

MINUTES OF THE DECEMBER 11, 2012
MEETING OF THE
INTERIM FINANCE COMMITTEE
LEGISLATIVE COUNSEL BUREAU
Las Vegas, Nevada

Chair Maggie Carlton called a regular meeting of the Interim Finance Committee (IFC) to order at 9:23 a.m. on December 11, 2012, in Room 4401 of the Grant Sawyer Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 4100 of the Nevada Legislative Building, 401 South Carson Street, Carson City, Nevada. [Exhibit A](#) is the Agenda and [Exhibit B](#) is the Meeting Packet. All exhibits are available and on file at the Fiscal Analysis Division of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Senator Debbie Smith, Vice Chair
Senator Moises Denis
Senator Pete Goicoechea
Senator Ben Kieckhefer
Senator David Parks
Senator Michael Roberson
Senator Joyce Woodhouse
Assemblyman Paul Aizley
Assemblyman Paul Anderson
Assemblyman David Bobzien
Assemblyman Steven Brooks
Assemblywoman Irene Bustamante Adams for Assemblyman Horne
Assemblyman Andy Eisen
Assemblywoman Lucy Flores
Assemblyman Tom Grady
Assemblyman John Hambrick
Assemblyman Crescent Hardy
Assemblyman Pat Hickey
Assemblywoman Marilyn Kirkpatrick
Assemblyman Randy Kirner
Assemblywoman Dina Neal for Assemblyman Hogan

COMMITTEE MEMBERS EXCUSED:

Assemblyman Joseph Hogan
Assemblyman William C. Horne
Assemblyman Michael Sprinkle

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT IN LAS VEGAS:

Rick Combs, Director, Legislative Counsel Bureau
Cindy Jones, Fiscal Analyst, Assembly
Mark Krmpotic, Fiscal Analyst, Senate
Sherie Silva, Interim Finance Committee Secretary

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT IN CARSON CITY:

Brenda Erdoes, Legislative Counsel
Eileen O'Grady, Chief Deputy Legislative Counsel
Mike Chapman, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Donna Thomas, Fiscal Analysis Division Secretary

A. ROLL CALL.

Rick Combs, Director, Legislative Counsel Bureau, and Secretary, Interim Finance Committee, called the roll; a quorum was present in both houses. Assemblymen Hogan, Horne, and Sprinkle were excused.

Chair Carlton welcomed members of the audience and the newly-appointed Committee members.

B. PUBLIC COMMENT.

Chair Carlton asked whether any members needed to make disclosure statements.

Assemblyman Eisen said although he was not required by law to make the disclosure, he wanted the record to reflect that he was a Medicaid-provider physician. Legislative Counsel had determined there was no conflict because his employment agreement did not connect his compensation to reimbursement.

Chair Carlton called for public comment; there was none. She noted that public comment would be allowed at the end of the meeting as well.

C. APPROVAL OF MINUTES OF THE AUGUST 23, 2012, MEETING.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE
MINUTES OF THE AUGUST 23, 2012, MEETING.

SENATOR SMITH SECONDED THE MOTION.

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

D. ALLOCATION OF FEDERAL GRANT FUNDS FOR WHICH A STATE AGENCY, COMMISSION OR DEPARTMENT HAS REQUESTED A PUBLIC HEARING PURSUANT TO NRS 353.337.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Agenda Item D included seven work program revisions requesting allocations of federal grant funds for which the state agencies had requested a public hearing. She noted that item D-3 indicated that it related to item D-4, which should read item D-5, and item D-5 indicated that it related to item D-2, which should be corrected to D-3.

Ms. Jones said the Committee had requested testimony on item 2, Department of Agriculture, and items 3 and 5, the Department of Health and Human Services (DHHS) Director's Office and the Health Division, DHHS.

Chair Carlton asked for public testimony on Agenda Items D-1 through D-7; there was none.

- 1. Department of Agriculture - USDA Specialty Crop Grant Account -** The USDA Specialty Crop Grant account, a non-executive budget account has received an allocation of USDA Specialty Crop Block Grant funds. **The agency is choosing to use the IFC meeting for the required public hearing pursuant to NRS 353.337. Work Program #C25506.**

Refer to motion for approval under Agenda Item D-7.

- 2. Department of Agriculture - Pest, Plant Disease, and Noxious Weed Control - FY 2013 -** Addition of \$33,886 in federal U.S. Department of Agriculture (USDA) Specialty Crop Block Grant (SCBG) - Farm Bill funds, \$5,000 in federal USDA Khapra Beetle grant funds, and \$35,123 in federal USDA Hispanic Marketing grant funds. This request will align federal and state authority for personnel costs associated with the USDA SCBG managed in Agriculture's USDA Specialty Crop Grant account; conduct surveillance activities that provide specific information concerning the Khapra Beetle migration; and provide outreach, prepare statistical data and distribute promotional materials relating to Hispanic marketing activities. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing pursuant to NRS 353.337. Work Program #C25290**

Senator Denis noted that the Northern Nevada Hispanic Marketing Initiative would be receiving a portion of the Specialty Crop Block Grant funds, and he asked what would be accomplished with the funds.

James Barbee, Director, Department of Agriculture, explained the Department had received a United States Department of Agriculture (U.S.D.A.) grant, from which \$35,123 was subgranted to the Northern Nevada Hispanic Marketing Initiative.

The grant funds would be used to develop Hispanic-directed courses in Spanish for the Specialty Crop Program, which could target anything from food development to organics. The goal was to seek more Hispanic involvement in the Specialty Crop Grant Program.

Senator Denis asked whether the program to reach out to the Hispanic community had been done before. Mr. Barbee replied that he understood it was a new program.

Senator Denis said it would be interesting to see how well the program worked. He noted the grant targeted northern Nevada, and he asked whether similar activities were planned in other parts of the state.

Mr. Barbee replied the grant was small, and he assumed that it would be viewed as a pilot program to see what kind of response and results would be realized by trying to expand Hispanic involvement in the Specialty Crop Program. He said the Department would report the results of the program to the Committee.

Senator Denis said he would look forward to hearing how the program worked and whether it succeeded. He thanked Mr. Barbee for his testimony.

Chair Carlton asked for public testimony; there was none.

SENATOR DENIS MOVED TO APPROVE AGENDA
ITEM D-2.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

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

- 3. Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2013 - Addition of ~~\$455,747~~ **\$446,453** in federal Social Services Block Grant-Title XX funds to support programs and training for case management and emergency services for at-risk families and to provide and strengthen the information and referral network in the state. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing and since the amount added to the Non-State Child Abuse Subgrants category exceeds \$75,000. RELATES TO ITEM 4. Work Program #C25425. REVISED 11-30-12.****

Refer to discussion and motion for approval under Agenda Item D-5.

- 4. Department of Health and Human Services - Health Division - Chronic Disease - FY 2013 - Addition of \$122,384 in federal Women's Health Connections (WHC) supplemental grant funds to provide breast and cervical cancer screenings**

for women in the age range of 40 to 64 years old and are either uninsured or under-insured. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing and since the amount added to the WHC Supplemental category exceeds \$75,000. Work Program #C25542**

Refer to motion for approval under Agenda Item D-7.

- 5. Department of Health and Human Services - Health Division - Chronic Disease - FY 2013** - Addition of \$73,124 in federal Title XX grant funds transferred from the Department of Health and Human Services to develop the NVStrong Wellness Website that will promote statewide wellness through public education and coordination of preventive health care services. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing and since the amount added to the Wellness Website category exceeds 10 percent of the legislatively approved amount for that category. RELATES TO ITEM 2. Work Program #C25617**

Mike Willden, Director, Department of Health and Human Services, explained Agenda Items D-3 and D-5 related to Title XX, Social Services Block Grant. Each year, the state received a Title XX block grant of approximately \$14 million, which was used to pay for social services throughout the state. He said most of the grant funds, usually 90 percent, were allocated to state agencies, and about 10 percent of the funds were allocated to community-based or nonprofit organizations.

Mr. Willden said that Agenda Item D-3 was a request to use \$446,453 in uncommitted funds in fiscal year (FY) 2013 to provide for additional training through Webinars; to subgrant approximately \$100,000 to the State Health Division for the wellness website; and to support the 2-1-1 program, the Differential Response program, and Family Resource Centers.

Mr. Willden explained that Agenda Item D-5 involved the Health Division's \$73,124 allocation of grant funds for the NVStrong Wellness Website.

Senator Kieckhefer asked Mr. Willden to further explain the NVStrong Wellness Website and how it related to the purpose of Title XX funds.

Mr. Willden replied that Title XX funds could be used similar to General Fund dollars, and they were used for a multitude of programs. There was a \$1.2 million unobligated reserve coming into FY 2013, and the current request was to use \$446,453 for a number of purposes, specifically the NVStrong Wellness website.

Mr. Willden pointed out that Nevada was one of the poorest performers in a number of health indicators, such as diabetes, immunizations, and general wellness. The Health Division had been working for the last several months to create and establish a wellness website where members of the community, businesses, and schools could

get information about wellness matters, such as how to be more fit and how to access diabetes, immunization, and general wellness programs.

Mr. Willden went on to explain that the Department had Master Service Agreements (MSAs) with a number of vendors that had been in place for several years. The plan was to contract with one of the MSA vendors to develop the website, which would be accessible by all Nevadans, and to funnel funds to the Health Division to help manage the project to serve as a resource for schools, businesses, and community members.

Senator Kieckhefer said that with all of the social services needs throughout the state, he thought \$173,000 was an excessive amount to spend on an informational website. He asked how it was decided to allocate nearly half of the grant funding to the website when there were so many other outstanding needs.

Mr. Willden recalled that in spring of 2012, the Department had conducted community assessments, in which several areas were pointed out as lacking in the state: wellness, respite, food security, and other services. There were a number of initiatives in the survey that were prioritized for funding. He said two or three sources of funds in the Director's Office were considered to help fund those activities: Title XX funds, the Tobacco Settlement Fund, and the Children's Trust Fund. Coordination of wellness information was a priority need that came from the community assessment.

Mr. Willden agreed that \$173,000 was a substantial amount, but he pointed out that there was still \$800,000 in unobligated reserve of Title XX funds, for which later requests would be made to fund other priorities identified in the community assessment. He remarked that he, and the Committee members, knew there would never be enough money to meet all of the requests for social services. His direction to staff was to keep some unobligated reserves for unanticipated needs, but efforts were being made to address two or three of the major items identified in the assessment.

Assemblyman Bobzien said wellness was always difficult to quantify. He asked how the wellness program would be monitored to determine the outcomes and whether the website was effective. He assumed the program would be ongoing and asked what the long-term plan was to measure effectiveness and what would be done after the website was established.

Mr. Willden replied the website was intended to be an ongoing resource available to schools, businesses, and the community. During the planning phase, the Health Division had specifically tried to identify meaningful indicators. He said there were national specific measure indicators defined by the United Health Foundation, the Kaiser Family Foundation, and other resources; specific measures were monitored by all states. Mr. Willden said the ultimate measurement of outcomes would be whether the national indicators changed, which were measured annually.

Monica Morales, Nevada State Chronic Disease Development Manager, Health Division, Department of Health and Human Services, explained the Division would do a number of things to measure the success of the program, including track the

number of hits on the website by actual focus sectors, such as the schools, businesses, and members of the community. She said an assessment would be made of different projects that worksites may have in place, such as physical activity and healthy foods.

Ms. Morales said the Centers for Disease Control (CDC) was currently developing worksite wellness questions to include in national surveys across the nation. She said various approaches were being taken to evaluate the progress of the website, as well as the multiple activities of the entire project.

Assemblyman Bobzien said it was good that the Division was focusing on indicators and attempting to make the state healthier, but he did not understand the connection of the website to determination of whether someone was healthier.

Ms. Morales explained that not only would the number of hits on the website be tracked, the website would be programmed to perform multiple functions. Businesses would be encouraged to complete an intake survey on the website to create a baseline, to include whether the business had a fitness room or included nutritional items in vending machines at the workplace. She said a program coordinator would follow up with the businesses to track their progress through time and provide tools to use in their wellness programs.

Ms. Morales said ideally, the Division wanted to follow up and provide records to businesses to enable them to internally monitor themselves and implement programs to track weight loss, measure intake of nutritional items, provide various other tools, and create profiles of progress.

Assemblyman Bobzien asked whether measurement of success of the program's efforts would include the number of businesses in the state, the number of businesses reached out to, and the number of businesses that used the program. He wanted the project to be successful—there was clearly an opportunity—but he was not sure whether a business wanting to make its workplace healthier would know to look at the state website. Assemblyman Bobzien said he was hopeful that the Division could report to the Committee that the project was a success with statistics on the number of participating businesses and citizens and their outcomes.

Ms. Morales replied that was the type of information the Division planned to present to the Committee in the future.

Senator Roberson said he was skeptical of the idea. The Internet was free and there were a variety of sources to turn to for health advice. He acknowledged it would be a great idea given infinite resources, which the state did not have. He said there were many healthcare needs, and he was not sure the website should be on the priority list.

Senator Denis noted the website would be developed from grant funds, and he questioned how the ongoing maintenance of the program would be funded.

Mr. Willden replied the ongoing maintenance would be paid from a number of federal grants received by the Health Division each year, such as chronic disease and diabetes grants.

Senator Denis asked how the information on the website was different from other information available on the Internet.

Ms. Morales replied the research indicated that individuals tended to visit websites that they were familiar with or were referred to by family and friends. The design of the project was unique because it was trying to localize national best practices to Nevada-specific issues. She said the website would include local information on specific national physical activity and nutritional events, such as local phone numbers for National Cancer Awareness Month. Ms. Morales said that localizing national programs and including needs applicable to Nevada were proven to be successful in similar programs.

Senator Denis asked whether the costs would decrease on an ongoing basis. Ms. Morales replied ongoing costs would be reduced substantially for maintenance of the program.

Chair Carlton asked whether the cost to market the website would be \$100,000. Mr. Willden replied the \$100,000 was for the initial contract with a Master Services Agreement vendor to develop the website. The \$73,000 was for the Health Division to hire a temporary coordinator and for additional marketing by the MSA contractor, travel and operating expenses, and ongoing maintenance management expenses.

Assemblywoman Kirkpatrick remarked that one thing the state lacked was data. She did not usually consult a state website: she referred to local websites, such as the Clark County Health District and Washoe County Health District. She asked whether there would be a way to partner with those agencies and possibly gain more leverage through their websites.

Mr. Willden emphasized that the marketing cost was only \$25,000 of the overall \$173,000. The concept was that there would be a single well-known and well-publicized website that Nevada schools, businesses, and citizens could access for information on wellness. He said the website would include links to local health district websites and other helpful agencies, along with applicable national websites. The website would allow users to research local information within their communities, and the master calendar could be localized to individual communities.

Assemblyman Kirner noted that the Public Employees' Benefits Program (PEBP) had wellness websites, and he asked whether the Health Division had held discussions with PEBP concerning the reception of its website. He said there were a number of wellness websites that addressed specific diseases, diets, and other health matters. He questioned how efficient the website would be and whether it would be used.

Ms. Morales replied the Division had held many conversations with various entities, including the health districts and local health authorities, concerning their wellness efforts. There were efforts at the state level, but they were not organized or coordinated statewide. Ms. Morales said the goal of the new website would be to standardize best practices and recommendations statewide to bring resources into counties and cities

that did not have websites in place and to work with organizations to promote common messaging concerning wellness and various chronic diseases across the state.

Assemblywoman Neal said she could understand the cost of the website if the purpose was for interagency collaboration and it would report health issues and serve as a data hub for nonprofit organizations to report their achievements under grant-funded projects. She had visited the Department of Health and Human Services' website, and she found that much of the data was two years behind, and agencies working on grants had no capacity to update or provide information to citizens. Assemblywoman Neal believed better use of the funds would be to build some cohesive data concerning diabetes, teen pregnancy, and other issues going on in the state, and the website could include information on particular grants and their achievements. She said real-time data on health issues was missing, and she would prefer to spend \$100,000 to produce usable information for operation of the state and other agencies.

Mr. Willden agreed there was a lot of information on the DHHS website and that it was not always updated, partly because sometimes it took up to a year or more to analyze federal and state data, particularly chronic disease data.

Mr. Willden recalled that Assemblywoman Kirkpatrick had sponsored Assembly Bill (A.B.) No. 242 (2009 Session), which required nonprofits and community organizations that received grants from the DHHS to report how the grant funds were spent and the outcomes. The information was sent to the Department and posted to its website. Mr. Willden said there was a robust amount of information on the DHHS website, although it might not always be the most timely. The website could be improved, but he believed making the wellness information available to the public was also an important component.

Assemblyman Eisen said he was concerned about creating a redundant system with resources that already existed on the Internet, as well as the ability to demonstrate that the website was effective. He asked whether the Department had considered focusing the website on serving as a portal to other sources of information, such as the Centers for Disease Control (CDC), which had wellness resources available. Encouraging citizens to "join the team" and actively engage in the process would also provide the ability to survey them about changes in their behavior or thinking, which could be used to directly evaluate the effectiveness of the website.

Mr. Willden clarified that the website would be a single portal website that would link to all of the data, tool sets, and information on other entities, including the CDC, and report the metrics and outcome measures. He noted that the intent was to measure whether the website was affecting the national and local metrics over time and whether it was a useful resource for Nevadans.

Senator Kieckhefer referred to the request for \$75,000 for strategic planning for communications service. He asked whether the request related to the 2-1-1 program and if the funds might be better allocated directly to the 2-1-1 program to bolster that system.

Laurie Olson, Chief, Grants Management Unit, Director's Office, Department of Health and Human Services, explained that the wellness category in the proposed funding plan for the Fund for a Healthy Nevada included \$500,000 for the 2-1-1 program. The strategic planning process came from the community needs assessment, and assistance finding health and wellness information was high on the list of needs. Ms. Olson said in addition to the 2-1-1 system, there were Aging and Disability Resource Centers (ADRCs), Family Resource Centers (FRCs), and a variety of other sources of information, but people repeatedly said at public forums and in the surveys that they did not know where to find information. Therefore, the strategic planning process was intended to bring all of the key resources together: 2-1-1, ADRCs, and FRCs, to try to build a cohesive system involving more collaboration, partnerships, standardization of information, and in the end, to increase outreach efforts to provide information to the public.

Senator Goicoechea said he would support the request, but it appeared to him to be a band-aid for a program that needed a tourniquet. He was concerned that the state could be better served if the funds were used for other programs.

Mr. Willden replied that he had been the Director of DHHS for twelve years, and he was embarrassed that Nevada had been in the bottom of most health indicators and health rankings during his entire career. He said his personal passion was for the state to take some of the health indicators seriously and try to turn them around. He was aware the problem was funding and underfunding in many areas; he could recite all of the public health indicators for which insufficient funds were invested. Mr. Willden said if the state did not provide the public with the ability to obtain information and awareness in a cohesive and simple way, Nevada would never change the trend and would continue to be last place in public health indicators: wellness, public health, mental health, and Medicaid funding. He understood the Committee's concerns and that money was tight, but he and the Department believed the website was important and it was time to start reversing the indicator trends.

Assemblywoman Flores said she appreciated Mr. Willden's comments, and she agreed with the need to educate the state's citizens and reverse the trends. She had visited the DHHS website, and she agreed with Assemblywoman Neal that it was a lot of information, and much of it was outdated. She asked whether it would be better to spend the funds to improve the current website or abolish it and start over. She noted that there was probably not sufficient funding to create a new portal with all of the information required.

Mr. Willden agreed that the DHHS website needed improvement, but he said the request was for a single portal—a single website—for the public to access health and wellness information; it would not replace the DHHS website. The DHHS website needed to be updated to be more user friendly, accessible, and current, which was an ongoing long-term project that would require resources and time. He noted that the NVStrong website was a short-term project that would get community, schools, and businesses involved in a wellness effort by spring 2013.

Chair Carlton asked for public comment; there was none.

Chair Carlton noted it appeared that Committee members were comfortable with some items in the request, but they were not comfortable with the expenditure for the website. She suggested the request could be approved excluding funds for the website and that Mr. Willden could respond to the Committee's concerns and resubmit the request at a future date.

SENATOR KIECKHEFER MOVED THAT AGENDA ITEM D-3 BE APPROVED, WITH THE EXCEPTION OF \$73,124 IN CATEGORY 34 AND \$175,000 IN CATEGORY 35 RELATED TO THE NVSTRONG WELLNESS WEBSITE; THAT AGENDA ITEM D-5 IN THE AMOUNT OF \$73,124 NOT BE APPROVED; AND THAT FISCAL ANALYSIS DIVISION STAFF BE AUTHORIZED TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

Senator Denis affirmed that Committee members were not saying they did not want the website; they were saying more information needed to be provided and perhaps the request could be brought back to the Committee.

Assemblyman Bobzien clarified the Committee was requesting that a clearer plan for the health and wellness website be provided, including activities related to marketing and appropriate performance measurement metrics, to know whether the program was making a difference.

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

- 6. Department of Health and Human Services - Child and Family Services - Northern Nevada Child and Adolescent Services - FY 2013** - Addition of \$140,418 in federal Community Mental Health Services (CMHS) block grant funds to provide community-based direct service staff in Washoe County along with placement prevention services to families whose children are at risk of entering higher levels of care within the mental health system. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing and since the amount added to the CMHS Respite Care category exceeds \$75,000. Work Program #C25302**

Refer to motion for approval under Agenda Item D-7.

- 7. Department of Health and Human Services - Child and Family Services - Southern Nevada Child and Adolescent Services - FY 2013** - Addition of \$111,340 in federal Community Mental Health Services (CMHS) block grant funds to provide community-based direct service staff in urban Clark County along with placement prevention services to families whose children are at risk of entering higher levels of care within the mental health system. **Requires Interim Finance**

approval since the amount involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing and since the amount added to the CMHS Respite Care category exceeds 10 percent of the legislatively approved amount for that category. Work Program #C25423

Chair Carlton called for public testimony on Agenda Items D-1, D-4, D-6, and D-7; there was none.

ASSEMBLYMAN BROOKS MOVED TO APPROVE AGENDA ITEMS D-1, D-4, D-6, AND D-7.

SENATOR GOICOCHEA SECONDED THE MOTION.

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

E. WORK PROGRAM REVISIONS IN ACCORDANCE WITH NRS 353.220(5)(b). INFORMATIONAL ONLY – REQUIRED EXPEDITIOUS ACTION WITHIN 15 DAYS.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the four work program revisions in Agenda Item E required expeditious action within 15 days of their submission. They had been approved by the Governor and were for the Committee's information only; no Committee action was required.

Chair Carlton asked for questions from the Committee; there were none.

- 1. Department of Health and Human Services - Aging and Disability Services - Community Based Services - FY 2013** - Addition of \$71,705 in federal Lifespan Respite Care program grant funds to expand and enhance respite care services to family caregivers of children or adults of all ages with special needs, who might not otherwise have access to respite services. Requires Interim Finance approval since the amount added to the Lifespan Respite Care Program category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C25647**
- 2. Department of Health and Human Services - Health Division - Immunization Program - FY 2013** - Addition of \$150,536 in federal Centers of Disease Control and Prevention grant funds to ensure new cases of Hepatitis B virus for non-healthcare personnel populations in Clark County are prevented through vaccination. Requires Interim Finance approval since the amount added to the Adult Hep B Project category exceeds \$75,000. **Work Program #C25405**

3. **Department of Health and Human Services - Health Division - Immunization Program - FY 2013** - Addition of \$189,124 in federal Centers for Disease Control and Prevention - Vaccine Storage and Handling grant funds to improve vaccine management, storage and the handling of vaccinations held by providers. Requires Interim Finance approval since the amount added to the Vaccine Storage and Handling category exceeds \$75,000. **Work Program #C25406**
4. **Department of Health and Human Services - Health Division - Biostatistics and Epidemiology - FY 2013** - Addition of \$971,673 in federal Epidemiology and Laboratory Capacity (ELC) supplemental grant funds and deletion of \$102,650 in ELC grant funds to continue support of various interrelated existing ELC program activities. This request continues the project originally approved in FY 2012. Requires Interim Finance approval since the amount added to the ELC Supplemental category exceeds \$75,000. **Work Program #C25533**

F. APPROVAL OF GIFTS, GRANTS, WORK PROGRAM REVISIONS AND POSITION CHANGES IN ACCORDANCE WITH CHAPTER 353 OF NRS.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, announced that the Committee had requested testimony on the following work program revisions in Agenda Item F:

Item 15, Department of Education; item 36, Director's Office, Department of Health and Human Services (DHHS); item 38, Aging and Disability Services Division, DHHS; items 39 and 45, Aging and Disability Services, DHHS, would be heard together; item 43, Aging and Disability Services, DHHS; items 47 and 48, Health Division, DHHS; item 85, State Parks Division, Department of Conservation and Natural Resources, and item 105, Department of Wildlife, would be heard together; items 98 and 100, Department of Wildlife, and Agenda Item G.1. would be heard together; items 109, 110, and 112, Department of Transportation, would be heard together; and item 113, Adjutant General and National Guard.

Items F-27, Department of Business and Industry, and F-115, Office of the Attorney General, would be resubmitted at the January 25, 2013, Interim Finance Committee meeting.

Item F-26, Department of Agriculture, and F-35, Department of Health and Human Services, were withdrawn.

Chair Carlton asked whether Committee members would like to hear testimony on other items.

Senator Kieckhefer asked for testimony on Agenda Item F-20, Nevada System of Higher Education.

ASSEMBLY HAMBRICK MOVED TO APPROVE THE REMAINING WORK PROGRAM REVISIONS AND REQUESTS FOR POSITION RECLASSIFICATIONS.

SENATOR PARKS SECONDED THE MOTION.

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

Work Program Revisions

- 1. Office of the Governor - Office of Energy - Energy Conservation - FY 2013 -** Addition of \$153,803 in federal Nevada Rooftop Solar Initiative (NRSI) grant funds to increase and strengthen Nevada's residential and commercial rooftop solar market. Requires Interim Finance approval since the amount added to the NRSI category exceeds \$75,000. **Work Program #C25599**

Refer to motion for approval under Agenda Item F.

- 2. Office of the Attorney General - Violence Against Women Grants - FY 2013 -** Addition of \$50,648 in United Health Litigation Antitrust (UHLA) settlement revenues to continue the Nevada Drug Endangered Children (DEC) program and continue funding for the project coordinator. Requires Interim Finance approval since the amount added to the UHLA/DEC category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C24106**

Refer to motion for approval under Agenda Item F.

- 3. Office of the Attorney General - Violence Against Women Grants - FY 2013 -** Addition of \$135,531 in federal Sexual Assault Services Provider (SASP) grant funds to support non-profit and other non-governmental organizations that provide comprehensive services to sexual assault victims in Nevada. Requires Interim Finance approval since the amount added to the SASP grant category exceeds \$75,000. **Work Program #C25657**

Refer to motion for approval under Agenda Item F.

- 4. Office of the Secretary of State - State Business Portal - FY 2013 -** Transfer of \$94,085 from the Personnel Services category to the Information Technology category to contract with technical staff to begin the implementation of improvements and enhancements to the Nevada Business Portal and Digital Operating Agreement specifications and application design. Requires Interim Finance Approval since the amount transferred to the Information Technology category exceeds \$75,000. **Work Program #C25631**

Refer to motion for approval under Agenda Item F.

5. **Department of Administration - Motor Pool - FY 2013** - Transfer of \$100,119 from the Vehicle Depreciation category to the Vehicle Operation category and \$287,875 from the Reserve category to the Vehicle Operation category to provide for increased fuel and maintenance costs for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Vehicle Operation category exceeds \$75,000. **Work Program #C25582**

Refer to motion for approval under Agenda Item F.

6. **Department of Administration - Motor Pool Vehicle Purchase - FY 2013** - Transfer of \$219,039 from Reserve category to the Vehicle Purchase category to provide ten additional vehicles for the Department of Public Safety - Parole and Probation Division. Requires Interim Finance approval since the amount added to the Vehicle Purchase category exceeds \$75,000. **Work Program #C25636**

Refer to motion for approval under Agenda Item F.

7. **Department of Administration - State Public Works Division - Buildings and Grounds - FY 2013** - Transfer \$42,500 from the Reserve category to the Equipment category and \$46,342 from the Reserve category to the Building Renovation category to purchase an Emergency Generator Fuel Polishing System Trailer, which will help ensure that critical stand-by emergency generators perform when utility power fails, and to complete the deferred maintenance project of the Stewart Building 89 (Department of Corrections) by purchasing the back-up generator. Requires Interim Finance approval since the cumulative amount added to the Building Renovation category exceeds \$75,000. **Work Program #C25412**

Refer to motion for approval under Agenda Item F.

8. **Department of Administration - State Public Works Division - Buildings and Grounds - FY 2013** - Transfer of \$850,000 from the Reserve category to the Building Renovation category and \$850,000 from the Utilities category to the Building Renovation category to address various deferred critical facility and infrastructure maintenance needs in both Southern and Northern Nevada. Requires Interim Finance approval since the amount transferred to the Building Renovation category exceeds \$75,000. **Work Program #C25622**

Refer to motion for approval under Agenda Item F.

9. **Department of Administration - Enterprise IT Services - Data Communications and Network Engineering - FY 2013** - Transfer \$261,810 from the Reserve category to the Information Services category to provide for hardware maintenance services and a 10-megabyte Ethernet circuit between Carson City and Fallon. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds \$75,000. **Work Program #C25641**

Refer to motion for approval under Agenda Item F.

- 10. Department of Education - School Health Education - AIDS - FY 2013 -** Deletion of \$206,726 in federal Comprehensive School Health grant funds to align remaining federal funds with state authority. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$75,000. **Work Program #C25515**

Refer to motion for approval under Agenda Item F.

- 11. Department of Education - Other Unrestricted Accounts - FY 2013 -** Deletion of \$42,112 in federal Data Coordinator Task Order grant funds; \$59,295 in federal National Assessment Education Proficiency grant funds; \$109,269 in federal National Community Service grant funds; \$883,757 in Charter School Fees; and addition of \$1,409 in federal National Cooperative Statistics System grant funds and \$17,500 in National Governors Association Teacher Effectiveness private grant funds to align authority with available funding for programs. This request also removes revenues and expenditures for the State Public Charter School Authority from this account. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$75,000. **Work Program #C25307**

Refer to motion for approval under Agenda Item F.

- 12. Department of Education - Discretionary Grants - Restricted - FY 2013 -** Addition of \$7,879,148 in federal 21st Century Learning Center grant funds; \$7,423,872 in federal English Language Acquisition grant funds; \$5,071 in federal Refugee Children School Improvement grant funds; \$468,593 in federal Homeless Children grant funds; \$24,749 in federal Advanced Placement Fee Payment grant funds; and deletion of \$288,613 in federal Byrd Scholarship grant funds and \$1,421,182 in Transfer of EduJobs grant funds. This request also transfers \$1,875 from the Byrd Administrative Expense category to the Reserve for Reversion category to align state and federal authority for these programs. Requires Interim Finance approval since the amount added to the 21st Century Learning Centers category exceeds \$75,000. **Work Program #C25596**

Refer to motion for approval under Agenda Item F.

- 13. Department of Education - Elementary and Secondary Education - Title I - FY 2013 -** Addition of \$571,554 in federal ARRA School Improvement 1003(G) grant funds, \$55,380,479 in federal Title I Basic grant funds, \$444,344 in federal Migrant Aid grant funds, \$234,238 in federal Neglected and Delinquent Child grant funds, \$69,031 in federal Migrant Consortium grant funds, and \$4,476,655 in federal School Improvement 1003(G) grant funds to align state and federal authority. Requires Interim Finance approval since the amount added to the Title I Basic Aid to Schools category exceeds \$75,000. **Work Program #C25604**

Refer to motion for approval under Agenda Item F.

- 14. Department of Education - Elementary and Secondary Education Titles II, V, & VI - FY 2013** - Addition of \$338,717 in federal Technology grant funds to balance forward remaining authority to continue funding to improve student achievement through the use of technology. Requires Interim Finance approval since the amount added to the Educational Technology Aid to Schools category exceeds \$75,000. **Work Program #C25322**

Refer to motion for approval under Agenda Item F.

- 15. Department of Education - Elementary and Secondary Education Titles II, V, & VI - FY 2013** - Addition of \$4,300,853 in federal Improving Teacher Quality grant funds, \$3,185,437 in federal State Assessments grant funds, \$12,286,753 in federal Striving Readers Initial grant funds, and deletion of \$293,922 in federal Math and Science Partners grant funds to align federal and state authority to continue these programs and to cover a projected shortfall in the Personnel Services category. Requires Interim Finance approval since the amount added to the Striving Readers Administration category exceeds \$75,000. **Work Program #C25608**

Julia Teska, Administrative Services Officer, Department of Education, explained that the work program in Agenda Item F-15 was a request to balance forward federal funds for improving teacher quality, state assessments, math and science partnerships, and striving readers. She noted a technical adjustment was required on the work program back-up document: category 51, Striving Readers Aid to Schools, should read \$11,687,448, and category 52, Striving Readers Administration, should read \$502,962.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA
ITEM F-15.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

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

- 16. Department of Education - Career and Technical Education - FY 2013** - Addition of \$2,970,131 in federal Perkins Vocational Education grant funds to align state and federal authority to continue career and occupational educational programs. Requires Interim Finance approval since the amount added to the Career Technical Education Basic Aid to Schools category exceeds \$75,000. **Work Program #C25526**

Refer to motion for approval under Agenda Item F.

17. **Department of Education - Continuing Education - FY 2013** - Addition of \$2,052,507 in federal Adult Basic Education grant funds to align state and federal authority and continue providing adult education programs. Requires Interim Finance approval since the amount added to the Adult Basic Education-Aid to Schools category exceeds \$75,000. **Work Program #C25540**

Refer to motion for approval under Agenda Item F.

18. **Department of Education - Nutrition Education Programs - FY 2013** - Addition of \$25,322 in federal Commodity/Cash grant funds, \$447,910 in federal School Breakfast Program grant funds, \$5,627 in federal Special Milk Program grant funds, \$256,870 in federal Child/Adult Care Program grant funds, \$4,655,442 in federal School Lunch Program grant funds, \$114,267 in federal Summer Food Service Program grant funds, and \$21,804 in federal Child/Adult Care Audit Program grant funds due to increased participation and reimbursement rate increases in these programs. Requires Interim Finance approval since the amount added to the School Lunch Program category exceeds \$75,000. **Work Program #C25645**

Refer to motion for approval under Agenda Item F.

19. **Department of Education - Individuals with Disabilities Education Act (IDEA) - FY 2013** - Addition of \$25,950,242 in federal Special Education grant funds, \$1,540,652 in federal Early Childhood grant funds and deletion of \$220,933 in federal Project Promises grant funds to align state and federal authority for these programs. Requires Interim Finance approval since the amount added to the Special Education Aid to Schools category exceeds \$75,000. **Work Program #C25614**

Refer to motion for approval under Agenda Item F.

20. **Nevada System of Higher Education (NSHE) - University of Nevada - Reno - FY 2013** - Addition of \$8,303,476 in Non-Resident Tuition and \$120,391 in Student Surcharges to cover costs associated with part-time instructors, scholarships, financial aid, deferred maintenance, computer replacement, classroom renovations, project matches, Fire Science Academy debt retirement, critical faculty and staff, and to offset an anticipated shortfall in Miscellaneous Student Fees. An additional \$21,245 in Student Surcharges will be budgeted in the self-supporting budgets for student financial aid. This request is contingent upon Board of Regents approval at their November 29-30, 2012, meeting. Requires Interim Finance approval pursuant to Senate Bill 503, Section 8, Chapter 372, of the 2011 Legislative Session. **Work Program #C25722**

Chair Carlton noted that Senator Kieckhefer had requested testimony on Agenda Item F-20.

Marc Johnson, Ph.D., President, University of Nevada, Reno, Nevada System of Higher Education (NSHE), introduced Bruce Shively, Associate Vice President for Budget and Planning, University of Nevada, Reno (UNR).

Senator Kieckhefer asked what portion of the additional nonresident tuition and student surcharge funds would be used for debt retirement for the Fire Science Academy and what balance of the debt would remain. He also wondered how the decision was made to not retire more of the debt with the unanticipated revenues.

Dr. Johnson replied UNR had a long history with the Fire Science Academy, which was finally closed in December 2011. At that point, there was a \$40 million deficit, debt, and reclamation expense. He said that due to the efforts of President Glick [previous UNR President], the Fire Science Academy land in Carlin, Nevada, was sold for \$10 million on June 29, 2012, leaving a debt balance of \$30 million.

Dr. Johnson explained that UNR had been using funds from previous property sales to focus on retiring the debt, deficit, and reclamation expense. Working with the Board of Regents and from property sales proceeds, funds had been identified to pay \$24 million in construction debt that was being supported through bond payments using a student fee of \$6.50 per credit hour. With the construction debt completely retired, the \$6.50 student fee for UNR campus improvements would be freed up for capital projects on the campus.

Dr. Johnson said that funds had also been identified to pay the reclamation expenses, which would leave approximately \$10 million to \$12 million of deficit from operations.

Senator Kieckhefer asked whether discussions had been held with students concerning how the balance of the \$6.50 per credit hour student fees would be used.

Dr. Johnson replied discussions were held with students in the spring and fall of 2012. It was agreed that the first portion of the bond capacity would be spent on building a student achievement center on campus. The center would bring together many of the student academic support services, including a writing center, mathematics center, tutoring center, counseling center, disabilities resource center, veterans' support center, and a number of other services. He said the center would be one of the last campus facilities constructed to support keeping students on campus and on track to successful graduation.

Senator Kieckhefer noted that Dr. Johnson had indicated the \$10 million to \$12 million deficit was in operations, and he asked him to explain. Dr. Johnson explained that the \$40 million debt was cut into three pieces: construction debt funded with bonds, which was paid off with student fees; an operating deficit, which UNR financed internally; and a reclamation expense to restore the Fire Science Academy lands after they were transferred to the National Guard.

Senator Kieckhefer affirmed that the student fees would not be used to repay the \$10 million to \$12 million balance. Dr. Johnson replied that was correct. Approval of Item F-20 would complete the obligation of the students to pay off the bonds. The Board of Regents had already granted the Chancellor the authority to call all of the bonds, which would be paid off as soon as possible.

Senator Goicoechea asked whether any funds from the sale of the main station property or water rights were used toward payment of the debt. Dr. Johnson replied that some of the proceeds from the sale of 165 acres to the Regional Transportation Commission (RTC) would be used toward payment of the debt.

Dr. Johnson explained that, in accordance with Board of Regents Resolution No. 81.8, the value of the RTC land would be given to the College of Agriculture, Biotechnology, and Natural Resources through an exchange mechanism. The funds would be put into an endowment, which would create income to hire faculty positions in the College, and the College would be guaranteed the current going rate of payments from NSHE and UNR endowments of 4.5 percent annually. The College of Agriculture would get new positions, and UNR would receive the corpus of the land sale to put toward the student debt.

Senator Goicoechea asked what the reclamation costs for the Carlin site were estimated to be and whether adequate funds were available. Dr. Johnson replied some of the funds were being held in reserve to be able to pay off the reclamation costs. An expert in reclamation had provided an estimate of \$4.1 million; Dr. Johnson noted that \$1 million had already been received in salvage revenues from some of the equipment, and currently \$5.1 million was available for the reclamation, which was moving forward at a good pace.

Senator Goicoechea asked how the \$10 million to \$12 million in operating debt would be paid. Dr. Johnson replied it would be paid from general revenues coming into the University, and capital funds could be used as well. The debt was financed internally and therefore was not accruing interest costs.

Senator Goicoechea affirmed that student fees would not be used to pay the environmental cleanup costs for the Carlin land or the \$10 million to \$12 million in operating debt. Dr. Johnson replied Senator Goicoechea was correct.

SENATOR KIECKHEFER MOVED TO APPROVE AGENDA
ITEM F-20.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Goicoechea voted no.
Assemblyman Sprinkle was not present for the vote.)

- 21. Nevada System of Higher Education (NSHE) - School of Medical Sciences - FY 2013** - Addition of \$31,812 in Student Fees to provide student scholarships, contingent upon Board of Regents approval at their November 29-30, 2012, meeting. Requires Interim Finance approval pursuant to Senate Bill 503, Section 8, Chapter 372, of the 2011 Legislative Session. **Work Program #C25718**

Refer to motion for approval under Agenda Item F.

- 22. Nevada System of Higher Education (NSHE) - Dental School - UNLV -FY 2013** - Addition of \$105,930 in Non-Resident Tuition and \$7,000 in Miscellaneous Student Fees to pay for additional part-time instructors, contingent upon Board of Regents approval at their November 29-30, 2012, meeting. Requires Interim Finance approval pursuant to Senate Bill 503, Section 8, Chapter 372, of the 2011 Legislative Session. **Work Program #C25721**

Refer to motion for approval under Agenda Item F.

- 23. Nevada System of Higher Education (NSHE) - Truckee Meadows Community College - FY 2013** - Addition of \$118,143 in Student Surcharges and \$614,546 in Non-Resident Tuition to pay for additional part-time instructors. An additional \$30,849 in Student Surcharges will be budgeted in the self-supporting budgets for student financial aid. This request is contingent upon Board of Regents approval at their November 29-30, 2012, meeting. Requires Interim Finance approval pursuant to Senate Bill 503, Section 8, Chapter 372, of the 2011 Legislative Session. **Work Program #C25719**

Refer to motion for approval under Agenda Item F.

- 24. Department of Agriculture - Livestock Inspection - FY 2013** - Addition of \$285,554 in Laboratory Charges related to livestock testing and diagnosis of infectious, contagious and parasitic diseases. Revenue and expenditure authority is being transferred from the Veterinary Medical Services account to comply with statutory requirements. Requires Interim Finance approval since the amount added to the Laboratory Charges category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM 25. Work Program #C25633**

Refer to motion for approval under Agenda Item F.

- 25. Department of Agriculture - Veterinary Medical Services - FY 2013** - Deletion of \$69,264 in Laboratory Testing Fees and \$113,990 in Laboratory Charges, and addition of \$96,098 in funds transferred from the Livestock Inspection account to comply with existing statutes, which require all laboratory fees collected for the diagnosis of infectious, contagious and parasitic diseases of animals be deposited in the Livestock Inspection Account. Requires Interim Finance approval since the amount deducted from the Laboratory Expenses category exceeds 10 percent of

the legislatively approved amount for that category. **RELATES TO ITEM 24. Work Program #C25632**

Refer to motion for approval under Agenda Item F.

- 26. Department of Agriculture - Gas Pollution Standards - FY 2013** - Addition of \$21,050 in Antifreeze Registration fees to transfer the Antifreeze Program from the Registration/Enforcement account and transfer of \$40,850 from the Reserve category to the Equipment category to purchase a general point analyzer for antifreeze testing to support the program. Requires Interim Finance approval since the amount transferred to the Equipment category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C25324. WITHDRAWN.**

- 27. Department of Business and Industry - Administration - FY 2013** - Addition of \$103,059 in Mortgage Settlement funds received from the Attorney General's Office to contract with the University of Nevada Las Vegas Lied Institute of Real Estate Studies to provide extensive research analysis of Nevada's housing market. Requires Interim Finance approval since the amount added to the Housing Index category exceeds \$75,000. **RELATES TO ITEM 115. Work Program #C25643 WITHDRAWN.**

- 28. Department of Business and Industry - Insurance Regulation - FY 2013** - Transfer of \$122,062 from the Reserve category to the Refund Excess Revenue category to return unused Workers Compensation funds transferred to the agency for the administration of the Self Insured Workers' Compensation program. Requires Interim Finance approval since the amount transferred to the Refund Excess Revenue category exceeds \$75,000. **Work Program #C25671**

Refer to motion for approval under Agenda Item F.

- 29. Department of Business and Industry - Industrial Relations - Occupational Safety and Health Enforcement - FY 2013** - Addition of \$210,000 in Worker's Compensation and Safety funds to replace the web-based system for boiler and elevator permit processing, inspection, and violation tracking needs critical to the Nevada OSHA Mechanical Unit. Requires Interim Finance approval since the amount added to the Information Technology category exceeds \$75,000. **Work Program #C25511. WITHDRAWN 11-27-12.**

- 30. Department of Business and Industry - Housing Division - Low Income Housing Trust Fund - FY 2013** - Addition of \$692,511 in federal Emergency Solutions grant funds to help improve the quality of emergency shelters and transitional housing for the homeless; make available additional shelters; provide essential social services to homeless individuals; and help prevent homelessness. Requires Interim Finance approval since the amount added to the Emergency Shelter Grant category exceeds \$75,000. **Work Program #C25501**

Refer to motion for approval under Agenda Item F.

- 31. Department of Tourism and Cultural Affairs - Tourism Development Fund - FY 2013** - Transfer of \$65,600 from the Reserve category to the Transfer to Arts Council category to provide funding to artist and arts organizations for tourism related art projects intended to promote travel to and within Nevada by attracting and serving travelers. Requires Interim Finance approval since the amount added to the Transfer to Arts Council category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEMS 32 and 33. Work Program #C24309**

Refer to motion for approval under Agenda Item F.

- 32. Department of Tourism and Cultural Affairs - Nevada Arts Council - FY 2013** - Addition of \$65,600 in funds transferred from the Commission on Tourism - Tourism Development Fund account to provide funding to artist and arts organizations for tourism related art projects intended to promote travel to and within Nevada by attracting and serving visitors. Requires Interim Finance approval since this work program relates to another work program that requires Interim Finance approval. **RELATES TO ITEMS 31 and 33. Work Program #C23517**

Refer to motion for approval under Agenda Item F.

- 33. Department of Tourism and Cultural Affairs - Nevada Arts Council - FY 2013** - Deletion of \$65,600 in federal National Endowment of the Arts grant funds to align state authority with the 2013 federal grant award that supports five program areas: State Arts Plan, Arts Education, Arts in Underserved Communities, Folk Arts and Poetry Out Loud. Requires Interim Finance approval since this work program relates to another work program that requires Interim Finance approval. **RELATES TO ITEMS 31 and 32. Work Program #C24473**

Refer to motion for approval under Agenda Item F.

- 34. Department of Tourism and Cultural Affairs - Nevada Arts Council - FY 2013** - Transfer of \$92,388 from the Arts Education category to the Arts Grant Awards category, \$458,408 from the Grants Program category to the Arts Grant Awards category, \$30,500 from the Community Arts Development Program category to the Arts Grant Awards category, \$34,500 from the Artist Services Program category to the Arts Grant Awards category, \$15,000 from the Public Information/Arts Initiatives category to the Arts Grant Awards category, and \$39,500 from the Folklife Program category to the Arts Grant Awards category to move all grant funds awarded by the Nevada Arts Council to a designated category. Requires Interim Finance approval since the amount transferred to the Arts Grant Awards category exceeds \$75,000. **RELATES TO ITEMS 31, 32, and 33. Work Program #C25547**

Refer to motion for approval under Agenda Item F.

- 35. Department of Health and Human Services - Director's Office - Administration - FY 2013** - Addition of \$170,153 in Funds for Healthy Nevada transferred from the Department of Health and Human Services, Grants Management Unit and deletion of \$230,891 in federal Youth Suicide Prevention grant funds to align authority with federal funds and continue support of the Office of Suicide Prevention. Requires Interim Finance approval since the cumulative amount deducted from the Youth Suicide Federal Grant category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C25493**

Refer to motion for approval under Agenda Item F.

- 36. Department of Health and Human Services - Director's Office-Administration - FY 2013** - Addition of \$1,713,484 in federal ARRA Health Information Technology (HIT) grant funds to meet the requirements and deadlines for the implementation of Nevada's federally-approved State Health Information Technology Plan pursuant to the terms and conditions of Nevada's ARRA Health Information Technology for Economic and Clinical Health Act State Health Information Exchange Cooperative Agreement. Requires Interim Finance approval since the amount added to the HIT Grant category exceeds \$75,000. **Work Program #C25627**

Bonnie Long, Administrative Services Officer, Director's Office, Department of Health and Human Services, explained that the work program in Agenda Item F-36 would augment revenue and expenditure authority to allow the Nevada Health Information Exchange (Exchange) to contract and subgrant awards for funds to meet program requirements. She said a portion of the funds was originally budgeted in fiscal year (FY) 2012, but because of several delays and restricted funding, the activities were not completed.

Ms. Long said approval of the work program would allow for the start of stakeholder outreach and communication, preparation of draft regulations, continued assistance with the implementation of the Exchange cooperative agreement, and costs associated with assisting and supporting establishment of the nonprofit Exchange. She added that a majority of the funds would allow for a subgrant for the Exchange to cover day-to-day operations and implementation of required plans, such as a program evaluation plan and a security and privacy plan. Ms. Long said a majority of the funds had been unrestricted, and approval of the item would allow the program to move ahead and meet the grant requirements.

Chair Carlton asked for an update on the Nevada Health Information Exchange and when it was expected to be fully operational.

Mike Willden, Director, Department of Health and Human Services (DHHS), explained the grant was received in February 2010, and the Health Information Exchange must be fully operational in January 2014. He noted that the Health Information Exchange and the Silver State Health Insurance Exchange were two separate entities.

Mr. Willden recalled that in the 2011 Legislative Session, legislation was passed directing the DHHS Director to create or contract with a nonprofit entity to operate Nevada's Exchange, and a board was appointed and had been actively engaged since summer 2012. The board was taking all of the necessary steps to have the Exchange fully operational by January 2014.

Mr. Willden said the project had been difficult. The Health Information Technology for Economic and Clinical Health (HITECH) Act was enacted as part of the American Recovery and Reinvestment Act (ARRA) of 2009. States were to develop exchanges to address privacy and security concerns with electronic transmission of health information among pharmacies, laboratories, and health providers. The time frame was compressed: the project must be completed by January 2014, and the federal grant would expire February 7, 2014, at which point the federal planning and implementation funds would no longer be available and the state would need to move toward self-sufficiency.

Chair Carlton asked Mr. Willden to elaborate on efforts to obtain gifts, grants, and donations for matching funds.

Mr. Willden explained the federal grant of \$6.1 million required \$1.2 million of nonfederal matching funds. He said about \$175,000 of the match had been met, leaving approximately \$1 million of required nonfederal match. The Department did not intend to seek match funds from the State General Fund; it was actively engaged with the Exchange board on revenue-raising ideas. He did not know the details, but the intent was to raise the matching funds through solicitation of grants, gifts, and donations from partners that would benefit from the Exchange.

Assemblyman Eisen asked what the time frame was to raise the matching funds. Mr. Willden replied the funds needed to be raised before the federal grant was closed out on February 7, 2014. He said efforts to raise the funds were ongoing. He noted that the Exchange would be self-sustaining and would have to be funded from user fees or other grants, gifts, and donations.

ASSEMBLYMAN BROOKS MOVED TO APPROVE AGENDA
ITEM F-36.

SENATOR SMITH SECONDED THE MOTION.

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

- 37. Department of Health and Human Services - Director's Office - Indigent Supplemental Account - FY 2013** - Addition of \$114,000 in County Reimbursements and transfer of \$1,780,616 from the Reserve category to the Claims category to reimburse hospitals for unpaid claims submitted for hospital care of indigent persons. Requires Interim Finance approval since the amount added to the Claims category exceeds \$75,000. **Work Program #C25436**

Refer to motion for approval under Agenda Item F.

- 38. Department of Health and Human Services - Aging and Disability Services - Senior RX and Disability RX - FY 2013** - Transfer of \$418,200 from the Senior Prescription Program category to the Dental Program category and \$73,800 from the Disabled Rx Program category to the Dental Program category to establish a dental program for eligible low-income seniors and persons with disabilities. Requires Interim Finance approval since the amount transferred to the Dental Program category exceeds \$75,000. **Work Program #C25550**

Mary Liveratti, Administrator, Aging and Disability Services Division (ADSD), Department of Health and Human Services, explained that the work program in Agenda Item F-38 would allow the Division to transfer \$418,200 from the Senior Rx Program and \$73,800 from the Disability Rx Program to initiate dental services for low-income seniors and persons with disabilities.

Ms. Liveratti recalled that in 2010, the United States Surgeon General reported that “poor oral health is a silent epidemic, and it affects seniors and people with disabilities at a higher-than-average rate.” She said the report also indicated that the number of people without dental insurance was 2 1/2 times the number of those who did not have any medical insurance. Having insurance was a strong predictor of use of dental care.

Ms. Liveratti said the Division was proposing to add dental services to the Senior Rx and Disability Rx programs, as allowed in *Nevada Revised Statutes* (NRS). She said the Division had the processes in place to determine eligibility and capture and transfer member data; new systems would not have to be created. Ms. Liveratti explained that persons on the Senior Rx and Disability Rx programs had higher medical needs. They were more vulnerable to issues related to oral health, they paid more in prescription costs, and they were less able to access preventive dental services.

Chair Carlton asked whether the program would be a pilot project with a starting date and an ending date.

Ms. Liveratti replied the pilot would begin this year. A request for proposal had been issued, and the Division was working with State Purchasing on a vendor. She hoped the contract would be submitted to the Board of Examiners at its January 2013 meeting. The projected costs for the dental services program were included in the Division's 2013-2015 biennial budget request. Ms. Liveratti said by starting the pilot program now, data on the program would be available during the 2013 Legislative Session.

Chair Carlton affirmed that the funding would come from an existing program, and a pilot program was being established to determine whether it would be successful in the future.

Ms. Liveratti replied the request was to establish a pilot program for fiscal year 2013, and the program would be discussed by the 2013 Legislature to determine whether it would go forward in the next biennium.

Chair Carlton asked whether the participants would be aware that the program was a pilot project and that it may not exist in the future, depending upon available funds.

Ms. Liveratti said participants would be informed that the program would be on a limited basis; the Division had conducted other pilot projects in the same manner. She noted that people were very excited about the prospect of a dental services program because there was such a gap and need; she had been trying to temper their excitement by explaining that the pilot project was a small step that would not fill all of the needs or the gap.

Assemblyman Brooks asked how many of the 2,986 persons would be served. Ms. Liveratti replied that because the dollar amount was limited, approximately 800 would be served. The Senior Rx program currently served 2,986 individuals, and an additional 119 people were served under the Disability Rx program. The dental services program would be open to participants in both programs, but it would be on a first-come, first-served basis. The Division was in the process of preparing the materials to be mailed to current program members to give them a chance to participate in the program.

Senator Smith noted that the results of the pilot project would not be available by the time the Legislature convened in 2013. She asked why the program was starting now when little information would be available during the 2013 Legislative Session. She appreciated the fact that some seniors could receive dental services, but she was concerned about giving them a program that might have to be cut.

Ms. Liveratti recalled that the Division tried to provide dental services for the same population in the 2009 Legislative Session. She said by beginning the pilot now, it would be possible to gather some data on the initial interest in the program, look at the benefits being provided, and determine whether they would need to be adjusted. She noted the major focus of the program would be on preventative services; it would pay 100 percent for oral examinations and cleanings. Fillings and denture repairs would be paid at 80 percent.

Ms. Liveratti added that by conducting the program for a few months, it could be determined whether the coverage was sufficient or there was a need for catastrophic coverage on an as-needed basis, and the program services could be evaluated. She added that she planned to retire in January, and she would like to see the program implemented before she left. She had been working with the Aging and Disability

Services Division for 38 years—dental services were a problem 38 years ago and were still a problem today.

Senator Smith thanked Ms. Liveratti for her many years of service. She asked when participants would be able to enroll in the program.

Ms. Liveratti said if the Committee approved the current request, the Division would submit the contract to the Board of Examiners in January, and enrollment in the program could begin immediately thereafter. She noted that the Division had been working behind the scenes in preparation for the program. People would be notified of the benefit as soon as possible, at which time they could submit their interest in the program. She added that since the prospective participants were already enrolled in one of the Rx programs, all of the demographic data was available.

Senator Smith reiterated her concern about adding the program and then possibly having to cut it later. She wanted assurance that the participants would be notified in writing that the services were based on available funding and that it was a pilot program only. The backlash was difficult when services were no longer available.

Chair Carlton questioned how the amount of \$581 was determined. If \$581 was the right amount, she predicted that many participants would exceed that amount since they would not have had dental services for years.

Ms. Liveratti explained the benefit would actually cap at \$1,000 per person. The Division was asking for an additional \$50,000 to provide additional assistance with copayments so that clients could access services recommended by the dentist. The dentist would be required to provide the Division with information and the recommended procedure, and up to \$500 in additional services could be provided. She noted that dentures could be very expensive.

In addition, she said, the Division would try to recruit an individual in the field to provide the Division with the ability to monitor and evaluate the program as it moved forward to see what was working and not working and to measure the outcomes.

Assemblywoman Neal asked how significantly the additional \$50,000 would reduce the copayments for the patients.

Ms. Liveratti explained there was no copayment for the preventive services; there was a copayment for fillings and denture repairs. She said the copayment assistance maximum would be \$500 per person.

Assemblyman Eisen asked who would be providing the services and whether there had been any discussion with the University of Nevada, Las Vegas (UNLV) dental school. He realized the dental school served a limited portion of the population geographically speaking, but he wondered whether the school could participate in the program to help funds go further toward the care that could be provided.

Ms. Liveratti replied the Division did not deal with a network of dentists. The request for proposal process was completed, and a vendor had been selected. The Division wanted to be sure that there was an adequate network throughout the state to provide access to dental services, but she did not recall that UNLV was part of the proposal that was selected. Ms. Liveratti added that UNLV students were currently being used on a pro bono basis to provide dental work, and other available resources were used; the need was ongoing and there were not enough resources.

Senator Denis asked whether there was a way to provide services on a needs basis rather than first-come first-served.

Ms. Liveratti replied there probably were other ways to provide services. The first-come, first-served method was selected because it was hoped those with the greatest need would come forward first. She noted social workers would inform their clients who were in great need, and there were elder advocates taking calls every day for services.

Senator Denis said he could not suggest another method, but he wanted to see the program succeed. He was always concerned with using first-come, first-served to provide services because those with the greatest need might not be among the first served.

Assemblyman Kirner asked why the program could not be included as an enhancement in the Governor's recommended budget to allow review by the 2013 Legislature as opposed to creating the pilot now and possibly having to cancel the program if it was not approved by the Legislature. He noted there were many other needs and never enough money.

Ms. Liveratti replied the program was being funded from the Fund for a Healthy Nevada, and the funds were already designated for the Senior Rx and Disability Rx programs. Under the *Nevada Revised Statutes* (NRS), dental services could be offered under those programs. She said General Fund would not be saved by not starting the program. If the money was not spent on the program, it would revert to the Fund for a Healthy Nevada to be used in fiscal year 2014. Ms. Liveratti reiterated that the program was included in the Governor's recommended budget for the 2013-2015 biennium for the 2013 Legislature's consideration. The pilot program would provide an opportunity to gain some experience, gather data, and refine the services and benefits going forward.

Assemblyman Hambrick said he was in favor of the concept, but he hoped that in-state providers would be a part of the program, including the dental schools and veterans' hospitals, which would provide services at a lower cost. He suggested that use of multiple providers might be more cost-effective.

Assemblywoman Flores said she agreed with Assemblyman Hambrick's statement, and she noted that the 2013 Legislature would have an opportunity to make needed changes or improvements to the program. She thought the program should include the dental schools, veterans' services, and other community partners so that the program would be imbedded in the community long-term and expanded in the future.

ASSEMBLYWOMAN FLORES MOVED TO APPROVE AGENDA ITEM F-38, INCLUDING \$50,000 IN COPAY FUNDING.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Kirner voted no. Assemblyman Sprinkle was not present for the vote.)

Chair Carlton announced that Agenda Items F-39 and F-45 would be heard together (refer to testimony under Agenda Item F-45).

- 39. Department of Health and Human Services - Aging and Disability Services - Senior RX and Disability RX - FY 2013** - Deletion of \$400,000 in Healthy Nevada Funds transferred from the Treasurer's Office to support autism direct services. Requires Interim Finance approval since the amount deducted from the Senior Prescription Program category exceeds \$75,000. **RELATES TO ITEM 45. Work Program #C25551**

Refer to discussion and motion for approval under Agenda Item F-45.

- 40. Department of Health and Human Services - Aging and Disability Services - Federal Programs and Administration - FY 2013** - Addition of \$236,250 in federal Alzheimer's grant funds to develop the evidence based Coping with Caregivers program in support of individuals with Alzheimer's disease and their care providers. Requires Interim Finance approval since the amount added to the Alzheimer's Grant category exceeds \$75,000. **Work Program #C25445**

Refer to motion for approval under Agenda Item F.

- 41. Department of Health and Human Services - Aging and Disability Services - Federal Programs and Administration - FY 2013** - Addition of \$150,358 in federal Senior Medicare Patrol (SMP) grant funds to educate Nevadans on how to detect and report health care fraud in Medicare billing in order to protect vital health care programs for the future. Requires Interim Finance approval since the amount added to the SMP Grant category exceeds \$75,000. **Work Program #C25466**

Refer to motion for approval under Agenda Item F.

- 42. Department of Health and Human Services - Aging and Disability Services - Federal Programs and Administration - FY 2013** - Addition of \$157,801 in federal Aging and Disability Resource Center (ADRC) grant funds to increase the number of resource centers; improve knowledge of options/benefits counseling to elders and individuals with disabilities; and develop a five year operational plan to improve access to training. Requires Interim Finance approval since the amount added to the ADRC Grant category exceeds \$75,000. **Work Program #C25496**

Refer to motion for approval under Agenda Item F.

- 43. Department of Health and Human Services - Aging and Disability Services - Federal Programs and Administration - FY 2013** - Addition of \$25,000 in private grant funds from the National Association of States United for Aging and Disabilities to support volunteers to expand capacity of the Aging and Disability Resource Centers program and increase services to underserved populations in rural areas and those with low incomes through the Volunteers are IN project. Requires Interim Finance approval since the non-governmental grant amount added to the State Volunteer Engagement Plan category exceeds \$20,000. **Work Program #C25504**

Janet Murphy, Deputy Administrator for Programs, Aging and Disability Services Division, Department of Health and Human Services, explained that Agenda Item F-43 required a technical adjustment. The work program added \$25,000 in private grant funds to support volunteers to expand the Division's resource center activities. She said the work program was submitted to increase category 35, State Volunteer Engagement Plan, by \$25,000, but it was later determined that expenditures could be reallocated and the request could be adjusted to \$22,998 in category 35 and \$2,002 in category 90, Reserve for Federal Funds. The overall expenditure amount did not change the total amount of the work program.

SENATOR SMITH MOVED TO APPROVE AGENDA
ITEM F-43.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

- 44. Department of Health and Human Services - Aging and Disability Services - Community Based Services - FY 2013** - Addition of \$68,701 in federal Assistive Technology grant funds under the Rehabilitation Act of 1973 to provide services and devices to people with severe disabilities of all ages to allow them to improve basic functional capacities and live independently. Requires Interim Finance approval since the amount added to the Technology Related Assistance category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C25517**

Refer to motion for approval under Agenda Item F.

Chair Carlton announced that Agenda Items F-39 and F-45 would be heard together.

45. Department of Health and Human Services - Aging and Disability Services - Community Based Services - FY 2013 - Addition of \$400,000 in Healthy Nevada funds transferred from the Treasurer's Office to support autism direct services. Requires Interim Finance approval since the amount added to the Autism category exceeds \$75,000. **RELATES TO ITEM 39. Work Program #C25554**

Mary Liveratti, Administrator, Aging and Disability Services, Department of Health and Human Services, testified that the work programs in Agenda Items F-39 and F-45 would add \$400,000 from the Fund for a Healthy Nevada to provide direct services to children with autism. She said 135 children were currently being served, but a shortfall in funds was projected because the average cost per child was \$1,340, and \$1,000 per child had been budgeted. She said if funds were not transferred, children would have to be taken off the program or services would be cut across the board.

Chair Carlton asked for questions from the Committee; there were none. She said funding would need to be aligned with the most recent projections.

Ms. Liveratti replied the current shortfall projection was approximately \$300,000. The request was for \$400,000, but the Division had made changes that resulted in some savings. For example, 137 children were supposed to be served, but 2 children exited the program and those slots were not replaced. She said the shortfall projection was closer to \$300,000.

Senator Kieckhefer asked whether the projection of costs was going to be a moving target year after year. Ms. Liveratti replied yes, because the Division could only make the best projections possible with the information available. More services were provided to younger children because the outcomes were better, and older children did not receive as many services. She said part of the problem was that the Division had done a better job identifying children with autism early on, the children were brought into the program at a younger age, and those under six years of age received \$2,000 per month in benefits.

Ms. Liveratti said that the projections were improving all the time. Service plans had been changed over the past year, and she believed that projections would be more accurate going forward. However, she added, the projections would always be affected by the client mix, and since children were diagnosed at an earlier age, she anticipated that the cost per child would increase.

Senator Kieckhefer asked whether there was a waitlist for the program. Ms. Liveratti replied there were 263 children currently on the waitlist; about 10 children were referred to the program and determined to be eligible each month.

Senator Kieckhefer asked what the projected cost would be to fully serve the current waitlist. Ms. Liveratti recalled the estimated cost was approximately \$5 million in additional funding over the biennium.

Chair Carlton said although the request was for \$400,000, she believed \$300,000 would make a positive impact in the children's lives. She added the Committee would like to take care of every child on the waitlist, but that could not be done at this time.

SENATOR SMITH MOVED TO APPROVE AGENDA ITEMS F-39 AND F-45, AS AMENDED, IN THE AMOUNT OF \$300,000.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Sprinkle was absent for the vote.)

- 46. Department of Health and Human Services - Aging and Disability Services - IDEA Part C Compliance - FY 2013** - Addition of \$1,591,875 in federal Individuals with Disabilities Education Act (IDEA PART C) grant funds to monitor Early Intervention (EI) services in Nevada as well as assist in funding direct services through the Health Division's EI program. Requires Interim Finance approval since the amount added to the Tech Related Assistance category exceeds \$75,000. **RELATES TO ITEM 48. Work Program #C25579**

Refer to motion for approval under Agenda Item F.

- 47. Department of Health and Human Services - Health Division - Consumer Health Protection - FY 2013** - Addition of \$127,631 in Federal Drug Administration (FDA) Manufactured Food grant funds for two new Environmental Health Specialist III positions to advance efforts for a nationally integrated food safety system. Requires Interim Finance approval since the amount added to the FDA Manufactured Food Grant category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #25234**

Stacey Johnson, Administrative Services Officer, Health Division, Department of Health and Human Services, explained the purpose of the work program in Agenda Item F-47 was to establish authority for a new grant from the U.S. Food and Drug Administration (FDA) that was awarded to advance efforts for a nationally integrated food safety system. The grant would provide funding for two new positions to collaborate with the FDA and develop strategies for achieving and sustaining conformance with the Manufactured Food Regulatory Program standards. Ms. Johnson offered to answer questions from the Committee.

Assemblywoman Kirkpatrick asked whether the state needed to change any regulations to meet the criteria to receive the grant.

Marla McDade Williams, Deputy Administrator, Health Division, Department of Health and Human Services, explained that to accept the grant funds, specific regulations would not have to be changed. However, moving forward with the grant, regulations would be proposed throughout the five-year grant process.

Assemblyman Hardy asked how the program would change or improve the inspection process.

Joe Pollock, P.E., Program Manager, Health Division, Department of Health and Human Services, explained the FDA was collaborating with the states to provide inspection services for FDA permanent facilities. The Division currently had a contract to perform a limited number of inspections for the FDA, and he believed in the coming years, the FDA would be shifting the inspections to the states.

Mr. Pollock said two federally funded positions would develop the inspection program, to include training staff and becoming familiar with the manufactured food side of the inspections. They were not being hired to conduct inspections; they would strictly be working on developing the program.

Assemblyman Hambrick asked Mr. Pollock to define manufactured food, and he questioned the term “grey meat.” Mr. Pollock replied manufactured food involved foods created at the wholesale level and not sold directly to the public. Many of the FDA facilities inspected for the manufactured food program would contain raw ingredients that were put into other products. Manufactured foods were typically not sold in markets or restaurants.

Assemblyman Hambrick asked whether food products were combined and sold as meat, although it might not be what was known as chicken, hamburger, or pork.

Mr. Pollock replied that would be one example. There was a manufacturing plant in Sparks that created some products and sold them to restaurants, and it would be considered a manufacturer. He said that grey meat would not be covered under manufactured foods. He recalled there was a television program concerning restaurants combining meat products with “glue paste” and making steaks from that product. Those products would not be considered manufactured foods.

Chair Carlton said she understood that the grant funds would be used to develop an inspection program that would be in compliance with the FDA inspection standards.

Mr. Pollock replied she was correct. The object of the program was to be in complete compliance with the FDA program standards within five years and to create a sustainable program without the two federally funded positions at the end of the five years.

Chair Carlton affirmed that the Legislature would have input into the program as it was developed and moved forward. She noted that several members of the Legislature were involved in the food industry. Mr. Pollock replied she was correct.

Assemblywoman Kirkpatrick said she was glad that the Legislature would be involved in developing the program, because the state was unique: in Clark County alone, 44 million people were fed every year.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE
AGENDA ITEM D-47.

SENATOR WOODHOUSE SECONDED THE MOTION.

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

- 48. Department of Health and Human Services - Health Division - Early Intervention Services - FY 2013** - Addition of \$75,754 in Medical Services - federal funds, \$107,911 in Medical Service - State funds, \$22,033 in Medicaid Case Management - State funds and \$1,024,937 in federal Individuals with Disabilities Education Act funds transferred from the Division of Aging and Disability Services to provide services to children within the state who have an Individualized Family Service Plan. Requires Interim Finance approval since the amount added to the Medical Contracts/Payments category exceeds \$75,000.
RELATES TO ITEM 46. Work Program #C25562

Tracey Green, M.D., State Health Officer and Medical Director for the Division of Mental Health and Developmental Services (MHDS), Department of Health and Human Services (DHHS), introduced Jane Gruner, Deputy Director, Department of Health and Human Services, and Robin Hager, Administrative Services Officer, MHDS, Department of Health and Human Services.

Dr. Green explained the purpose of the work program in Agenda Item F-48 was to accept additional funding to augment authority in category 12 (Medical Contracts/Payments) to ensure that the state had enough funds to pay for contractual therapists and to provide services to children in the state caseload who had an Individual Family Service Plan (IFSP).

Senator Smith asked Dr. Green to provide an update on the Early Intervention Services (EIS) program and the concerns expressed by physicians at the October Interim Finance Committee (IFC) meeting.

Dr. Green said that she, Ms. Gruner, and Ms. Hager had met with physicians in the north, and they had communications with physicians in the south, to discuss some of their concerns regarding the EIS program. She said everyone had come to

a consensus that a few changes needed to occur in the future plans for the EIS program:

- The original plan was to move all services to community providers, but it had been determined that the state would need to retain some services, including some of the specialty services for which the state did not currently have capacity.
- The EIS program needed to consider the needs of the seriously medically ill and fragile medical children and determine what additional services they required.
- The physicians were concerned with the state's quality measures. The Division would develop a quality team that would assess the state services, community services, and outcomes. She said physicians would be appointed to the quality team.

Senator Smith thanked Dr. Green for the update, adding that it seemed progress had been made since the last IFC meeting. She would look forward to hearing more about the program during the 2013 Legislative Session.

Chair Carlton asked whether caseload figures had been updated.

Robin Hager, Administrative Services Officer, Division of Mental Health and Developmental Services, Department of Health and Human Services, replied that as of the end of October, 345 children were on the waitlist for 476 services. She said she would provide updated figures to the Committee. The cost per child had not changed.

Chair Carlton affirmed that state-contracted therapist costs had not changed. Ms. Hager responded that she was correct.

Senator Smith noted that EIS had been an ongoing subject of discussion, and there were several new members on the Committee. She wanted to clarify that getting to the caseload did not take care of the waitlist. There were still several families on the waitlist that could not be funded.

Ms. Hager replied Senator Smith was correct; she had only reported the numbers for the waitlist—not the caseload. She said that the work program in item 48 specifically targeted children on the waitlist, and while it would not take care of all of the children, the Division projected that it would take care of about half of them.

Senator Smith thanked Ms. Hager for the information; she wanted the new members to realize that there were still many families needing services.

Chair Carlton noted that if a child needed three different services and was receiving one out of the three, he would be placed on the waitlist because he was still in need of services. It was difficult to determine the caseload and waitlist numbers.

ASSEMBLYMAN BOBZIEN MOVED TO APPROVE AGENDA
ITEM F-48.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

- 49. Department of Health and Human Services - Health Division - Biostatistics and Epidemiology - FY 2013** - Addition of \$63,437 in federal Behavioral Risk Factor Surveillance System (BRFSS) Survey grant funds to monitor the health status of Nevadans and assist programs in their efforts to reduce the morbidity and mortality caused by chronic disease. Requires Interim Finance approval since the amount added to the BRFSS category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C25299**

Refer to motion for approval under Agenda Item F.

- 50. Department of Health and Human Services - Health Division - Biostatistics and Epidemiology - FY 2013** - Addition of \$84,800 in federal Behavioral Risk Factor Surveillance System (BRFSS) grant funds to increase the number of questions in the survey, which collects data on individual risk behaviors and preventive health practices. Requires Interim Finance approval since the amount added to the BRFSS Supplemental category exceeds \$75,000. **Work Program #C25524**

Refer to motion for approval under Agenda Item F.

- 51. Department of Health and Human Services - Health Division - Biostatistics and Epidemiology - FY 2013** - Addition of \$22,500 in private grant funds from the Alzheimer's Association, Northern California and Northern Nevada Chapter to incorporate questions about cognitive impairment in the Nevada 2013 Behavioral Risk Factor Surveillance System (BRFSS) survey. Requires Interim Finance approval since the non-governmental grant amount added to the Alzheimer's BRFSS Module category exceeds \$20,000. **Work Program #C25518**

Refer to motion for approval under Agenda Item F.

- 52. Department of Health and Human Services - Health Division - Chronic Disease - FY 2013** - Addition of \$119,973 in federal National Cancer Prevention and Control grant funds and transfer of \$73,335 from the Personnel Services category to the Women's Health Connection category and \$12,736 from the Nevada State Health Division Administration Cost Allocation category to the Women's Health Connection category to provide screenings for women in the age range of 40 to 64 years old that are either uninsured or under-insured. Requires Interim Finance approval since the amount added to the Women's Health Connection category exceeds \$75,000. **Work Program #C25528**

Refer to motion for approval under Agenda Item F.

- 53. Department of Health and Human Services - Health Division - Chronic Disease - FY 2013** - Addition of \$15,380 in federal Tobacco Control grant funds and transfer of \$12 from the Division's Administrative Cost Allocation category to the Tobacco Control Supplemental category to align grant funds and to continue support of the state's effort to reduce tobacco use among adults; reduce the exposure to second-hand smoke; and to reduce the incidence of teens starting to smoke. Requires Interim Finance approval since the cumulative amount added to the Tobacco Control Supplemental category exceeds \$75,000. **Work Program #C25670**

Refer to motion for approval under Agenda Item F.

- 54. Department of Health and Human Services - Welfare and Supportive Services - Administration - FY 2013** - Addition of \$1,159,954 in federal Supplemental Nutrition Assistance Program (SNAP) Information Plan funds and \$640,870 in federal SNAP Education Plan funds to provide for community partners to conduct a campaign to inform low income households about the SNAP program and assist them in the application process as well as provide instruction to SNAP recipients on shopping strategies and applying dietary guidelines for good health. Requires Interim Finance approval since the amount added to the Food Stamp Information Program category exceeds \$75,000. **Work Program #C25416**

Refer to motion for approval under Agenda Item F.

- 55. Department of Health and Human Services - Welfare and Supportive Services - Field Services - FY 2013** - Addition of \$40,000 in U.S. Department of Agriculture Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) 50/50 Program grant funds and transfer of \$40,000 from the Personnel Services category to the Federal SNAP E&T 50/50 category to assist more individuals in obtaining employment and/or increase their earnings by assisting with job search, transportation, work cards and other employment related special needs. Requires Interim Finance approval since the cumulative amount added to the federal SNAP E&T 50/50 category exceeds \$75,000. **Work Program #C25369**

Refer to motion for approval under Agenda Item F.

- 56. Department of Health and Human Services - Mental Health and Developmental Services - Sierra Regional Center - FY 2013** - Addition of \$38,000 in federal Developmental Disability grant funds transferred from the Nevada Governor's Council on Developmental Disabilities to assist persons with developmental disabilities to meet their employment goals. Requires Interim Finance approval since the amount added to the Statewide Employment Leadership Network Grant category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C25646**

Refer to motion for approval under Agenda Item F.

57. **Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2013** - Transfer of \$240,404 from the Child Welfare category to the Elks Activities category, \$6,580 from the Child Welfare category to the Respite category and \$65,899 from the Non-XIX Medical category to the Drug Testing category to provide emergency shelter for youth waiting for placement in a family foster home; respite to foster parents; and to allow for parental drug testing and assessments providing valuable information for the reunification of the family. Requires Interim Finance approval since the amount transferred from the Child Welfare category exceeds \$75,000. **Work Program #C25303**

Refer to motion for approval under Agenda Item F.

58. **Department of Health and Human Services - Child and Family Services - Community Juvenile Justice Programs - FY 2013** - Addition of \$1,213,591 in Enforcing the Underage Drinking Law (EUDL) Discretionary grant funds to support assessment, strategic planning and implementation initiatives, and initiatives to reduce underage drinking. Requires Interim Finance approval since the amount added to the EUDL Discretionary category exceeds \$75,000. **Work Program #C25664**

Refer to motion for approval under Agenda Item F.

59. **Department of Employment, Training and Rehabilitation - Employment Security - FY 2013** - Addition of \$964,116 in federal ARRA State Energy Sector Partnership (SESP) grant funds to establish a series of green career training programs and jobs in support of established and prospective Nevada businesses. Requires Interim Finance approval since the amount added to the ARRA - SESP category exceeds \$75,000. **Work Program #C25480**

Refer to motion for approval under Agenda Item F.

60. **Department of Employment, Training and Rehabilitation - Employment Security - FY 2013** - Transfer of \$2,052,903 from the Unemployment Insurance Interest Repayment category to the Reserve for Reversion category to revert the unused portion of General Fund appropriated for the payment of interest accrued during calendar year 2012 on the Federal Government loan that was made available to the state upon depletion of Nevada's Unemployment Compensation Fund. Requires Interim Finance approval since the amount transferred from the Unemployment Insurance Interest Repayment category exceeds \$75,000. **Work Program #C25607**

Refer to motion for approval under Agenda Item F.

61. **Department of Employment, Training and Rehabilitation - Employment Security - FY 2013** - Addition of ~~\$1,959,027~~ **\$1,943,705** in federal Unemployment Insurance Supplemental Budget Request funds to provide additional funding

designed to improve overall Unemployment Insurance program quality, performance and integrity with a focus on detection and recovery of improper Unemployment Insurance benefits. Requires Interim Finance approval since the amount added to the Operating category exceeds \$75,000. **Work Program #C25749. REVISED 11-30-12.**

Refer to motion for approval under Agenda Item F.

- 62. Department of Employment, Training and Rehabilitation - Employment Security - Special Fund - FY 13** - Addition of \$966,981 in federal Administrative Cost Allowance grant funds to align federal and state authority to allow for the continuation of the Program Integrity and Information Technology Infrastructure project, which assists with the prevention, detection and recovery of improper unemployment insurance benefit payments. Requires Interim Finance approval since the amount added to the UI Modernization Phase II category exceeds \$75,000. **Work Program #C25624**

Refer to motion for approval under Agenda Item F.

- 63. Department of Motor Vehicles - Field Services - FY 2013** - Addition of \$744,110 in federal U.S. Department of Transportation, Motor Carrier Safety Administration - Electronic Commercial Driver's License (ECDL) grant funds to come into compliance with federal regulations for commercial driver's license by perforating the word VOID into surrendered licenses as well as purchase additional hardware, software licensing, and training materials to expand the ECDL testing program to all state examiners and third-party examiners statewide. Requires Interim Finance approval since the amount added to the FY 2012 ECDL Testing Program category exceeds \$75,000. **Work Program #C25513**

Refer to motion for approval under Agenda Item F.

- 64. Department of Public Safety - Highway Patrol - FY 2013** - Addition of \$64,175 in federal Justice Assistance Grant (JAG) funds transferred from the Department of Public Safety - Justice Assistance Grant Trust account to fund travel and equipment purchases to support the Multiple Assault Counter Terrorism Action Capability (MACTAC) training. Requires Interim Finance approval since the cumulative amount added to the MACTAC JAG category exceeds \$75,000. **Work Program #C25575**

Refer to motion for approval under Agenda Item F.

- 65. Department of Public Safety - Highway Safety Grants Account - FY 2013** - Addition of \$581,393 in federal Motor Carrier Safety Assistance Program grant funds, \$19,985 in federal New Entrant grant funds, and \$144,667 in federal Targeting Aggressive Cars and Trucks (TACT) Enforcement grant funds to align budget authority with federal authority. Requires Interim Finance approval since

the amount added to the TACT Enforcement category exceeds \$75,000.
Work Program #C25561

Refer to motion for approval under Agenda Item F.

- 66. Department of Public Safety - Division of Investigations - FY 2013** - Addition of \$253,573 in federal Justice Assistance Grant (JAG) funds transferred from the Department of Public Safety - Criminal Justice Grant Trust account and transfer of \$8,994 from the Sexual Predator Grant category to the Reserve for Federal Funds category to align state and federal authority to provide narcotics enforcement and continue to aid in the apprehension of sex offenders committing crimes and/or are non-compliant. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **Work Program #C25560**

Refer to motion for approval under Agenda Item F.

- 67. Department of Public Safety - Division of Investigations - FY 2013** - Addition of \$1,232,983 in federal Homeland Security Program grant funds transferred from the Division of Emergency Management (DEM) Assistance Grant account to continue the support of law enforcement and public entities statewide with the collection, analysis, and dissemination of relevant and timely criminal and threat information from the Nevada Threat Analysis Center and Silver Shield - Critical Infrastructure Protection Initiative. Requires Interim Finance approval since the amount added to the DEM 2010 State Homeland Security Program Grant category exceeds \$75,000. **Work Program #C25591**

Refer to motion for approval under Agenda Item F.

- 68. Department of Public Safety - Emergency Management - FY 2013** - Addition of \$613,646 in federal Department of Emergency Management - Department of Homeland Security Grant Program (HSGP) funds transferred from the Emergency Management Assistance Grant account to balance forward remaining federal authority to support the HSGP goals. Requires Interim Finance approval since the amount added to the HSGP Exercise Support category exceeds \$75,000. **Work Program #C25558**

Refer to motion for approval under Agenda Item F.

- 69. Department of Public Safety - Emergency Management Assistance Grants - FY 2013** - Transfer of \$1,500,000 from the Reserve for Federal Funds category to the Homeland Security Grant Program category to support homeland security activities. Requires Interim Finance approval since the amount transferred to the Homeland Security Grant Program category exceeds \$75,000. **Work Program #C25605**

Refer to motion for approval under Agenda Item F.

70. **Department of Public Safety - Emergency Management Assistance Grants - FY 2013** - Addition of \$75,000 in federal Pre-Disaster Mitigation grant funds to support the Cooperating Technical Partners Program to deliver and implement a statewide resilience strategy that builds on increased risk awareness and mitigation plans to implement long-term risk reduction strategies in communities across the state. Requires Interim Finance approval since the cumulative amount added to the Pre-Disaster Mitigation category exceeds \$75,000. **Work Program #C25612**

Refer to motion for approval under Agenda Item F.

71. **Department of Public Safety - Emergency Management Assistance Grants - FY 2013** - Addition of \$649,381 in federal Homeland Security Grant Program - Emergency Management Performance grant funds and \$3,051,632 in federal Homeland Security Grant Program funds to balance forward remaining federal grant authority to support Homeland Security goals. Requires Interim Finance approval since the amount added to the Homeland Security Grant Program category exceeds \$75,000. **Work Program #C25525**

Refer to motion for approval under Agenda Item F.

72. **Department of Public Safety - Emergency Management Assistance Grants - FY 2013** - Addition of \$1,826,923 in federal Homeland Security Grant Program - Urban Area Initiative funds and \$2,801,316 in Homeland Security Grant Program funds to support homeland security activities. Requires Interim Finance approval since the amount added to the Homeland Security Grant Program category exceeds \$75,000. **Work Program #C25600**

Refer to motion for approval under Agenda Item F.

73. **Department of Public Safety - Emergency Management Assistance Grants - FY 2013** - Addition of \$116,835 in federal Interoperable Emergency Communications grant funds; \$43,862 in federal Urban Area Security Initiative Non-Profit Security grant funds; \$248,993 in federal Emergency Operations grant funds; \$336,251 in federal Buffer Zone Protection Plan - Infrastructure Protection Program grant funds; and deletion of \$867,208 in federal Public Safety Interoperable Communications (PSIC) grant funds, and \$85,000 in federal Transit Security Grant Program Supplemental funds to align federal budget authority with state authority. Requires Interim Finance approval since the amount deducted from the PSIC Grant category exceeds \$75,000. **Work Program #C25380**

Refer to motion for approval under Agenda Item F.

74. **Department of Public Safety - Emergency Management Assistance Grants - FY 2013** - Addition of \$5,105,510 in federal Homeland Security Grant Program (HSGP) - Urban Area Initiative funds; \$97,747 in federal HSGP - Citizen Corps funds; \$268,745 in federal HSGP - Major Medical Response funds; \$639,482 in

federal Department of Energy - Energy Preparedness Working Group grant funds; \$816,197 in federal Pre-Disaster Mitigation grant funds; \$632,643 in federal Hazard Mitigation Grant Program 2007 funds; and deletion of \$88,102 in federal Emergency Management Agency 1738 Fernley Flood grant funds to balance forward remaining federal authority and align with state authority to allow reimbursement to sub-grantees. Requires Interim Finance approval since the amount added to the Urban Area Initiative category exceeds \$75,000. **Work Program #C25487**

Refer to motion for approval under Agenda Item F.

- 75. Department of Public Safety - Fire Marshal - FY 2013** - Addition of \$119,750 in funds transferred from the State Emergency Response Commission and \$119,750 in funds transferred from the Division of Environmental Protection to provide hazardous material training. Requires Interim Finance approval since the amount added to the Rural Training category exceeds \$75,000. **Work Program #C25559**

Refer to motion for approval under Agenda Item F.

- 76. Department of Public Safety - Criminal History Repository - FY 2013** - Addition of \$131,441 in federal Justice Assistance grant funds transferred from the Nevada Department of Public Safety - Justice Assistance Grant Trust account to conduct an evaluation of the completeness of criminal history records. Requires Interim Finance approval since the amount added to the Nevada Criminal History Improvement Program category exceeds \$75,000. **Work Program #C25543**

Refer to motion for approval under Agenda Item F.

- 77. Department of Public Safety - Traffic Safety - FY 2013** - Addition of \$467,421 in federal U.S. Department of Transportation - National Highway Traffic Safety Administration grant funds, \$143,188 in federal U.S. Department of Transportation - National Highway Traffic Safety Administration 410 Incentive grant funds, \$249,588 in Flex Funds transferred from the Nevada Department of Transportation, and deletion of \$1,422 in federal U.S. Department of Transportation - National Highway Traffic Safety Administration 408 Incentive grant funds to align authority and continue support of statewide programs aimed at improving highway safety. Requires Interim Finance approval since the amount added to the Aid to State Agencies category exceeds \$75,000. **Work Program #C25403**

Refer to motion for approval under Agenda Item F.

- 78. Department of Public Safety - Office of Homeland Security - FY 2013** - Addition of \$15,670 in federal Department of Emergency Management - Citizen Corps Program grant funds transferred from the Department of Public Safety - Division of Emergency Management Assistance Grant account to balance forward remaining grant authority to support costs related to improving public awareness in

emergency preparedness. Requires Interim Finance approval since the amount added to the Citizen Corps category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C25507**

Refer to motion for approval under Agenda Item F.

- 79. Department of Conservation and Natural Resources - State Environmental Commission - FY 13** - Addition of \$105,259 in State Environmental Commission Fines to establish authority and make appropriate transfers to county school districts where violations occurred pursuant to NRS 445B.640. Requires Interim Finance approval since the amount added to the Fines/School District Transfers category exceeds \$75,000. **Work Program #C25411**

Refer to motion for approval under Agenda Item F.

- 80. Department of Conservation and Natural Resources - Forestry - FY 2013** - Addition of \$71,939 in federal U.S. Forest Service Legacy grant funds to support the agency's efforts in identifying and protecting environmentally and socially important forest lands that are threatened by present and future conversion to non-forest uses and to assure that both the traditional uses of private land and public values of Nevada's forest resources are protected. Requires Interim Finance approval since the cumulative amount added to the Consolidated Payment Grant 12 Grant category exceeds \$75,000. **Work Program #C24992**

Refer to motion for approval under Agenda Item F.

- 81. Department of Conservation and Natural Resources - Forestry - FY 2013** - Addition of \$1,562,710 in federal U.S. Forest Service (USFS) Fuels Reduction Emergency grant funds and \$672,576 in federal USFS Fuels Reduction grant funds to fund fuels reduction and hazard mitigation projects on state and private lands in communities at risk of catastrophic wildfires. Funding will also develop and maintain efficient and effective fire protection services through the cooperative Fire Program of the State of Nevada. Requires Interim Finance approval since the amount added to the USFS Fuels Reduction Emergency Grant category exceeds \$75,000. **Work Program #C25134**

Refer to motion for approval under Agenda Item F.

- 82. Department of Conservation and Natural Resources - Forestry - FY 2013** - Addition of \$21,722 in U.S. Forest Service (USFS) State Fire Assistance (SFA) National Fire Plan (NFP) Community Protection on Priority Landscapes grant funds as a balance forward of unobligated federal authority to complete hazardous fuels reductions projects for priority landscapes as determined by the State Forest Resources Assessment. Requires Interim Finance approval since the cumulative amount added to the USFS SFA-NFP Community Protection category exceeds \$75,000. **Work Program #C25365**

Refer to motion for approval under Agenda Item F.

- 83. Department of Conservation and Natural Resources - Forestry - Inter-Governmental Agreements - FY 2013** - Addition of \$79 in Elko County Receipts, \$11,916 in Storey County Receipts, and \$7,494 in Eureka County Receipts and deletion of \$50,000 in Washoe County Receipts, \$14,270 in Clark County Receipts, and \$283,773 in Carson City Receipts. This request also transfers \$92,463 from the Reserve category, \$2,273 from the Information Services category and \$13,565 from the Personnel Services category to the Elko County category; \$171,021 from the Reserve category, \$2,303 from the Information Services category and \$32,489 from the Personnel Services category to the Storey County category; \$134,567 from the Reserve category, \$3,008 from the Information Services category, and \$14,480 from the Personnel Services category to the Clark County category; \$65,438 from the Reserve category and \$1,204 from the Information Services category to the Eureka County category; \$6,080 from the Reserve category to the Personnel Services category; and \$239,921 from the Reserve category to the Carson City category. These adjustments will align the recently approved county budget authority with state authority. Requires Interim Finance approval since the amount transferred to the Storey County category exceeds \$75,000. **Work Program #C25615**

Refer to motion for approval under Agenda Item F.

- 84. Department of Conservation and Natural Resources - State Parks - FY 2013** - Addition of \$42,659 in Grazing Lease fees to support the maintenance and support of the agency's ranch/farming lease operations facilities located at Washoe Lake, Fort Churchill, and Spring Valley State Parks. Requires Interim Finance approval since the amount added to the Agricultural Lands and Facilities category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C25472**

Refer to motion for approval under Agenda Item F.

Chair Carlton announced that Agenda Items F-85 and F-105 would be heard together.

- 85. Department of Conservation and Natural Resources - State Parks - FY 2013** - Addition of \$186,460 in funds transferred from the Nevada Department of Wildlife (NDOW) - Fisheries Management account to fund the Aquatic Invasive Species (AIS) Inspection and Decontamination program. Requires Interim Finance approval since the amount added to the AIS Grant - NDOW category exceeds \$75,000. **RELATES TO ITEM 98 and 105. Work Program #C25712**

105. Department of Wildlife - Fisheries Management - FY 2013 - Addition of \$139,845 in federal U.S. Fish and Wildlife Service, Sport Fish Aquatic Invasive Species (AIS) Decontamination grant funds and \$46,615 in Boating Fees transferred from the Wildlife Fund account to fund the aquatic invasive species inspections and decontamination program and meet the requirements of Assembly Bill 167, which was passed by the 2011 Legislature. Requires

Interim Finance approval since the amount added to the AIS Outreach and Inspection category exceeds \$75,000. **RELATES TO ITEMS 85 and 98. Work Program #C25552**

Patrick Cates, Deputy Director, Nevada Department of Wildlife, explained that Assembly Bill (A.B.) No.167 (2011 Session) included two major components:

- Establishment of penalties, in some cases felony penalties, for individuals who knowingly introduced aquatic invasive species (AIS) into Nevada waters.

Mr. Cates said that Cummins Lake outside of Ely, Nevada, was at one time an excellent trout fishery, but some individuals, unknown to the Department, introduced Northern Pike into those fisheries and basically destroyed them. Not only did it cause an economic impact to the area, it diminished sportsmen opportunities.

- Establishment of an AIS program for boaters to ensure that boaters were not, either intentionally or unintentionally, spreading aquatic invasive species. The program was aimed at quagga mussels, zebra mussels, and invasive vegetation.

Mr. Cates said that the State Wildlife Commission established fees for boaters, ranging from \$5 to \$20 per year depending on the type of boater, which applied to resident motorized boats that were currently registered and titled in the Department of Wildlife, out-of-state motorized boats, and in-state and out-of-state non-motorized boats.

Mr. Cates explained that the fees were to be used to establish an AIS program for the boaters. Its primary component was to educate boaters to make them aware of the risks of spreading aquatic invasive species by moving their boats from one body of water to another. The program also included an inspection program and a washing program to clean, drain, and dry the boats.

Mr. Cates recalled that earlier in the year, the Interim Finance Committee had approved a work program to start the educational component, which was currently in progress, to educate the public about clean, drain, and dry. The work programs in items F-85 and F-105 were specific to the Department of Wildlife's partnership with the State Parks Division for the purpose of establishing a voluntary inspection program at Rye Patch, Wild Horse, and Lahontan Reservoirs. Funds would be used for equipment for wash stations and seasonal staff for State Parks to administer the program at those locations.

Mr. Cates explained that the Department's 2013-2015 biennial budget request included funding the third step in establishing an AIS program, which would involve several more components and resources, but the current request was to fund the establishment of inspection programs at the three reservoirs.

Senator Goicoechea asked why Lahontan, Rye Patch and Wild Horse Reservoirs were selected rather than South Fork or water with more activity. Mr. Cates referred the question to Karen Vargas.

Karen Vargas, Wildlife Staff Specialist, Nevada Department of Wildlife, explained the reason the three reservoirs were selected was that Rye Patch and Lahontan Reservoir both tested positive for quagga mussels in April 2011. Since then, the testing results had been negative, but the reservoirs were still suspect. She said Wild Horse Reservoir was chosen because it fed into the Snake River Basin, and therefore into the Columbia River Basin, and was a high priority in Nevada, Idaho, Oregon, and Washington.

Assemblywoman Bustamante Adams said she was glad to see the progress made so far, and she appreciated the collaborative efforts to reach out to the stakeholders. She wanted to confirm the timeline for 2013 and the beginning date.

Mr. Cates replied the collection of the AIS fees from in-state boaters would begin this registration year; notices would be going out after the first of the year. The program would be implemented in the 2013 summer boating season.

Assemblyman Grady said he understood that all boats would be inspected. He asked whether other motorized equipment on the water, such as wave runners, would be inspected. Mr. Cates replied yes: any motorized or non-motorized vessel that could retain water would be inspected.

Mr. Bobzien asked how the voluntary provisions of the federal program would interface with the state's mandatory provisions.

Mr. Cates replied boater-access grant funds would be used, which required that the program must be voluntary rather than mandatory: grant funds could not be used for law enforcement activities. He said the programs proposed to be established at the three reservoirs would be voluntary. The interpretation of the law was that it was mandatory that the public comply with all programs approved by the Department. However, if it was a voluntary program, participation would be voluntary. Mr. Cates said he thought that requirement would change and evolve over time; it was a very large program that would affect many members of the public, residents as well as out-of-state visitors. He said the first efforts would be toward educating people rather than penalizing them so that they understood their obligations to clean, drain, and dry.

Mr. Cates said the program would slowly move toward becoming mandatory. There seemed to be some discrepancy across the nation, depending on the region, as to whether a program could be mandatory. For instance, Colorado had a mandatory program, and it used the same federal funds for the program. The Department of Wildlife was in constant dialogue with the U.S. Fish and Wildlife Department, and currently the Department's emphasis was to set up the infrastructure, make the program voluntary, and focus on education.

Assemblyman Bobzien supported the program and hoped it would be successful in the coming year. He suggested that the Department take its concerns to Nevada's Congressional delegation and request that the prohibitions on federal funds being used for enforcement be removed; AIS would have to be an enforcement program. He encouraged the Department to stay in contact at the federal level to further refine the AIS efforts.

Chair Carlton asked whether other funding sources had been identified. Mr. Cates replied the source of state funding identified in the work programs was boating fees, but the program would eventually be supported from the AIS decal fees once they were collected, and the boating fees would be replaced.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO APPROVE AGENDA ITEMS F-85 AND F-105.

SENATOR GOICOECHEA SECONDED THE MOTION.

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

- 86. Department of Wildlife - Wildlife Fund - FY 2013** - Transfer of \$24,750 from the Restricted Reserve category to the Transfer to Habitat category for the printing of the Water Development Atlas. Requires Interim Finance approval since the cumulative change to the Transfer to Habitat category exceeds \$75,000.
Work Program #C25545

Refer to motion for approval under Agenda Item F.

- 87. Department of Wildlife - Operations - FY 2013** - Addition of \$87,695 in unrestricted revenue transferred from the Wildlife Fund account to fund the move and temporary housing costs associated with the renovation of the department's Reno headquarters. Requires Interim Finance approval since the amount added to the Administration category exceeds \$75,000. **RELATES TO ITEM 98 and AGENDA ITEM G.1. Work Program #C25537**

Refer to motion for approval under Agenda Item F.

- 88. Department of Conservation and Natural Resources - Nevada Natural Heritage - FY 2013** - Addition of \$22,186 in federal U.S. Geological Survey grant funds and \$76,049 in reimbursements from the Nevada Division of Forestry (NDF) for the development and subsequent roll out of a new version of the Biotics database and to perform technical field and laboratory assessments of Nevada's isolated springs throughout the state. Requires Interim Finance approval since the amount added to the NDF-Endemic Plant Modeling category exceeds \$75,000.
Work Program #C25578

Refer to motion for approval under Agenda Item F.

- 89. Department of Conservation and Natural Resources - Environmental Protection - Air Quality - FY 2013** - Addition of \$126,421 in federal Environmental Protection Agency Clean Diesel Grant Program funds to replace one street sweeper with a new cleaner engine vehicle, which will reduce particulate matter, hydrocarbons, carbon monoxide, and nitrogen oxide. Requires Interim Finance approval since the amount added to the Clean Diesel Grant Program category exceeds \$75,000. **Work Program #C25431**

Refer to motion for approval under Agenda Item F.

- 90. Department of Conservation and Natural Resources - Environmental Protection - Water Pollution Control - FY 2013** - Addition of \$347,953 in federal Department of Energy (DOE) grant funds transferred from the Environmental Protection Administration account, and \$159,000 transferred from the Water Permit Fees category to the DOE Grant category and \$2,764 from the Reserve category to the DOE Grant category to align current federal authority with state authority. Requires Interim Finance approval since the amount added to the DOE Grant category exceeds \$75,000. **Work Program #C25360**

Refer to motion for approval under Agenda Item F.

- 91. Department of Conservation and Natural Resources - Environmental Protection - Water Pollution Control - FY 2013** - Transfer of \$66,884 from the Reserve category to the Federal 106 Grant category to assist the agency in continuing inspections of permitted storm water facilities and provide compliance and technical assistance. Requires Interim Finance approval since the cumulative amount transferred to the Federal 106 Grant category exceeds \$75,000. **Work Program #C25432**

Refer to motion for approval under Agenda Item F.

- 92. Department of Conservation and Natural Resources - Environmental Protection - Water Quality Planning - FY 2013** - Addition of \$464,271 in federal Environmental Protection Agency, Clean Water Act Special Purpose Activities - Lake Tahoe Total Maximum Daily Load grant funds to support the agency's efforts in continued water quality management and planning in Nevada. Requires Interim Finance approval since the amount added to the Federal 104 Water Resource Research Grant category exceeds \$75,000. **Work Program #C25588**

Refer to motion for approval under Agenda Item F.

- 93. Department of Conservation and Natural Resources - Environmental Protection - Water Quality Planning - FY 2013** - Addition of \$1,333,050 in federal Environmental Protection Agency Clean Water Act Section 319H-Nonpoint Source grant funds to continue implementing the goals and objectives of the Nevada Nonpoint Source Management Plan, which is to reduce nonpoint source pollution in Nevada waters. Requires Interim Finance approval since the amount

added to the Federal 319 Clean Water Act category exceeds \$75,000.
Work Program #C25606

Refer to motion for approval under Agenda Item F.

- 94. Department of Conservation and Natural Resources - Environmental Protection - Water Quality Planning - FY 2013** - Addition of \$969,280 in federal Department of Energy grant funds transferred from the Nevada Division of Environmental Protection Administration account to continue the bureau's water quality activities. Requires Interim Finance approval since the amount added to the Environmental Education Grant category exceeds \$75,000.
Work Program #C25618

Refer to motion for approval under Agenda Item F.

- 95. Department of Conservation and Natural Resources - Environmental Protection - Water Quality Planning - FY 2013** - Addition of \$290,000 in federal Environmental Protection Agency, Clean Water Act Section 106 grant funds to allow states, tribes and interstate organizations to build capacity in their water monitoring programs. Requires Interim Finance approval since the amount added to the Federal 106 category exceeds \$75,000. **Work Program #C25638**

Refer to motion for approval under Agenda Item F.

- 96. Department of Conservation and Natural Resources - Environmental Protection - Water Quality Planning - FY 2013** - Addition of \$69,000 in funds transferred from the Division of State Lands, Tahoe License Plate account to develop a web-based platform that combines the functions of the Pollutant Load Reduction Model; Road and Best Management Practices Rapid Assessments Methodologies; accounting and tracking tool; and various Crediting Program forms and reports. The integrated product will ease the administrative burden and reduce the cost of implementing the Crediting Program. Requires Interim Finance approval since the amount added to the Lake Tahoe License Plate Program category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C25590**

Refer to motion for approval under Agenda Item F.

- 97. Department of Conservation and Natural Resources - Environmental Protection - Water Quality Planning - FY 2013** - Addition of \$480,000 in federal Environmental Protection Agency, Lake Clarity Crediting Program (LCCP) Stormwater Tools Improvement Project grant funds to assist local jurisdictions with implementation of the Lake Tahoe Total Maximum Daily Load. The LCCP consists of four individual tools: (1) Pollutant Load Reduction Model; (2) Best Management Practice Maintenance Rapid Assessment Methodology; (3) Road Rapid Assessment Methodology; and (4) Lake Clarity Accounting and Tracking Tool. Requires Interim Finance approval since the amount added to the Lake Clarity Crediting Program category exceeds \$75,000. **Work Program #C25592**

Refer to motion for approval under Agenda Item F.

- 98. Department of Wildlife - Wildlife Fund - FY 2013** - Transfer of \$87,695 from the Reserve category to the Transfer to Operations category, \$32,500 from the Reserve category to the Transfer to Game Management category, and \$46,615 from the Boating Reserve category to the Transfer to Fisheries Management category to support sage grouse conservation; aerial survey and trap transplant activities; the aquatic invasive species inspections and decontamination program; and the move/temporary housing costs associated with the department's Reno headquarters. Requires Interim Finance approval since the amount transferred to the Transfer to Operations category exceeds \$75,000. **RELATES TO ITEMS 85, 100, 101, 102, and 105. Work Program #C25574**

Refer to testimony and motion for approval under Agenda Item 100.

- 99. Department of Wildlife - Wildlife Fund - FY 2013** - Transfer of \$24,750 from the Restricted Reserve category to the Transfer to Habitat category for the printing of the Water Development Atlas. Requires Interim Finance approval since the cumulative change to the Transfer to Habitat category exceeds \$75,000. **Work Program #C25545**

Refer to motion for approval under Agenda Item F.

Chair Carlton announced that Agenda Items F-98, F-100, and G.1. would be heard together.

- 100. Department of Wildlife - Operations - FY 2013** - Addition of \$87,695 in unrestricted revenue transferred from the Wildlife Fund account to fund the move and temporary housing costs associated with the renovation of the department's Reno headquarters. Requires Interim Finance approval since the amount added to the Administration category exceeds \$75,000. **RELATES TO ITEM 98 and AGENDA ITEM G.1. Work Program #C25537**

G. DEPARTMENT OF ADMINISTRATION – STATE PUBLIC WORKS DIVISION.

1. Request to modify the scope of CIP project 11-M01, Reno Wildlife Headquarters – Install Electrical and Sprinkler System, to complete interior finish upgrades while the facility is under construction for the originally approved project, pursuant to NRS 341.145(1)(f), and to increase the authority to receive and expend an additional \$461,410 in funds from Ballot Question No. 1 (2002) from the Nevada Department of Wildlife for the project.

Patrick Cates, Deputy Director, Nevada Department of Wildlife, explained that Agenda Items F-100 and G.1. related to a capital improvement project that was approved in the 2011 Legislative Session for improvements to the Department of Wildlife's headquarters building on Valley Road in Reno. The purpose of the project was to upgrade the electrical system and install fire sprinklers. He said most of the staff would be displaced while the work was done, and item F-100 included funding for moving costs and a lease for temporary space on Kietzke Lane in Reno.

Mr. Cates said the staff would be displaced for approximately six months, and in discussions with the Public Works Division, it was determined that vacating the building would provide an opportunity to take care of other needs in the building. Agenda Item G.1. was a request to enhance the project with Question 1 (Q1) [a 2001 ballot question approved by the voters] funds to allow improvements such as new flooring, upgrade of restrooms for ADA compliance, and painting.

Assemblyman Bobzien asked why there was an unallocated balance of \$2.8 million in Q1 funds and whether there were plans to use those funds.

Mr. Cates replied the Department had an original allocation of \$18 million in Q1 funds, most of which had been spent for habitat restoration projects, acquisition of properties, projects benefitting wildlife, and conservation easements. He said the funds were also authorized to be used for maintenance of facilities that directly benefitted conservation, such as wildlife management areas.

Mr. Cates said a portion of the \$2.8 million balance was the result of savings in some projects, and expenditure of the funds was a matter of identifying the needs and wanting to be good stewards of the funds. He said improvements to the headquarters building would be a good use of Q1 funds.

Assemblyman Bobzien said that the Legislature would benefit from understanding the plan for use of the balance of Q1 funds. He realized that not every dollar could be assigned to projects now; the Department would need to be able to respond to other opportunities that might present themselves. However, he believed it would be prudent to provide an update to the Legislature or the Interim Finance Committee as to how the balance of Q1 funds was planned to be expended. Assemblyman Bobzien was concerned that Q1 funds were being used for capital improvements on office buildings.

Mr. Cates replied that he understood Assemblyman Bobzien's concern. He explained that a very small portion of the funds had been used for capital projects and facilities maintenance, and the Department was very mindful of using the balance to benefit resources. The decision to allocate funds to the building improvements was made after careful consideration, because the expectation of the public was that Q1 funds were to benefit wildlife resources. Mr. Cates said the Department would submit a proposed plan for use of the balance of Question 1 funds to the 2013 Legislature or the Interim Finance Committee.

Assemblyman Hardy asked when the Department became aware of the problems with ADA compliance and flooring and why they were not addressed in the 2011-2013 Capital Improvement Program. Mr. Cates replied the restrooms at the front of the building, which were accessible to the public, were ADA compliant, but the two restrooms at the back of the building were in desperate need of upgrading.

Assemblyman Hardy asked whether the job had been bid. Mr. Cates replied no, the Public Works Division was preparing the bid documents, and the project should go out for bid soon.

Assemblyman Hardy noted that the Department had entered into a six-month lease for temporary space, and he asked whether there would be liquidated damages if the project was not completed in time. Mr. Cates replied that Department funds were being used for the lease and moving expenses, but he would have to defer to the Public Works Division staff concerning liquidated damages. He added that the project timeline of three months seemed reasonable

Senator Smith was also concerned with using Question 1 funds for building improvements. She understood the Department's situation, and she was aware that asbestos was a problem in several state buildings. She asked what the alternatives would be if Q1 funds were not approved for the improvements.

Mr. Cates replied that portion of the work would not be completed. Replacing the flooring would necessitate doing the asbestos abatement, which currently was not an immediate health concern. The staff would have to be moved for six months regardless. He said if the Committee did not authorize use of Q1 funds for the improvements, he would ask that Agenda Item F-100 be approved to pay for the move, which would be required to complete the electrical and sprinkler system work.

Senator Smith asked why the building upgrades were not addressed in the 2011 Legislative Session. Mr. Cates replied it was probably a question of priority when the Department developed its list of needs for the Capital Improvement Program (CIP). The need for asbestos abatement was identified, as well as some of the other improvements to the building, but only the life-safety elements of the electrical and sprinkler systems were included in the CIP and approved by the Legislature.

Mr. Cates added that other projects were previously approved: half of the roof would be replaced in summer 2013 – the other half had been replaced in the previous biennium. Incremental improvements had been made.

Senator Smith understood the need; many state facilities needed improvements. She noted that at virtually every Interim Finance Committee meeting since the 2011 Legislative Session, there had been discussion about budget items that either did not come forward during the Session or requests that were not approved by the Legislature resurfacing during the interim. She was concerned with the manner in which the state's business was being handled.

Senator Smith had two concerns: the use of Question 1 money for building improvements and the need not being addressed during the legislative budget process.

Assemblywoman Kirkpatrick said it seemed to her that the Department should repay the Q1 funds so that they could be used for their intended purpose. She believed that the Legislature lost the public's trust when funds were spent for reasons other than for those they were intended. She asked whether there would be a plan to reimburse the Q1 funds.

Mr. Cates replied that under the law, using Q1 funds for facilities maintenance was a legal use: it was part of the intention of the funds. He said a very small percentage of the money had been used for those purposes: the vast majority of the funds had supported on-the-ground projects.

With regard to the improvements not being included in the 2011 CIP, Mr. Cates pointed out that most of the work being discussed was maintenance work that would have been undertaken by the Department without a CIP project, and a very small amount of Q1 funds would have been used and not elevated to the level of a CIP project. However, since the Public Works Division was involved in the project and establishing contracts, it seemed like a small piece to add to the project. The opportunity to combine the two projects would provide economies of scale and avoid disturbing staff a second time.

Senator Goicoechea said he was concerned that the public would not perceive the Reno Department of Wildlife facility as being part of wildlife management. He noted there were wildlife projects pending, and he was concerned with using a half million dollars to update the headquarters. He would not support the request in item G.1.

Mr. Cates replied Question 1 seemed to be the most logical source of funding for the projects. Using a combination of federal grants and the Department's reserves had also been considered, so it would be possible to gather funds from other operating grants.

Assemblyman Bobzien said it seemed there was a lot of discomfort with the future of Q1 funds and how this expenditure would be perceived, particularly by the public. He recalled the extraordinary efforts made toward passage of Question 1. He would feel more comfortable approving the request if there was a plan of how the remaining funds were going to be expended and there was outreach for public opinion. He realized his request would involve additional work and involvement of other agencies, but he believed communicating with the public concerning the future of Q1 funds would be the right thing to do.

ASSEMBLYMAN BOBZIEN MOVED TO APPROVE AGENDA
ITEMS F-98 and F-100 AND NOT APPROVE ITEM G.1.

SENATOR WOODHOUSE SECONDED THE MOTION.

Senator Goicoechea requested that the report from the Department on the use of the balance of Q1 funds also include a list of pending projects from Q1 funds.

Assemblywoman Kirkpatrick asked the Department to also consider different sources of revenue for the building improvements.

Chair Carlton clarified that approval of items F-98 and F-100 would include funds for moving expenses and a six-month lease. The Department would return to IFC on January 25, 2013, for further discussion of Agenda Item G.1., and she hoped the matter could be reconciled so that the Department could still use the six-month time period for the facility improvements.

Mr. Cates said the delay would cause some complications. The Public Works Division had included the additional work in the bid documents, which would have to be revised and would cause a delay putting the project out to bid. The schedule of work would have to be restructured, which would also cause a delay.

Chair Carlton questioned why the building improvements were included in the scope of work prior to the discussion of the project with the Committee.

Mr. Cates replied that the Public Works Division had prepared the documents and they were ready to release, pending the approval of the Committee. The bid documents would have to be changed if the request was not approved.

Assemblywoman Kirkpatrick asked why the Department would assume that the Committee would approve the request. She believed state agencies were doing that more often. She did not understand why Gus Nuñez was not testifying since the request was a public works project, which would have been more effective. She noted that the restroom improvements involved a large cost; she questioned why the less costly improvements were not requested first and the more costly items added later. She said because documents were prepared based on approval of the request, additional funds would now be required to revise the bid documents. She was also concerned that the conservation and sportsmen groups should have received the information.

In summary, Chair Carlton said there was a motion to approve Agenda Items F-98 and F-100 and not approve Agenda Item G.1; there was more conversation to be held, and numerous members of the Committee had concerns. She called for a vote on the motion to approve Agenda Items F-98 and F-100.

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

Assemblyman Bobzien recommended that Agenda Item G.1. be held until the January 25, 2013, meeting and that NDOW submit a plan of how the remaining Question 1 funds would be expended, to include pending projects and alternative funding sources. He requested that the Department reach out to conservationist and sportsmen's groups for their input as well.

- 101. Department of Wildlife - Game Management - FY 2013** - Addition of \$37,500 in federal U.S. Fish and Wildlife Service, Wildlife Restoration grant funds and \$12,500 in unrestricted revenue transferred from the Wildlife Fund account for sage grouse conservation activities. Requires Interim Finance approval since the amount added to the Sage Grouse Conservation category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM 98. Work Program #C25535**

Refer to motion for approval under Agenda Item F.

- 102. Department of Wildlife - Game Management - FY 2013** - Addition of \$60,000 in federal U.S. Fish and Wildlife Service, Wildlife Restoration grant funds and \$20,000 in unrestricted revenue transferred from the Wildlife Fund account to fund aerial survey and trap transplant activities. Requires Interim Finance approval since the amount added to the Big Game category exceeds \$75,000. **RELATES TO ITEM 98. Work Program #C25619**

Refer to motion for approval under Agenda Item F.

- 103. Department of Wildlife - Fisheries Management - FY 2013** - Addition of \$52,475 in federal U.S. Fish and Wildlife Service, State Wildlife Grant (SWG) funds to support conservation and recovery research for the endangered Pahrump Poolfish. Requires Interim Finance approval since the amount added to the SWG Aquatic Conservation category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C24921**

Refer to motion for approval under Agenda Item F.

- 104. Department of Wildlife - Fisheries Management - FY 2013** - Addition of \$77,548 in federal U.S. Fish and Wildlife Service grant funds for the Moorman White River Springfish Habitat Improvement Project located in south-central Nevada. Requires Interim Finance approval since the amount added to the Fisheries Small Grants category exceeds \$75,000. **Work Program #C25538**

Refer to motion for approval under Agenda Item F.

- 105. Department of Wildlife - Fisheries Management - FY 2013** - Addition of \$139,845 in federal U.S. Fish and Wildlife Service, Sport Fish Aquatic Invasive Species (AIS) Decontamination grant funds and \$46,615 in Boating Fees transferred from the Wildlife Fund account to fund the aquatic invasive species inspections and decontamination program and meet the requirements of Assembly Bill 167, which was passed by the 2011 Legislature. Requires Interim Finance approval since the amount added to the AIS Outreach and Inspection category exceeds \$75,000. **RELATES TO ITEMS 85 and 98. Work Program #C25552**

Refer to testimony and motion for approval under Agenda Item F-85.

- 106. Department of Wildlife - Habitat - FY 2013** - Addition of \$97,975 in federal U.S. Fish and Wildlife Service, Wildlife Restoration grant funds to support water development activities, which will promote the expansion of wildlife habitat and population growth for both game and non-game species. Requires Interim Finance approval since the amount added to the Wildlife Water Development category exceeds \$75,000. **Work Program #C25398**

Refer to motion for approval under Agenda Item F.

- 107. Department of Wildlife - Habitat - FY 2013** - Addition of \$96,400 in private grant funds from the Community Foundation of Western Nevada for Dream Tag Projects, which include habitat enhancements and reclamation/reseeding projects. Requires Interim Finance approval since the amount added to the Capital Improvement Projects category exceeds \$75,000. **Work Program #C25527**

Refer to motion for approval under Agenda Item F.

- 108. Department of Transportation - Administration - FY 2013** - Transfer of \$411,377 from the Reserve category to the Bike Path Planning category to continue the bicycle and pedestrian safety program. Requires Interim Finance approval since the amount transferred to the Bike Path Planning category exceeds \$75,000. **Work Program #C25616**

Refer to motion for approval under Agenda Item F.

Chair Carlton announced that Agenda Items F-109, F-110, and F-112 would be heard together.

- 109. Department of Transportation - Administration - FY 2013** - Addition of \$23,063 in Highway Fund Authorization and \$345,937 in Federal Aviation Administration (FAA) grant funds to establish sufficient authority for the Multimodal Planning Division to administer the FAA programs. These funds will allow pavement condition surveys at approximately 21 public-use airports. Requires Interim Finance approval since the amount added to the Administrative Consultants/Other Federal Programs category exceeds \$75,000. **Work Program #C25620**

Refer to discussion and motion for approval under Agenda Item F-112.

- 110. Department of Transportation - Administration - FY 2013** - Addition of \$45,000,000 in Highway Fund Authorization and \$175,000,000 in federal Highway Administration grant funds for road construction and maintenance projects. Requires Interim Finance approval since the amount added to the Land and Building Improvements category exceeds \$75,000. **Work Program #C25625**

Refer to discussion and motion for approval under Agenda Item F-112.

111. Department of Transportation - Administration - FY 2013 - Addition of \$97,485 in reimbursements to establish adequate authority for the department to be reimbursed by Sprint Nextel for expenditures relating to the reconfiguring of public safety frequencies from cellular frequencies. Requires Interim Finance approval since the amount added to the Nextel Rebanding category exceeds \$75,000. **Work Program #C25629**

Refer to discussion and motion for approval under Agenda Item F.

112. Department of Transportation - Administration - FY 2013 - Addition of \$161,880 in Highway Fund Authorization and \$1,770,278 in Federal Transit Administration (FTA) grant funds to establish sufficient authority within the Multimodal Planning Division to administer the FTA programs. Requires Interim Finance approval since the amount added to the Administrative Consultants/Other Federal Programs category exceeds \$75,000. **Work Program #C25639**

Chair Carlton announced that Agenda Items F-109, F-110, and F-112 would be heard together.

Rudy Malfabon, Director, Nevada Department of Transportation (NDOT), explained that Agenda Item F-109 requested approval of the addition of \$23,063 in Highway Fund authorization and \$345,937 in Federal Aviation Administration (FAA) grant funds for the aviation planning section of the NDOT Planning Division to administer FAA programs. The funds would allow pavement condition surveys at approximately 21 public-use airports.

Chair Carlton asked Mr. Malfabon to discuss the projected Highway Fund balance and how much reserve would be used.

Mr. Malfabon replied the Highway Fund balance was significantly affected by spending on capital projects. In June 2011, the balance in the Highway Fund was approximately \$285 million, and because of the decision to spend American Recovery and Reinvestment Act (ARRA) funds on projects throughout the state, including state-funded pavement preservation overlay on state routes, additional Highway Funds were expended. Mr. Malfabon said the Highway Fund balance varied between \$50 million and \$90 million; currently it was closer to \$90 million because the Department just received a reimbursement from the Federal Highway Administration for the reimbursable portion of federally funded projects.

Mr. Malfabon said NDOT was planning to submit a biennial budget that would have an ending Highway Fund balance in the \$90 million range, which would be a sufficient amount to shut down construction projects, pay for demobilization of contractors, and settle all outstanding debts if there was a shutdown of federal government programs,

Chair Carlton asked whether there were any major projects scheduled in 2013. Mr. Malfabon said several major projects were anticipated in the next

biennium, but the Department had obligation authority from the Federal Highway Administration primarily for federal projects. He said the Department tried to minimize the number of state-funded-only projects and capitalize on available federal funding for which the state only had to pay a 10 percent match.

Mr. Malfabon reviewed significant projects planned for the coming year:

- Cactus Interchange on I-15 had been bid and should be awarded in January 2013.
- Reopening of F Street at I-15 in partnership with the City of Las Vegas.
- Federal-aid project in Carson City for a grade separation bridge over the future Carson freeway; the contract would be awarded in January 2013.
- A significant repaving project on a portion of I-15 near Mesquite.
- Resurfacing projects on three portions of I-80, primarily in the Elko County area.
- Revamp the lighting system in the Carlin tunnels, refurbish pavement and repair concrete inside the tunnel, and retrofit a bridge near the tunnels.

Chair Carlton asked whether all of the state stimulus projects were completed and whether there were funds remaining for other projects.

Mr. Malfabon said most of the projects were completed; he recalled that one project in central Nevada was still ongoing.

Assemblyman Brooks asked whether a process had been developed for the selection of subcontractors for the F Street interchange project and whether the Department was working with the City of Las Vegas. He also wanted to know whether bidder's preference would be given to local companies and workers and how the Department planned to attract minority contractors.

Mr. Malfabon replied the Department held a joint meeting with the City of Las Vegas to explain the scope of the work on the F Street project. Five prime contractors that had done work for NDOT attended, and subcontractors were invited to attend to learn what types of work could be subcontracted out and to make connections with the prime contractors. He said the Department had a supportive services contract, in which some prime contractors were identified to reach out to Disadvantaged Business Enterprise subcontractors to try to connect the subcontractors with the prime contractors.

Assemblyman Brooks asked how many of the five contractor firms were minority-owned. Mr. Malfabon replied none of the five firms that attended the meeting were minority-owned. They were contractors that had done bridgework in southern Nevada.

Assemblyman Brooks questioned whether there were any minority firms that built bridges. Mr. Malfabon said he was sure there were, adding that all construction firms were able to be prequalified to bid public works contracts. He said the construction industry was such that it was difficult for new firms to move into the area and compete on low-bid work because of mobilization costs.

Assemblyman Brooks requested a meeting with Mr. Malfabon and the City of Las Vegas to discuss the importance of having minority participation on the F Street project.

Chair Carlton explained that the general contractors bidding on the project were not minority-owned, but a number of the subcontractors were minority-owned. There was minority participation: it was just not at the general contractor level.

Mr. Malfabon pointed out that the F Street project had not yet been bid. The agreement between the State of Nevada and the City of Las Vegas was just approved at the city council level and would be approved at the state level soon.

Senator Smith asked what NDOT was doing to curb costs to assure that Highway Funds would be available at the end of the fiscal year. She said there seemed to be a discrepancy concerning the projected balance of the Highway Fund.

Mr. Malfabon explained that the majority of the Department's budget involved three areas: personnel, operating, and capital projects. Capital projects included consulting and engineering companies that worked for NDOT. He had been trying to identify what projects the Department could perform in-house, but he believed consultants would be required when the Department did not have in-house expertise. The Department was also focusing on reducing its operating expenses, such as travel and procurement of materials. Equipment was being kept longer than the normal age or mileage requirements. He was encouraging all staff to focus on trimming their budgets; each division within the Department had the responsibility to trim its budget.

Mr. Malfabon pointed out that there were not many large construction projects scheduled, and through attrition, he would attempt to reduce the size of the construction staff. He had responsibility for federal programs, such as the Americans with Disabilities Act (ADA), Title VI, the Civil Rights Act, and Storm Water Management. He thought he should shift some resources from the construction program to those programs to be in compliance with federal requirements and not risk fines for noncompliance.

Senator Smith said she appreciated that Mr. Malfabon was new to his position, but she had serious concerns with the NDOT budget. She noted that the Public Works Division and local governments had reduced their budgets commensurately with the decline in construction projects, and she asked whether NDOT staff had been reduced. She asked Mr. Malfabon to work with Fiscal Analysis Division staff concerning what could be done to reduce NDOT's budget.

Mr. Malfabon said he had several discussions with his assistant directors concerning budget reductions, including a review of staffing needs. He said that between now and January 2013, the Department would identify areas that could be reduced, particularly in the design, engineering, and construction areas. Mr. Malfabon said that since less money would be spent on preservation of the state's pavements, he believed it was important to keep the maintenance positions fully staffed to perform preventative maintenance.

Assemblywoman Neal said she understood the information technology (IT) section of the Department was oversaturated and some IT staff did not have anything to do. She had also heard that the divisions did not communicate enough to be efficient and effective.

Mr. Malfabon agreed that the IT section was large. With the advances in technology, the Department had acquired mobile devices, which made staff members more efficient in accessing their email and responding to coworkers, external customers, and stakeholders. He said IT positions that were no longer as effective or efficient would be shifted to other areas, and when possible, positions would be held vacant to realize payroll savings.

Regarding the communication among divisions, Mr. Malfabon said he was working with division staff on improving communications. He had expressed his expectations for improvement in communications, not only internally within NDOT, but also externally with stakeholders. He encouraged staff to talk with their counterparts at the regional transportation authorities in Washoe County, Carson City, southern Nevada, and Lake Tahoe. The rural counties were represented by the Nevada Association of Counties (NACO) and the League of Cities, and communication with those entities would be improved as well.

Mr. Malfabon said the Department could be much more effective internally and externally with improved communication, and it would take the leadership of NDOT to express the expectations to staff and correct their behavior when necessary.

ASSEMBLYMAN HARDY MOVED TO APPROVE AGENDA
ITEMS F-109, F-110, and F-112.

SENATOR SMITH SECONDED THE MOTION.

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

113. Adjutant General and National Guard - Military - FY 2013 - Addition of \$433,797 in federal Department of Defense grant funds and transfer of \$775,345 from the Army Security category to the Communications category and to reserve General Fund for reversion of \$32,118 pursuant to Senate Bill 503, Section 7 of the 2011 Legislative Session and to provide for communications equipment, telecommunications improvements, and Army security provisions for the National Guard. Requires Interim Finance approval since the amount transferred to the Communications category exceeds \$75,000. **Work Program #C25481**

Jennifer McIntee, Administrative Services Officer, Office of the Military, introduced Lieutenant Colonel Clayton Chappell, Construction, Facilities, and Management Officer, Nevada National Guard.

Ms. McIntee explained the work program in Agenda Item F-113 aligned the authority with the available funding for the Army Security and Telecommunications categories.

Assemblywoman Kirkpatrick asked when the new North Las Vegas Readiness Center would open and whether the funding was from a grant.

Ms. McIntee replied the funding was through a Master Cooperative Agreement (MCA) among the State of Nevada, the Office of the Military, and the National Guard. There were different appendices (mini-grants) within the MCA, and the work program in Agenda Item F-113 would align the authority of the Army Security category and the Telecommunications category with their respective funding sources.

Chair Carlton asked whether all of the grant funding had been received. Ms. McIntee replied all of the funding except \$34,813 had been received. The modified grant award, including the addition of \$34,813, was in process. Chair Carlton noted that Fiscal staff would have to make a technical adjustment to the work program.

In response to Assemblywoman Kirkpatrick's inquiry concerning the opening of the Readiness Center, Lieutenant Colonel Clayton Chappell, Construction, Facilities, and Management Officer, Nevada National Guard, explained that the North Las Vegas Readiness Center was currently under construction and the project was ahead of schedule. The contractor was on target to provide a certificate of occupancy in late February or early March 2013.

Assemblywoman Kirkpatrick asked whether there would be potential savings for the General Fund. Ms. McIntee replied a General Fund savings of \$177,000 was anticipated.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that typically requests to receive grant revenue were submitted to the Interim Finance Committee once a grant award was made and signed documentation was in the agency's possession. It was her understanding that the Office of the Military had yet to receive formal notification from the federal government that the funds would be received.

Ms. McIntee explained that process was typical, but this was not a new grant: it was a modification to an existing grant. The federal program manager was aware of the need for the additional \$34,813.

Assemblyman Brooks asked where the Readiness Center would be located. Lieutenant Colonel Chappell replied the North Las Vegas Readiness Center would be located adjacent to the existing Floyd Edsall Training Center off of Highways 215 and I-15 in North Las Vegas.

Chair Carlton noted that typically the Committee would not approve the amount of \$34,813 because official notification had not been received by the agency, and that amount would be deducted from the total amount of the work program.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE
AGENDA ITEM F-113, WITH A TECHNICAL ADJUSTMENT OF
\$34,813 TO BE MADE BY FISCAL ANALYSIS DIVISION STAFF.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

- 114. Nevada System of Higher Education (NSHE) - Nevada State College at Henderson - FY 2013** - Addition of \$53,338 in student surcharges and \$82,024 in non-resident tuition to pay additional part-time instructors due to enrollment increases. This request is contingent upon Board of Regents approval at their November 29-30, 2012, meeting. Requires Interim Finance approval pursuant to Senate Bill 503, Section 8, Chapter 372, of the 2011 Legislative Session. **Work Program #C25717. RECEIVED AFTER SUBMITTAL DEADLINE 11-21-12.**

Refer to motion for approval under Agenda Item F.

- 115. Office of the Attorney General - National Settlement Administration - FY 2013** - Transfer of \$103,059 from the Reserve Bank of America Settlement category to the Business & Industry (B&I) Housing Data/Index Project category to obtain extensive data and analysis of the Nevada housing market as Nevada embarks on a path of housing recovery fueled by Nevada based solutions to correcting the housing market. Requires Interim Finance approval since the

amount transferred to the B&I Housing Data/Index Project category exceeds \$75,000. **RELATES TO ITEM 27. Work Program #C25770. RECEIVED AFTER SUBMITTAL DEADLINE 11-26-12.**

Refer to motion for approval under Agenda Item F.

Reclassifications

Agency	Agency/ Account Number	Position Number	Present Class Title, Class Code, Grade & Salary	Proposed Class Title, Class Code, Grade & Salary
Department of Health and Human Services, Health	406/3220	0047	Management Analyst I, Code 07.637, Grade 31, Step 01, Employee/Employer Paid Retirement \$40,862.16	Health Program Specialist I, Code 10.237, Grade 35, Step 01, Employee/Employer Paid Retirement \$44,411.76
Department of Health and Human Services Child and Family Services	409/3145	0014	Clinical Program Planner I, Code 10.129, Grade 38, Step 06, Employer-Paid Retirement \$56,396.88	Social Services Chief II, Code 13.301, Grade 39, Step 06, Employer-Paid Retirement \$58,986.00
Department of Employment Training and Rehabilitation, Administrative Services	908/3272	0006	Management Analyst IV, Code 07.612, Grade 39, Step 01, Employee/Employer Paid Retirement \$52,847.28	Facility Manager, Code 09.603, Grade 37, Step 01, Employee\Employer Paid Retirement \$48,4162.48

Refer to motion for approval under Agenda Item F.

G. DEPARTMENT OF ADMINISTRATION – STATE PUBLIC WORKS DIVISION.

1. Request to modify the scope of CIP project 11-M01, Reno Wildlife Headquarters – Install Electrical and Sprinkler System, to complete interior finish upgrades while the facility is under construction for the originally approved project, pursuant to NRS 341.145(1)(f), and to increase the authority to receive and expend an additional \$461,410 in funds from Ballot Question No. 1 (2002) from the Nevada Department of Wildlife for the project.

No action taken; refer to discussion under Agenda Item F-100.

2. Information regarding the Project Exception Report pursuant to NRS 341.100(8)(g).

Gus Nuñez, P.E., Administrator, Public Works Division, Department of Administration, reviewed the Capital Improvement Program (CIP) Project Exception Report, noting that the information had not changed since the October Interim Finance Committee (IFC) meeting.

- Project 07-C27, Civil Support Team WMD (Weapons of Mass Destruction) Readiness Building in southern Nevada: The project would be substantially delayed, possibly for years. Mr. Nuñez said there was currently approximately \$3.9 million in state matching funds for the project, which might be reallocated in the future for other needs. He would report back to the Committee on the status of the project and its funding.

Chair Carlton asked whether the decision would be made prior to the January 25, 2013, IFC meeting. Mr. Nuñez replied the Public Works Division was working with the Budget Division on funding for the next CIP, and he would be able to provide an update at the January IFC meeting. He anticipated that any proposal to reallocate the funds would be discussed during the 2013 Legislative Session.

- Project 09-M02a, Water Supply Backflow Prevention for the Bradley Building: Action was still pending on the project, which was to be completed by the Las Vegas Valley Water District.
- Project 09-P02a, Advance Planning for Hotel College Academic Building, University of Nevada, Las Vegas (UNLV): The 2013-2015 Capital Improvement Program would include a request to move the location of the building and change the funding split from 50-50 to 60-40. Mr. Nuñez explained there was funding from UNLV donors available to enclose the water channel.
- Project 11-E02, Advance Planning for DMV (Department of Motor Vehicles) Building in South Reno: The project had been stopped until further direction from DMV.
- Project 11-M01, Reno Wildlife Headquarters – Install Electrical and Sprinkler Systems: The plan was to use Question 1 (Q1) [a 2001 ballot question approved by the voters] funds, and asbestos abatement would begin the middle of January. The rest of the project would proceed in February.

SENATOR SMITH MOVED TO ACCEPT THE CAPITAL IMPROVEMENT PROJECT EXCEPTION REPORT.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

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

H. APPROVAL OF CONTRACT PURSUANT TO ASSEMBLY BILL 299 (2005 SESSION) – Request approval of a contract between the state and the Reno Sparks Indian Colony for the construction of a new restitution center for the Nevada Department of Corrections and authorization for the State Public Works Division to receive \$1,502,227 from the Reno Sparks Indian Colony and to expend these funds for the Division’s project management and oversight duties, as set forth in the contract.

Gus Nuñez, P.E., Administrator, State Public Works Division, Department of Administration, introduced Arlan Melendez, Chairman of the Reno-Sparks Indian Colony, and Jim Lawrence, Administrator, Division of State Lands, Department of Conservation and Natural Resources.

Mr. Nuñez explained Agenda Item H was a request for approval of an agreement that would implement Assembly Bill No. (A.B.) 299 (2005 Session) and allow the Reno-Sparks Indian Colony (RSIC) to finance and construct a new transitional housing center for the Nevada Department of Corrections (NDOC) on land owned by the RSIC. The property was located at 290 Kietzke Lane, the southeast corner of Kietzke Lane and East Second Street, in Reno.

Mr. Nuñez said that upon completion of construction of the transitional housing center, a land swap would take place. The State of Nevada would take title to the land with the new transitional housing center, and the Reno-Sparks Indian Colony would take title to the property where the current NDOC restitution center was located, which was 2595 East Second Street in Reno. Each party would take title to its new property completely free and clear.

It was Mr. Nuñez’s opinion that the agreement was a “win-win” situation for both parties. The NDOC would have a new transitional housing center free and clear, and the RSIC would have a piece of riverfront property adjacent to its community, also free and clear.

With respect to the financing, Mr. Nuñez explained the RSIC would finance construction of the new transitional housing center with a loan secured by Wal-Mart sales tax revenue, and a portion of the tax revenue would be shared with the Washoe County School District. As part of the project cost, the RSIC would pay the Public Works Division (PWD) to manage the design and construction of the project for NDOC. The PWD would also act as the building inspector and provide the inspections for the RSIC.

Mr. Nuñez said Agenda Item H was a request for authority for the Public Works Division to receive and spend approximately \$1.5 million on the project, which would include the PWD project management and inspection fees; the furniture, fixtures, and equipment (FF&E) costs for the new facility; and permits and special inspection testing. Once the certificate of occupancy was issued on the project, the Division of State Lands would arrange the land exchange.

Senator Kieckhefer referred to section 1, subsection 2, paragraph (a) of A.B. No. 299, which discussed a lease-purchase agreement, and asked whether a lease-purchase was being proposed.

Mr. Nuñez replied that the Reno-Sparks Indian Colony would finance the total project cost of \$8 million, which would be a loan. The problem with developing a lease-purchase agreement was that the Colony would own the new restitution center for a period of time until the expiration of the lease-purchase agreement, and legal counsel had advised that NDOC could not operate any facility on land owned by another sovereign. He said the current proposal provided for an equitable exchange of land rather than a lease-purchase agreement that would have to be paid over a period of time.

Mr. Nuñez said the proposed agreement was a more equitable solution to accomplish the land exchange. The Legislative Counsel Bureau (LCB) Legislative Counsel and the Public Works Division's legal staff had reviewed the agreement and opined that it would meet all of the requirements of A.B. No. 299. Mr. Nuñez said he could not discuss the legal aspects of the transaction, and he suggested that Legislative Counsel could answer any questions from Committee members.

Senator Kieckhefer asked how the contract complied with A.B. No. 299, which stated that the contract must include a lease-purchase agreement.

Brenda Erdoes, Legislative Counsel, Legislative Counsel Bureau, stated that she had reviewed the agreement, and based on the legislative intent of the bill, she opined that if IFC approved Agenda Item H, the interpretation of legislative intent was that a lease-purchase agreement did not have to be a required element of the overall deal, but if there was a lease-purchase agreement, it would have to be included in the contract.

Senator Smith asked whether Mr. Nuñez was comfortable with the Public Works Division's oversight and involvement with checks and balances for both the Reno-Sparks Indian Colony and the Department of Corrections.

Mr. Nuñez said he was comfortable with the agreement, which spelled out in great detail how each party was supposed to perform. The way the agreement was written and the fact that the Colony had chosen to use PWD documents for both design and construction provided a great level of comfort. He noted that the documents included specific PWD requirements and procedures during construction that the RSIC would follow.

Senator Smith asked how the Public Works Division would ensure there were no conflicts with the Division's role between the RSIC and the NDOC.

Mr. Nuñez replied that even though the Reno-Sparks Indian Colony would pay the bills, the Public Works Division would ensure that the project satisfied the needs and standards of the Department of Corrections. The agreement was very specific as to how the project was to be conducted.

Mr. Nuñez added that based on the provisions of the current agreement, the PWD had a high level of comfort, as did the Department of Corrections, that the project could move forward.

Senator Denis asked whether the state would have any financial obligation if Wal-Mart withdrew from the project after construction was complete.

Mr. Nuñez replied there would be no financial obligation if there was a problem with Wal-Mart. The agreement was that the state would exchange the land where the restitution center existed free and clear and receive a new piece of land with a new restitution center free and clear. He explained that if the Legislature lowered the sales tax, which may affect Wal-Mart's ability to earn revenue, the state would be committed to enter discussions with the Colony, but the state would not be committed beyond discussions. Any adjustments to the agreement would have to be made by the Legislature.

Assemblyman Aizley asked whether the state would have any financial obligation if Wal-Mart were to vacate the premises after the land exchange had been executed. Mr. Nuñez replied he could not answer that question.

Victoria Oldenburg, Legal Counsel, Reno-Sparks Indian Colony, explained the RSIC was entitled to 100 percent of the sales tax revenue from the Wal-Mart project, but in good faith and to foster a good relationship with the state and local governments, the RSIC agreed to enter into a revenue-sharing arrangement. As part of the revenue sharing for the state, the RSIC would build an \$8 million restitution center for NDOC, and as part of the revenue sharing for the Washoe County School District, once the restitution center was opened, one percent of the total Wal-Mart sales tax revenue would be shared with the Washoe County School District on an annual basis. Ms. Oldenburg said that under state law, she believed the RSIC would be entitled to all of the sales tax revenue. However, the revenue-sharing agreement benefitted the state, the county, and the Colony.

Assemblyman Grady asked whether the State Attorney General had approved the contract. Chair Carlton said the agreement was signed and approved by the Board of Examiners. Mr. Nuñez added that all parties, including the Attorney General's Office, had signed the agreement.

Senator Smith remarked that a great deal of effort had been expended on the project by all parties. She appreciated the fact that a restitution center would be built in the exchange, especially at a time when the state could not construct any new state facilities.

SENATOR SMITH MOVED TO APPROVE AGENDA ITEM H.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION

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

I. STATEMENT OF CONTINGENCY ACCOUNT BALANCE.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, referred Committee members to the balance statement of the Interim Finance Contingency Account in the meeting packet (copy attached as [Exhibit C](#)), which reflected the following current balances as of December 11, 2012:

Unrestricted General Fund Balance	\$ 7,047,333
Unrestricted Highway Fund Balance	\$ 1,690,085
Restricted Funds Balance	\$22,366,053

Ms. Jones said requests totaling approximately \$41,435 from the Unrestricted General Fund were pending before the Committee, which if approved, would leave a balance of \$7,005,898. The Restricted Funds and Unrestricted Highway Fund balances would remain unchanged.

J. REQUESTS FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO NRS 353.268.

1. Treasurer's Office – State Treasurer Account – Request for an allocation of \$31,661 for a Management Analyst III position to support the state's e-Payment/Merchant Services program, and provide oversight for the Arbitrage program.

Jeff Mohlenkamp, Director, Department of Administration, said he was testifying in support of the request from the Office of the State Treasurer in Agenda Item J.1. He recalled the Department of Administration had requested an allocation from the IFC Contingency Account to move forward on a contract for a consultant to support the state's arbitrage program. At that time, the possible liability was \$1 million, and it occurred to him that outside expertise was needed. A consultant was hired with the Contingency Fund allocation, and the consultant was able to avoid the liability. Mr. Mohlenkamp said the consultant continued to work for the Department on current arbitrage work, and he anticipated substantial savings would be realized by using the consultant's expertise.

Mr. Mohlenkamp believed that continued services of a consultant were needed for the arbitration program and a state employee was not needed. However, the arbitration program still required a certain level of managerial skills internally because it was a complicated area. Someone with a high level of intelligence and necessary skill set would need to work with the consultant.

Mr. Mohlenkamp reminded the Committee that the Controller's Office had determined it was no longer in a position to continue to work on the arbitration program. He said other options were then pursued, and the State Controller suggested that the Treasurer's Office would be an appropriate location for the program. Mr. Mohlenkamp noted that a majority of other states housed the arbitration program within the Treasurer's Office.

Mr. Mohlenkamp said that the request in Agenda Item J.1. was to move the responsibility for managing the arbitration contract and working with the consultant to the Office of the State Treasurer.

Mr. Mohlenkamp then recalled that his predecessor had worked toward moving the e-payment process to the Treasurer's Office because the Department of Administration eliminated a position due to budget reductions. He had since learned that there was an agreement between his predecessor and the State Treasurer to ensure a position would be available at the Treasurer's Office to complete the work on the e-payment program. Mr. Mohlenkamp said that position was inadvertently eliminated, and he supported a request for a Management Analyst (MA) 3 position for the remainder of fiscal year 2012, which would be included in the Treasurer's Office budget going forward. The position would assume the e-payment process from the Department of Administration and assume responsibility for the arbitration process. The workload and expertise seemed reasonable for that position.

Senator Smith said she appreciated the explanation from Mr. Mohlenkamp, but she was concerned that the same position would manage the complicated arbitration program and work on the e-payment program. She asked why the arbitration consultant could not remain in the Department of Administration and a part-time position be filled for the e-payment processing.

Mr. Mohlenkamp replied the goal was to put the arbitration program in the right place. The Department of Administration assumed the program because of the urgent need to get it done. He believed the Treasurer's Office was the appropriate location for the program because that office managed all of the state's bonds, revenues, and receipts from interest for the state. While the Department of Administration dealt with some of those matters, many were outside the scope of the Department. He said whether the same expertise was needed for the e-payment and arbitration programs was a valid point, but the workload for the two programs would be reasonable for an MA 3 position.

Steve George, Chief of Staff, Office of the State Treasurer, recalled that two years earlier, the Treasurer's Office assumed the e-payment merchant services payment program with the understanding that the Office would be able to keep a Management

Analyst 2 position vacant until the workload was determined. Unfortunately, a mistake was made in the budget process and the position was eliminated.

Mr. George said that subsequently, Assembly Bill (A.B.) No. 402 (2011 Session) was passed that required all state agencies to make the e-payment program available, which increased the workload. He said a request was made to the Department of Administration to rectify the error because of the heavy workload, and the arbitrage situation surfaced at the same time. It was decided that it would behoove everyone in the situation to meld the two positions together, upgrade the position to a Management Analyst 3, and hire a person with the analytical ability to manage both programs.

Chair Carlton said she understood the importance of the need for the e-payment position, but she was not sure how the same position could relate to the arbitrage position. She asked whether the position would be a state employee or a consultant.

Mr. Mohlenkamp said the contract with Arbitrage Compliance Consultants would continue, and the MA 3 position would work directly with the contractor. The Treasurer's Office would manage the contract on a going-forward basis, and the MA 3 would be a state employee who would work with the state agencies to compile the information necessary for the arbitrage consultant.

As far as the workload, Mr. Mohlenkamp continued, the arbitrage work was "feast or famine." Calculating the arbitrage on the state's bond issuances was a compressed and consolidated effort over a period of a month or so, which was why the decision was made to have the position manage the e-payment program on a regular basis and dedicate time to the arbitrage program when it was necessary. Mr. Mohlenkamp acknowledged that it was not a perfect solution, but it was a good solution under the circumstances to accomplish both functions.

Chair Carlton noted the arbitrage had not been discussed for over a year, but she surmised that there were reasons the position was now necessary.

Mr. George explained that once A.B. No. 402 passed, the workload for the e-payment program increased substantially, and there were now approximately 34 agencies using the program with 4 more ready to go online. However, the staff of the Treasurer's Office had not increased, and the workload was becoming overwhelming.

Assemblyman Eisen asked whether the intent was to combine the MA 2 position for the e-payment program and the MA 3 position for the arbitrage program into one MA 3 position that would be responsible for both programs. He asked whether the arbitrage program was driving the need for the position at this time or whether the matter could wait until the 2013 Legislative Session.

Mr. Mohlenkamp replied that a period of arbitrage calculations had just been completed for bonds relating to conservation and another would be coming up in 2013. He said the position was needed for arbitrage at this time. The state just learned of some

potential liability because of lack of arbitrage expertise, and additional services would be required from Arbitrage Compliance Consultants. Mr. Mohlenkamp said the location of the program should be established as soon as possible to complete the work in a coordinated manner. He recommended that the position be established now rather than waiting until the Legislative Session.

Assemblywoman Kirkpatrick said it was frustrating when agencies testified before the Legislature that they could assume more programs and duties without adding staff, and then they came before the Interim Finance Committee during the interim to request new positions. She said it was not an efficient process, and there was no consideration of the long-term consequences.

Mr. George reiterated that the Treasurer's Office absorbed the position before the 2011 Legislative Session with an agreement that a position would be kept vacant in the Treasurer's Office until the workload for the e-payment program was known. He pointed out the Treasurer's Office had not asked for more work: it had just accepted the program and a position from the Department of Administration.

Assemblywoman Kirkpatrick asked how an agreement could be made that was not included in the budget: nobody would be held liable. She asked why the position was not included in the budget.

Mr. George replied that per the agreement, the Treasurer's Office had included the position in the budget, but the budget analyst erroneously eliminated the position when the Governor's Recommended Budget was submitted. He recalled that the Treasurer's Office testified to the 2011 Ways and Means Committee concerning the erroneous elimination of the position from the budget, but it was too late to reinstate the position.

Assemblywoman Kirkpatrick asked whether a fiscal note was put on A.B. No. 402; Mr. George replied there was a fiscal note on the bill, but it was not known what the fiscal impact would be on the Treasurer's Office at the time.

Chair Carlton said there appeared to be serious concerns with the request, and if it were not approved at this meeting, she asked whether the position could be vetted as part of the Governor's Recommended Budget during the 2013 Legislative Session.

Mr. Mohlenkamp replied if the Committee did not take action, he would meet with the Treasurer's Office staff and discuss how to proceed.

Chair Carlton asked whether a position could be approved for the e-payment program and the arbitrage position could be considered in the future. She did not want to approve a position that might be eliminated several months later.

Mr. George replied the original request was for an MA 2 position for the e-payment program and then the Treasurer's Office was approached about assuming the arbitrage function. Because of the added duties and required expertise, the decision was made

to upgrade the position to an MA 3. He said the Treasurer's Office did not have to assume the arbitrage function; the Office was happy to take the program on under the original agreement. However, he added, the e-payment program could be managed by an MA 2 position.

Chair Carlton said she recognized how important the e-payment program was to the state, and with an increasing number of agencies moving to e-payment, the process had to work correctly. She asked whether the Committee would be comfortable in processing the MA 2 position for the Treasurer's Office for the e-payment program and have a discussion about the arbitrage position, which may or may not be an MA 3 position, during the 2013 Legislative Session. She believed the Legislature should be involved in the discussion because the movement of the arbitrage program to the Treasurer's Office was a policy decision.

Assemblywoman Kirkpatrick recalled that agency user fees were included in the e-payment program. She asked whether the fees would cover the cost of the position.

Chair Carlton said she did not believe any agencies could currently be charged a convenience fee for the e-payment program. She had submitted a bill draft request for the 2013 Legislative Session to allow user fees to be charged.

Assemblywoman Kirkpatrick noted that if the e-payment position was approved at this meeting, recruitment would be conducted through the state system and the position would probably not be filled until February. She asked whether the position would be included in the 2013-2015 biennial budget request.

Mr. Mohlenkamp replied if the position were approved at this meeting, it would be included in the recommended biennial budget.

Mr. George added that the Human Resource Management Division had changed its recruitment procedures, and it was much more beneficial to agencies. He believed the position could be hired much sooner than February.

SENATOR SMITH MOVED TO APPROVE A MANAGEMENT ASSISTANT 2 POSITION FOR THE E-PAYMENT PROGRAM IN THE TREASURER'S OFFICE.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

Chair Carlton noted that the Fiscal Analysis Division would make the technical adjustments to the request from the Contingency Account.

Rick Combs, Director, Legislative Counsel Bureau, stated that the Human Resource Management Division would determine the level of the position based on the job description. He noted the request included funding for an MA 3 position, and

he suggested that the Committee approve that amount of funding, and if the position was determined to be an MA 2, the additional funds could be reverted.

Chair Carlton asked for further questions from the Committee; hearing none, she called for the vote.

THE MOTION CARRIED. (Senator Kieckhefer and Assemblywoman Flores, and Assemblyman Sprinkle were not present for the vote.)

2. Supreme Court – Judicial Selection – Request for an allocation of \$8,000 for the costs of filling judicial elected official vacancies for the remainder of Fiscal Year 2013.

Deanna Bjork, Manager of Budgets, Nevada Supreme Court, explained Agenda Item J.2. was a request for \$8,000 from the IFC Contingency Fund to continue filling district judge vacancies as they occurred in the remainder of fiscal year (FY) 2013.

Chair Carlton asked for questions from the Committee; hearing none, she called for a motion.

SENATOR GOICOECHEA MOVED TO APPROVE AGENDA ITEM J.2.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer, Assemblywoman Flores, and Assemblyman Sprinkle were not present for the vote.)

3. Department of Health and Human Services – Public Defender – Request for an allocation of \$501 to fund a payroll claim from Fiscal Year 2011.

Chair Carlton asked for questions from the Committee; hearing none, she called for a motion.

SENATOR SMITH MOVED TO APPROVE AGENDA ITEM J.3.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer, Assemblywoman Flores, and Assemblyman Sprinkle were not present for the vote.)

4. Office of the Military – Military – Request for an allocation of \$1,273 to cover operating expense claims from Fiscal Year 2012.

Chair Carlton asked for questions from the Committee; hearing none, she called for a motion.

SENATOR SMITH MOVED TO APPROVE AGENDA ITEM J.4.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer, Assemblywoman Flores, and Assemblyman Sprinkle were not present for the vote.)

- K. NEVADA SYSTEM OF HIGHER EDUCATION – NEVADA STATE COLLEGE – APPROVAL OF LEASE-PURCHASE AGREEMENT – Request for approval of a Lease-Purchase Agreement to develop two buildings on the campus of Nevada State College pursuant to NRS 353.550. **WITHDRAWN NOVEMBER 30, 2012.**
- L. DEPARTMENT OF HEALTH AND HUMAN SERVICES – Division of Health Care Financing and Policy – Request approval for a new Auditor III position in the Administration budget account.

Leah Lamborn, Chief Financial Officer, Division of Health Care Financing and Policy, Department of Health and Human Services, explained that during the 2011 Legislative Session, the Division requested two new Auditor positions to help implement the Health Information Technology (HIT) program, which reimbursed Medicaid providers who purchased software and built an infrastructure for electronic health records to improve health-care outcomes and potentially lower health-care costs. She said that the HIT program was reimbursed 100 percent from federal funds, with a 90 percent federal/10 percent state split for administrative services.

Ms. Lamborn said that during the 2011 Legislative Session, one of the two positions requested in the Division's biennial budget was approved, and the Division was instructed to seek Interim Finance Committee approval once the workload was established to justify the second position.

Ms. Lamborn explained that currently there were 257 Medicaid providers enrolled in the program, and 764 were expected to be enrolled by the end of 2014. The current Auditor III position was responsible for auditing all prepayments to the providers and ensuring that they were eligible to receive reimbursement for the expenses through the Medicaid program. If approved, the second Auditor position would conduct post-payment audits and review the payments that were paid to ensure that they were made properly.

Chair Carlton asked whether the audit results would be made available for legislative review to determine that conducting the audits was a wise use of funds. Ms. Lamborn replied the Division would provide a report of the audit outcomes to the Committee.

Chair Carlton asked whether the audit function would be included in the 2013-2015 biennial budget. Ms. Lamborn said there would be audit positions in the budget until 2021, at which time the HIT program would be fully implemented.

Chair Carlton asked for further questions or testimony; hearing none, she called for a motion.

ASSEMBLYMAN HARDY MOVED TO APPROVE AGENDA ITEM L.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer, Assemblyman Eisen, Assemblywoman Flores, and Assemblyman Sprinkle were not present for the vote.)

M. REQUEST FOR APPROVAL TO ACCEPT GIFTS AND GRANTS PURSUANT TO NRS 353.335(2)(c).

1. Department of Administration – Nevada State Library and Archives – Request for approval to accept a \$65,000 monetary gift from the Malcolm and Evelyn Rountree Trust.

Evan Dale, Administrator, Administrative Services Division, Department of Administration, explained that Agenda Item M.1. was a request for approval to accept \$65,000 from the Rountree Trust. The funds would be placed in budget account 2800, Library and Archives Gifts. He said authority was also being requested to set up the account to receive an estimated amount of \$14,491 in additional gifts for the year.

Chair Carlton asked for questions from the Committee; hearing none, she called for a motion.

SENATOR DENIS MOVED TO APPROVE AGENDA ITEM M.1.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer and Assemblyman Eisen, Assemblywoman Flores, and Assemblyman Sprinkle were not present for the vote.)

2. Department of Public Safety – Nevada Highway Patrol – Request for approval to accept a donation of a 1953 Ford C500 vehicle valued at \$35,000 from the Nevada Trucking Association.

Johnean Morrison, Administrative Services Officer, Nevada Highway Patrol, Department of Public Safety, explained Agenda Item M.2. was a request for approval for the Nevada Highway Patrol to accept a donation of a vehicle valued at \$35,000 from the Nevada Trucking Association.

Chair Carlton asked for questions from the Committee; there were none.

ASSEMBLYMAN KIRNER MOVED TO APPROVE AGENDA
ITEM M.2.

SENATOR SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer, Assemblyman Eisen, Assemblywoman Flores, and Assemblyman Sprinkle were not present for the vote.)

3. State Department of Conservation and Natural Resources – Division of State Lands – Request for approval to accept a donation of land on behalf of the Nevada Department of Wildlife from the National Fish and Wildlife Foundation.

Jim Lawrence, Administrator, Division of State Lands, Department of Conservation and Natural Resources, explained Agenda Item M.3. was a request for approval for the Division to accept a land donation of two properties, consisting of about 832 acres, located adjacent to the Mason Valley Wildlife Management Area. Upon acceptance of the property, it would be assigned to the Department of Wildlife to manage in conjunction with the Mason Valley Wildlife Management Area. He said the land was free and clear of any encumbrances on the title, and there were no environmental issues.

Senator Goicoechea asked whether the water rights had been stripped and transferred downstream for the Walker Lake project. Mr. Lawrence replied the property was purchased by the National Fish and Wildlife Foundation, which had stripped off the water rights to use for the Walker Lake restoration project. The National Fish and Wildlife Foundation did not have the capacity to manage the land, and because it was adjacent to the Mason Valley Wildlife Management Area, the best use of the land was determined to be managed by the Department of Wildlife in conjunction with the Wildlife Management Area.

Mr. Lawrence added that the state owned sufficient water rights associated with the Mason Valley Wildlife Management Area to manage the donated properties.

Senator Goicoechea said he was concerned that there would not be sufficient water in Mason Valley for the size of the property.

Chair Carlton asked for further questions from the Committee. Hearing none, she called for a motion.

ASSEMBLYMAN GRADY MOVED TO APPROVE AGENDA
ITEM M.3.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer, Assemblyman Eisen, Assemblywoman Flores, and Assemblyman Sprinkle were not present for the vote.)

- N. REQUEST FOR EXTENSION OF PERIOD WITHIN WHICH TO PROVIDE ADDITIONAL DOCUMENTATION REQUESTED BY THE BOARD OF EXAMINERS IN SUPPORT OF A REQUEST FOR A GRANT OR LOAN FROM THE DISASTER RELIEF ACCOUNT PURSUANT TO NRS 353.2755(2) – Department of Public Safety – Division of Emergency Management – For requests related to the Clark County Flood Recovery, September 11, 2012.

Chris Smith, Administrator, Homeland Security, Division of Emergency Management, Department of Public Safety, explained that Clark County had requested assistance from the Disaster Relief Account as a result of damages and costs incurred during the September 11, 2012, flooding event. The County was in the process of identifying actual costs and was requesting a 12-month extension from the date of the flood to provide the Board of Examiners and the Interim Finance Committee with a complete and accurate application. Mr. Smith said the extension would allow Clark County until September 11, 2013, to submit its complete Disaster Relief Account application.

Chair Carlton asked whether the funds would be considered a grant or a loan.

Irene Navis, Operations Coordinator, Clark County Department of Emergency Management and Homeland Security, replied the County was still trying to determine the best course of action based on information from the different agencies.

Chair Carlton asked whether restrictions on a grant were stricter than on a loan. Richard Martin, Chief, Recovery and Grants Section, Division of Emergency Management, Department of Public Safety, replied the County was asking for a grant, and he was not aware of any stricter restrictions on a grant.

Chair Carlton said she was glad to hear that it would be a grant. She asked for further questions from the Committee.

Assemblyman Brooks asked whether the grant funds would help to reestablish businesses that were forced to close because of the flood damage.

Ms. Navis replied the Disaster Relief Account grant would be used to repair and restore public facilities and buildings. Since the floods, the County had been working actively with the U.S. Small Business Administration (SBA) on a different program to assist business owners. She said there were about eight businesses near the University of Nevada, Las Vegas and a few others at different locations affected by the floods.

Assemblyman Brooks asked whether assistance would be provided from Federal Emergency Management Administration (FEMA) money. Ms. Navis replied assistance would be provided through the Economic Assistance Program, which was a different declaration process and program from FEMA.

Assemblyman Brooks asked whether the County had applied for FEMA assistance. Ms. Navis replied the floods did not meet the threshold of damages, which was over \$6.6 million, for FEMA assistance. Total damages from the floods were estimated to be \$1.4 million.

Chair Carlton said she was astonished that the flood damage was not severe enough to qualify for FEMA assistance. The neighborhoods were devastated, and there was damage to some of the infrastructure at the golf course. Ms. Navis said she would look forward to discussing the matter at length with Chair Carlton. For clarification, the golf course was eligible for assistance from two different perspectives: as a county facility and as a small business.

Chair Carlton suggested that members recommend to their constituents in the flood-prone areas that they purchase flood insurance.

Senator Goicoechea asked whether a person had to reside in the flood plain to purchase flood insurance. Chair Carlton replied that homeowners had the option to purchase flood insurance regardless of where they lived.

Ms. Navis confirmed that Chair Carlton was correct. She said the Office of Emergency Management had been discussing methods to inform the public and other agencies concerning eligibility for flood insurance coverage.

Chair Carlton asked for further questions; hearing none, she called for a motion.

ASSEMBLYMAN BROOKS MOVED TO APPROVE AGENDA
ITEM N.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer, Assemblyman Eisen, Assemblywoman Flores, and Assemblyman Sprinkle were not present for the vote.)

- O. COMMITTEE ON INDUSTRIAL PROGRAMS – Semi-annual report on the status of current and proposed industrial programs for correctional institutions pursuant to NRS 209.4818.

Brian Connett, Deputy Director for Industrial Programs, Department of Corrections, noted that the Committee had received the semiannual report on the status of current and proposed industrial programs, and he offered to answer questions.

Chair Carlton said she understood that some statutory changes were going to be requested, and she asked whether those would be proposed to the Interim Finance Committee or the Legislature.

Mr. Connett replied recommendations were put forth by the Legislative Committee on Industrial Programs, and he assumed that the Committee would submit the requests for statutory changes to the 2013 Legislature.

Senator Goicoechea said he was concerned that Alpine Steel was allowed to become over \$414,000 in arrears, especially in wages. He noted that could not happen in the private sector.

Mr. Connett explained that the Department was working with the Office of Attorney General on an agreement with Alpine Steel for a payback plan. He anticipated that the full amount due would be paid.

Senator Goicoechea asked how much the company currently owed. Mr. Connett replied the balance was still about \$414,000, but the wages had been paid.

P. INFORMATIONAL ITEMS.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that Committee members had requested testimony on the following Informational Items: 7.1, the Governor's Office of Economic Development, Office of the Governor, and 7.a.(2), Parole and Probation Division, Department of Public Safety.

1. OFFICE OF THE GOVERNOR—Governor's Office of Economic Development— Report from the Governor's Office of Economic Development regarding the Catalyst Fund pursuant to NRS 231.1577.

Steve Hill, Executive Director, Governor's Office of Economic Development (GOED), stated that the report on the Catalyst Fund ([Exhibit D](#)) submitted to the Committee was self-explanatory on its face, and he assumed the Committee would like to know why the Catalyst Fund had not yet been used.

Mr. Hill said that the Economic Development Board would meet on December 14, 2012, to consider a pending application from the City of Las Vegas on behalf of Take-Two Interactive Software, a large, well-known international digital game technology company that was moving one of its divisions from California to Las Vegas. Mr. Hill said that Take-Two would bring 150 jobs to downtown Las Vegas.

Mr. Hill said if the Board approved the application, the Catalyst Fund would be a part of the agreement with Take-Two. As often as practical, the Catalyst Fund grants would be performance-based, and the agreement with Take-Two would be for five years, based on the number of jobs created at the end of each year of the five-year period.

He said 100 jobs were expected the first year and 150 in the second through fifth years. If the jobs were not created, the Catalyst Fund money would not be granted.

Mr. Hill noted that the Catalyst Fund was approved during the 2011 Legislative Session and made available on July 1, 2011. At that time, the Economic Development Board had not yet been created and a director of the office had not been appointed. He said the Board was appointed in September 2011, and he was hired in October 2011.

Mr. Hill explained the Legislature had given the responsibility for designing the policy and procedures for the Catalyst Fund to the Commission on Economic Development. In November 2011, the Commission began drafting policies and procedures for the Catalyst Fund and requested an Attorney General's (AG) opinion on the constitutionality of the Fund and how it would be used. Mr. Hill said the AG's opinion came back favorable, and the Catalyst Fund was made available for local governments to begin working on in April or May 2012.

Continuing, Mr. Hill pointed out that it took some time to work through negotiations with prospective companies, either from outside of Nevada looking to expand into the state or for businesses within the state looking to expand: the Catalyst Fund was available for both. He said the GOED office had tried to ensure that the \$10 million in the Fund would be used to attract a certain number of jobs, and the goal was to generate plus-or-minus 2,500 jobs in Nevada with the help of the Catalyst Fund. Mr. Hill said the jobs would be as good and risk-free as possible.

Comparing the Catalyst Fund to funds in other states, Mr. Hill said Nevada's goals were more stringent and higher than those of most other states. Over the course of time, the 2,500 jobs would work out to about \$4,000 per job; many states expended multiples of that amount.

Assemblywoman Bustamante Adams asked how companies were being notified about the Catalyst Fund and its application procedures and whether Mr. Hill expected numerous applications now that the infrastructure was in place.

Mr. Hill replied information about the Catalyst Fund had been distributed a number of ways, including the GOED website, local governments, and regional development authorities. He said that to make the process conform with the *Nevada Constitution*, a two-step process was required: the business would work with the regional development authority to apply to the governing local government, and the local government would then submit a combined application to the GOED. If the grant was approved, the funds would be provided to the local government, which in turn would provide the funds to the business.

Mr. Hill said when the Catalyst Fund was first made available, there was a broad range of requests, most of which were not appropriate for Catalyst Fund use. The Catalyst Fund was not intended to be a replacement for bank financing, start-up capital, or "angel" funds. It was intended to be, and was presented to the Legislature as,

a deal-closing fund for risk-free jobs to be created in Nevada by the company. He said currently there were seven possible prospects for the Catalyst Fund, and he predicted that interest would start to rise now that the infrastructure was in place.

Assemblyman Brooks asked how much the jobs would pay, how many would be created annually, and whether the funds were a loan or a grant.

Mr. Hill replied the agreement with Take-Two Interactive Software was that 100 jobs would be created in the first year and 150 jobs in the second and ensuing years. The salaries would start at \$18 per hour, and he noted that Take-Two had an exceptional benefit package. It was a publicly traded company with headquarters in New York City. He added that funds from the Catalyst Fund were grants.

Chairwoman Carlton said she had been concerned about the Catalyst Fund from the beginning. It was difficult to know, when constituents were calling and asking for help and services had been cut in so many areas, that this amount of money was not being used and could be used for many worthy causes. She was glad that the GOED planned to use the money wisely, and she wished Mr. Hill good luck; however, when families were struggling, she was always mindful of how the state's resources were being used.

2. DEPARTMENT OF PUBLIC SAFETY

a. Parole and Probation

- 2) Quarterly report on the usage of administrative banks to manage offenders. This report covers the period ending September 30, 2012.

Bernie Curtis, Chief, Division of Parole and Probation, Department of Public Safety, said he had current information since preparation of the quarterly report and offered to answer questions from the Committee.

Assemblyman Brooks asked Mr. Curtis to define administrative banks and discuss what criterion had been established to determine which felons would be placed in administrative banks. He also asked him to update the Committee on the status of recruiting for the 12 positions approved to begin January 2013.

Mr. Curtis referred Assemblyman Brooks' questions to Deputy Chief Tony DeCrona in southern Nevada, which was where most of the administrative banks occurred.

Tony DeCrona, Deputy Chief, Division of Parole and Probation, Department of Public Safety, explained that, in essence, administrative banks were an overflow. When the number of cases reached a point where the risk-control units or caseloads were too high, or when the Division was low in staffing, cases were pushed to an administrative bank. The criterion for offenders entering the minimum banks were nonviolent, no violence within their current offense, gross misdemeanors, and some category B, C, D, and E felons. He said each command had authority to develop criteria based on its needs, but usage of the banks was strictly reviewed and maintained.

Mr. DeCrona said there were currently 17 recruits who would be entering the Peace Officers Standards and Training (POST) academy in January 2013, and another 5 officers who were category 1-certified had been hired. He said the Division was diligently recruiting and filling positions as applicants were going through the background process.

Assemblyman Brooks asked whether there were more than 12 positions. Mr. DeCrona explained that 44 positions were reinstated in the 2011 Legislative Session to be received at six-month intervals: January 2012, June 2012, January 2013, and June 2013. Another 20 DPS Officer 2 positions were approved for calendar year 2013.

Chair Carlton said the southern command would have more offenders on the banks because of the higher population. She noted that over 200 offenders in the B and C felon categories were technically unsupervised. Knowing how the court systems worked and how offenders plea-bargained, she was concerned that there might potentially be violent offenders on the administrative banks. Chair Carlton asked whether the Division would reevaluate the matrix and the regulatory process for defining which offenders would be placed on the administrative banks.

Mr. DeCrona said that there currently were 1,146 offenders on administrative caseloads, and 7 percent were category B felons who were screened to determine whether they were first-time offenders or had previously been on probation. They were reviewed by two supervisors prior to being placed on the administrative banks; they were not new probationers, and there was generally a good success rate.

Mr. DeCrona recalled that in the 2009 Legislative Session, there were approximately 4,200 offenders on the administrative banks. He said the reduction to 1,146 was based on the Division's ability to finally hire staff. He explained category B felons included nonviolent felonies: burglaries, grand thefts over \$3,500, and receipt of stolen property, although there could be a significant amount of violence among category B felons.

Chair Carlton was concerned with category B felons plea-bargaining down to a lesser offense; she looked forward to the day when there would be low numbers on the banks, particularly in the southern command.

Chair Carlton thanked Mr. Curtis and Mr. DeCrona for the updated information; she was pleased to hear the program was moving forward.

Mr. DeCrona pointed out that all 44 positions approved in the 2011 Legislative Session were assigned to the southern command to increase staffing. However, officers were still moving to other agencies for higher salaries, and the Division was working diligently to fill the positions.

Chair Carlton said the state was entering the cycle of a decade before when the state trained the officers to work somewhere else: the state acted as the hiring pool for the rest of the agencies in the state.

Chair Carlton asked for further questions from the Committee; there were none.

Q. PUBLIC COMMENT.

Chair Carlton asked whether anyone in Carson City or Las Vegas wished to testify; there was no public comment.

R. ADJOURNMENT.

There being no further business to come before the Committee, Chair Carlton adjourned the meeting at 3:44 p.m.

Assemblywoman Maggie Carlton, Chair
Interim Finance Committee

Rick Combs, Director, Legislative Counsel Bureau
and Secretary, Interim Finance Committee

**EXHIBITS
INTERIM FINANCE COMMITTEE
December 11, 2012**

Exhibit	Witness/Agency	Description
A	*****	Agenda
B	*****	Meeting Packet
C	Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau	Statement of Interim Finance Contingency Account Balance as of December 11, 2012
D	Steve Hill, Executive Director, Governor's Office on Economic Development	NRS 231.1577 Catalyst Fund Report