation to every child who was failing without cost to the parents. Although the school districts protested that recommendation, it was nonetheless adopted and the regulation became effective 3 weeks later. Since the State Board had not followed the Administrative Procedures Act, which requires any proposed regulation to be mailed out 30 days in advance of the hearing, the State Board had to reconsider the regulation and it was subsequently modified significantly. Ms. Botts suggested that the school districts have two issues, which are: (1) the school districts’ concerns about financial matters are not being considered by the State Board or are dismissed; and (2) several instances in the past when the State Board and the Department of Education have not followed proper procedures when adopting regulations. Ms. Botts introduced Mr. Walt Rulffes, Clark County School District, as well as Ms. Dotty Merrill, Washoe County School District, who she said were available to provide additional information if the committee so desires.

Vice Chairman Raggio recognized Mr. Walt Rulffes, Assistant Superintendent, Clark County School District, who thought Mr. Hanlon had covered the Clark County School District’s costs fairly well during his previous testimony. Mr. Rulffes said he would like the record to show that the Clark County School District was not opposed to class size reductions for boys and girls in the school district and it would pursue improved opportunities with the same zeal as the State Board of Education. Mr. Rulffes apprised the committee that the Clark County School District had raised three concerns with the State Board; namely: space, personnel, and the unfunded mandate. With regard to space, Mr. Rulffes pointed out that the Clark County School District would have an approximate \$1.2-million impact in providing additional teaching stations. He said, however, since the associated costs for space and personnel were two problems that the Clark County School District had been grappling with for several years, he did not consider those costs directly attributable to the new regulation. Although the Clark County School District would not mind “tightening its belt” to deal with improved services for boys and girls, Mr. Rulffes said the Clark County School District was finding it difficult to deal with the unfunded mandates. He thought it was a terrible misrepresentation to suggest that the dollars the state had earmarked for growth could be re-channelled into improved services for boys and girls as it would result in the Clark County School District having to deal independently with the growth problem. He characterized such a proposal as “a swap of dollars.” According to Mr. Rulffes, the federal dollars were virtually all committed because of the host of regulations associated with those dollars. Mr. Rulffes also insisted that the federal dollars were not free dollars for the Clark County School District to use for supplanting state issues.

In addressing other unfunded mandates, Mr. Rulffes pointed out that the Clark County School Board had adopted an Academic Improvement Plan about 3 years ago to try to improve achievement throughout the school district. He said, however, that plan had been deferred at the present time primarily due to unfunded mandates. In addition, Mr. Rulffes noted that the Clark County School District was currently in arbitration for labor negotiations and there could be a significant cost impact for that. In addition, the Clark County School District recently learned about the opening of a new juvenile incarceration center for which the district was expected to provide a program estimated to cost approximately \$500,000. In concluding his testimony, Mr. Rulffes said it was difficult for the Clark County School District to achieve the accountability that the legislature expects when decision makers without fiscal responsibility were making decisions that impact the fiscal aspects of the local school board. Mr. Rulffes thanked the committee for providing him with the opportunity to address some of the issues confronting the Clark County School District.

Vice Chairman Raggio recognized Ms. Dotty Merrill, Director of Student Testing and Assessment, Washoe County School District, who said she wished to speak to the issue of the reduction in class size and caseload for special education. Ms. Merrill noted that the Washoe County School District was charged with improving educational opportunities for all children, not just children with disabilities. Ms. Merrill pointed out that the Washoe County School District had also adopted an Academic Improvement Plan and was fearful the class size reductions included in the recently approved regulation by the State Board of Education would force the district to divert funding from regular education and general fund needs to special education needs. Ms. Merrill apprised the committee that the Washoe County School District was moving from the general fund to special education \$15,203,000 in FY 1999-2000. This amount, which does not represent funding received from the state or the federal government, represents 6.6 percent of the

Washoe County School District's budget. For FY 1998-99, Ms. Merrill noted that \$14,091,000 was allocated for special education, which represents 6.5 percent of the Washoe County School District's budget.

In continuing her remarks, Ms. Merrill pointed out that the Washoe County School District had recently learned that the average cost of a special education teacher was \$51,285, which was significantly higher than the information it previously received in July 1999, when it first began to address this issue. Although the Washoe County School District has not reached capacity in its special education program, Ms. Merrill said it would expect to incur an approximate \$1-million impact as a result of the State Board's actions in approving the regulation. When the special education program reaches capacity, Ms. Merrill indicated that 28 special education teachers would be required at \$51,285 per teacher, which would represent an impact of an additional \$1.4 million to the general fund. Ms. Merrill said that the Washoe County School District understands the issue of caseload and class size because, like Clark County, all of the classrooms were overcrowded. Although she acknowledged that Washoe County was not building schools at the same rate as Clark County, Ms. Merrill said it was Washoe County School District's belief that lowering class size does not mean each newly created class would be able to have its own classroom; thus, there would be additional crowding in special education classrooms. In concluding her remarks, Ms. Merrill said the Washoe County School District would appreciate the Interim Finance Committee's help in this matter.

As he previously indicated, Vice Chairman Raggio advised the two school districts that the Interim Finance Committee does not have the authority to change a decision made by the State Board of Education nor does it have the capability to fund outside of session what some people have characterized as an unfunded mandate; however, it was clear to him that this issue would need to be addressed by the 2001 Legislative Session. After listening to the testimony, Vice Chairman Raggio said it sounds to him as if the funding authorized by the legislature within the formula for special education for growth was going to be diverted for class size reduction for certain groups of special education students, which would result in others who would benefit from special education being deprived. He also pointed out that although Ms. Peterson had testified federal funding was available to alleviate some of the fiscal impact, the school districts indicated that that particular federal funding would otherwise have been used for other purposes.

Mr. Dini directed a question to the legislative legal staff. It was Mr. Dini's understanding that when boards or commissions adopt regulations, the legislative intent of those regulations must be approved by the Legislative Commission. Mr. Scott Wasserman, Chief Deputy Legislative Counsel, advised the committee that the Legislative Commission not only has the authority to review an agency's authority to adopt regulations, but it also has the authority to determine whether or not the regulations are consistent with the legislature's intent. In this particular instance, it was Mr. Wasserman's belief that there could be an issue regarding legislative intent since some funding was provided during the legislative session and approval of the regulation would require additional funding. He also noted that the Legislative Commission would have 35 days from the date the regulation was received in which to object to the regulation. If there are no objections to the regulation by the Legislative Commission, then the regulation would be filed with the Secretary of State.

Vice Chairman Raggio recognized Ms. Botts, who said that the Washoe County School District had considered requesting the Legislative Commission to review the new regulation because of the number of errors the State Board of Education had made in terms of following the proper procedures for adopting the January 29, 2000, regulation. According to Ms. Botts, the State Board had been remiss in the past in following proper procedures when adopting other regulations.

Ms. Giunchigliani said she wished to clarify whether the Washoe County School Districts' objection was only with the unfunded mandate, or the entire document. Ms. Botts apprised the committee that the Washoe County School District's primary concern was not with the unfunded mandate, but rather with the effective date. According to Ms. Botts, the July 1, 2000 effective date would not give the Washoe County School District the opportunity to adjust its budgets and to have this matter discussed and funded by the 2001 Legislature.

If the Washoe County School District were to decide to proceed with its request to the Legislative Commission, Ms. Giunchigliani asked Ms. Botts if she would be willing to ask the Legislative Commission to segregate the regulation and allow those parts not affecting the funding to go into effect prior to the funding issue. Ms. Botts said the Washoe County School District was concerned about the financial impact on the budget. It was Ms. Botts' belief that the regulation was in process during the 1999 Legislature, but the regulation was not brought forward for consideration until after the 1999 Legislature adjourned. According to Ms. Botts, the school districts were under the impression that their budgets would not be affected by the regulation until July 1, 2001, affording the legislature and the school districts an opportunity to get together and discuss funding. It was Ms. Botts' understanding that the Department of Education had changed the effective date from July 1, 2001 to July 1, 2000, at the public's request.

Vice Chairman Raggio recognized Ms. Retta Dermody, Information and Training Coordinator for Nevada Parents Encouraging Parents (PEP). Ms. Dermody said she had been asked to represent Ms. Karen Thatcher, Executive Director of Nevada PEP, who, along with many other dedicated professionals, had served on the NAC Task Force. Ms. Dermody indicated that as a Task Force member, Ms. Thatcher wished to convey her support of the caseload and class size reduction and to tell the committee that the Task Force was comprised of school district representatives and parents, who over many meetings, had built a consensus for the proposal that the State Board of Education passed on Saturday, January 29, 2000.

As a long-time resident of Washoe County, as well as a parent and grandparent of children with disabilities, Ms. Dermody said she was speaking in support of the State Board of Education's decision. It was Ms. Dermody's belief that the educational success of these children was in the committee's hands. According to Ms. Dermody, Nevada has the reputation of having one of the highest dropout rates for children with and without disabilities in the nation. Many of these children receive little or no services. Special education teachers and service providers burn out very quickly because of the classroom size and the paperwork required for each of the children by the federal government. Professionals also become very frustrated with so many children and not enough time to provide them with appropriate educational support. Ms. Dermody said that if the State Board of Education's decision were to be delayed and/or overturned, many of the children would continue to be educated in intolerable conditions, which would leave school districts open to court challenges as a result of children not receiving a free and appropriate public education as mandated by state and federal laws. Ms. Dermody suggested that the committee needs to ask at what point does the special needs of children become mere dollar signs. In concluding her testimony, Ms. Dermody said the committee's support of the State Board of Education's decision would provide a clear sign that Nevada decision makers care about children.

Vice Chairman Raggio recognized Ms. Stephanie Yates, who said she was a parent of a 7-year old autistic child who attends school in the Washoe County School District. Ms. Yates said she was concerned about special education because there were so many needs and so few teachers. She also said she had personally observed teacher burnout due to the large caseloads. Ms. Yates told the committee that she wants her son to be educated so he can be a contributing member of the community when he completes school. According to Ms. Yates, parents were always being told to wait, but she did not believe it was possible to wait because a year of education lost could not be replaced. She thought the parents, the administrators, and the community members have the responsibility to address the needs of the children.

While he did not believe anyone would disagree with the importance of the special education programs, Vice Chairman Raggio suggested the question that begs to be answered was when and how to fund those programs. It was also Vice Chairman Raggio's opinion that the efficacy of the regulation would be determined if it were to be submitted to the Legislative Commission.

Vice Chairman Raggio recognized Ms. Giunchigliani, who disclosed for the record that she was a school teacher and a special education teacher as well in the Clark County School District. Ms. Giunchigliani

indicated that she had attended the public hearings on Regulation NAC 388 not in her capacity as an Assemblywoman, but rather as an individual. In addition, Ms. Giunchigliani said she wished to clarify several statements that had been made today. It was Ms. Giunchigliani's opinion that the new regulation had not been created without regard to fiscal impact, but rather it was the first regulation she had ever seen proposed by an agency that included potential funding sources. She also pointed out that the work on the regulation had not been done in a vacuum as school district administrators who were on the Task Force had recommended the revisions, as well as the impact date.

In continuing her remarks, Ms. Giunchigliani apprised the committee that she was the individual who had recommended or thought publicly it was time for a representative of education to approach the Interim Finance Committee for an allocation from the Contingency Fund to meet funding needs as others do. Ms. Giunchigliani said she did not believe the regulation was causing a problem for the school districts, but rather the problem was caused because the Nevada Legislature had not fully funded a special education unit since the 1970's. Regardless of the outcome of the regulation in question, Ms. Giunchigliani said she hoped that the school districts would spend as much time and alleged zeal on trying to get full funding for special education so the school districts would no longer have to continue robbing \$100 million worth of general education funding; otherwise, she thought the parents of general education children would have a potential lawsuit for an unequal education. Ms. Giunchigliani also suggested that it might not be necessary to increase per pupil funding if this money were to be reverted back into the general education program. Although she had not always agreed with him, Ms. Giunchigliani said she wished to thank Mr. Hanlon for his balanced comments today.

Speaking on behalf of the committee, Vice Chairman Raggio said he wished to thank Ms. Botts, a former member of the legislative staff, who testified before the committee today under difficult circumstances. Vice Chairman Raggio wished Ms. Botts good luck and he said the thoughts and best wishes of the committee were with her.

Chairman Arberry called for a 5-minute break.

Chairman Arberry reconvened the meeting and directed the committee's attention to agenda items D1, 2, 20 and 21.

B. Semiannual Report on Expenditure of SMART Funds.

There were no comments or questions from the committee on this item.

4. Attorney General's Office – Increase in position from .50 to .51 FTE.

There were no comments or questions from the committee on this item.

5. Department of Human Resources – Director's Office – Change in position percentage.

There were no comments or questions from the committee on this item.

6. Department of Prisons:

- A. Vending Machine Report.
- B. Report on Inmate Store Profits/Telephone Commissions – 2nd Quarter FY 00.
- C. Response from NDOP to Questions from November 17, 1999 IFC – A.B. 389 and Hepatitis C.
- D. Report on NDOP Medical Costs through 2nd Quarter of FY 2000.
- E. SNCC Lease Potential – Interested Lessees.
- F. Letter of Intent – Inmate Population vs. Emergency Bed Capacity.
- G. Lovelock Correctional Center – Alternative Scheduling.

There were no comments or questions from the committee on the above items.

7. Buildings and Grounds Division:

- A. Information on options for management and operation of the Clear Creek Center requested per Letter of Intent.
- B. Information regarding air quality at the Grant Sawyer Office Building requested per Letter of Intent.

There were no comments or questions from the committee on the above items.

8. Department of Personnel – Personnel/Payroll System Progress Report.

There were no comments or questions from the committee on this item.

9. State Fire Marshal – Semiannual Report to IFC.

There were no comments or questions from the committee on this item.

L. PUBLIC TESTIMONY.

In recognition of the national School to Careers program, Chairman Arberry recognized Mr. Wayne Pedlar, General Manager, RTP Company, Dayton, Nevada, who said his company was a School to Careers partner in Lyon County. Mr. Pedlar said he also serves as the Western Region School to Careers chairperson and as a member of the state School to Careers Council as well. Mr. Pedlar told the committee that today was a special day in all 50 states and territories because it was the Third Annual National and State Groundhog Job Shadow Day. Approximately 50,000 businesses will be mentoring and modeling the work they do in the workplace every day to over 1 million students across the country. In Nevada, 2,000 students are participating. Nevada has supported School to Careers for the past 5 years with funding through Assembly Bill 191,

which was authored by Assemblywoman Jan Evans. Governor Guinn has issued a proclamation declaring today, February 2, 2000, the Nevada Groundhog Job Shadow Day. Mr. Pedlar thanked the committee for honoring Nevada's youth and their futures today.

Chairman Arberry recognized Ms. Marie Hedrick, Senior, Galena High School, Reno, Nevada and Ms. Charlotte Curtis, Coordinator, Nevada's School to Careers, who thanked the committee for honoring Groundhog Job Shadow Day.

Mrs. Cegavske said she wished to recognize Ms. Stephanie Wong, an outstanding student from Bonanza High School, Las Vegas, the principal of Bonanza High School, Dr. Sue DeFrancesco, and all of the other students from Las Vegas visiting today.

There being no further business to come before the committee, Chairman Arberry adjourned the meeting.

Assemblyman Morse Arberry, Jr., Chairman
Interim Finance Committee

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