

MINUTES OF THE JUNE 24, 2010
MEETING OF THE
INTERIM FINANCE COMMITTEE
LEGISLATIVE COUNSEL BUREAU
Carson City, Nevada

Cochair Steven Horsford called a regular meeting of the Interim Finance Committee (IFC) to order on June 24, 2010, at 9:00 a.m. in Room 4100 of the Legislative Building in Carson City, Nevada. [Exhibit A](#) is the agenda, [Exhibit B](#) is the guest list and [Exhibit C](#) is the meeting packet. All exhibits are available and on file at the Fiscal Analysis Division of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Steven Horsford, Cochair
Senator Bernice Mathews, Cochair
Assemblyman Morse Arberry Jr., Vice Chair
Assemblyman Aizley for Assemblywoman Ellen Koivisto
Assemblyman Kelvin Atkinson for Assemblyman Marcus Conklin
Assemblyman David Bobzien for Assemblywoman Sheila Leslie
Assemblyman Moises (Mo) Denis
Assemblywoman Heidi Gansert
Assemblyman Pete Goicoechea
Assemblyman Tom Grady
Assemblyman Joe Hardy
Assemblywoman April Mastroluca for Assemblywoman Barbara Buckley
Assemblywoman Kathy McClain
Assemblyman John Ocegüera
Assemblywoman Debbie Smith
Senator Bob Coffin
Senator Mike McGinness
Senator William J. Raggio
Senator Dean Rhoads
Senator Joyce Woodhouse

COMMITTEE MEMBERS EXCUSED:

Assemblywoman Barbara Buckley
Assemblyman Marcus Conklin
Assemblyman Joseph Hogan
Assemblywoman Ellen Koivisto
Assemblywoman Sheila Leslie

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Tracy Raxter, Fiscal Analyst, Assembly
Mark Krmpotic, Fiscal Analyst, Senate
Lorne Malkiewich, Director, Legislative Counsel Bureau
Brenda Erdoes, Chief Legislative Counsel, Legislative Counsel Bureau
Eileen O'Grady, Chief Deputy Legislative Counsel, Legislative Counsel Bureau
Sherie Silva, IFC Committee Secretary
Tracie Battisti, Fiscal Division Secretary

Cochair Horsford called the meeting to order at 9:00 a.m. and asked for a roll call.

A. ROLL CALL

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

*B. APPROVAL OF MINUTES OF THE FEBRUARY 10, 2010, MEETING.

ASSEMBLYWOMAN SMITH MOVED FOR APPROVAL.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblyman Arberry was not present for the vote.

*C. APPROVAL OF MINUTES OF THE FEBRUARY 18, 2010, MEETING.

ASSEMBLYMAN OCEGUERA MOVED FOR APPROVAL.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblyman Arberry was not present for the vote.

*D. APPROVAL OF MINUTES OF THE FEBRUARY 22, 2010, MEETING.

ASSEMBLYWOMAN SMITH MOVED FOR APPROVAL.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblyman Arberry was not present for the vote.

*E. APPROVAL OF MINUTES OF THE APRIL 29, 2010, MEETING.

ASSEMBLYMAN OCEGUERA MOVED FOR APPROVAL.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblyman Arberry was not present for the vote.

*F. STATE PUBLIC WORKS BOARD – REPORT FROM THE IFC’S SUBCOMMITTEE TO REVIEW PUBLIC WORKS BOARD MATTERS IN ACCORDANCE WITH NRS 218E.405.

Senator Coffin, Chairman of the Subcommittee to Review Public Works Board Matters, reported the Subcommittee had held a brief meeting on June 22, 2010. The report from the Subcommittee ([Exhibit D](#)) contained some changes recommended for IFC approval, but the Subcommittee had no major concerns.

Gus Nunez, Manager, State Public Works Board (SPWB), explained the first request was for a transfer of \$1.1 million from the 07-C05 project, the Indian Springs Conservation Camp Bed Expansion and Renovation, and reduction of the scope of the project by deleting the renovation of Dorm G. Approval of the request would allow for the completion of a warm lit shell for phase II of the culinary expansion at the Southern Desert Correctional Center. Mr. Nunez said the intent was to build the shell of the culinary facility with the \$1.1 million transfer and the \$3.3 million left in project 07-C07a, which expanded the Southern Desert Correctional Center. The reason for deleting Dorm G was after the building had been gutted out for the remodel, it was determined the remodel would be significantly more extensive. The building was originally built to residential standards; it was a wood-frame building, the roof needed to be replaced, all of the sheetrock inside had to be completely redone, and the electrical, shower facilities and mechanical systems needed to be replaced. Mr. Nunez said not only was the cost substantially above what it was envisioned, but to try to upgrade a residential style building for this type of use was not a good idea.

Mr. Nunez added the dining and culinary facility at Southern Desert Correctional Center was very much needed. The facility was originally built for 750 inmates, and currently it had the ability to house up to 2,100 inmates. The dining, culinary, laundry, visiting, infirmary and other support facilities could not function at the required level.

The next request to the Subcommittee was to modify the scope of CIP Project 09-M03, the West Entry to the Richard Bryan Building, to change from adding a windbreak to the west entry to actually building a new door on the side of the existing vestibule. Mr. Nunez said the change would be less obstructive to the building from an

architectural standpoint; very little difference would be seen and it would be more cost effective.

Continuing, Mr. Nunez said the next item was a request to receive and expend federal funding to establish project 10-A018, which was a renewable energy project at the Nevada National Guard facility in Carson City to replace HVAC systems in two buildings at Fairview Drive. He said the project involved all federal funds; no state funds were required.

Item 4, Mr. Nunez explained, was a request to accept and expend \$60,000 in federal funds for project 09-M22, which was an HVAC installation at the North Las Vegas Armory, due to higher-than-anticipated construction bids.

Mr. Nunez went on to report that Item 5 was the Exception Report submitted by the SPWB pursuant to NRS 341.100(8)(g). The report included items on the current IFC agenda, as well as items that would not be included in future reports due to the fact the issues had been resolved.

Mr. Nunez said the SPWB had made a presentation to the Subcommittee on the effect of seismic forces on buildings and the effectiveness of building codes and how they were applied. The presentation was for information only.

Mr. Nunez reported information had also been received from the Nevada System of Higher Education (NSHE) on the Student Recreation and Wellness Center building at the University of Nevada, Las Vegas. There appeared to be some design errors and possible construction deficiencies in the event of a seismic event. At the April IFC meeting, the SPWB had determined there were no safety concerns that would cause the facility to be closed. However, the NSHE was continuing to address concerns with the facility's building code deficiencies, and proposals were being evaluated for construction of necessary improvements to address the deficiencies.

Senator Coffin remarked the only concerns in the report were actually information items. The wellness center building at UNLV was still in question, and he commented it was unfortunate that a new building was not designed to today's standards. It was still unknown how large a seismic event the building could withstand. He said the Subcommittee would continue to receive updated information on the project. He noted the timetable in [Exhibit D](#) reflected that the facility's code deficiencies would be resolved and construction would begin by summer of 2011.

Continuing, Senator Coffin said the issue of seismic activity was being addressed because in 2007 the Legislature passed a bill, which was vetoed by the Governor, to create an inventory of unreinforced masonry buildings in the state. He had suggested resuming the state's interest in safe buildings. There were old masonry buildings throughout the state, and the question was whether the Legislature should address the fact that constituents and their children should be allowed in those buildings without at least attempting to make plans to reinforce or retrofit them. Senator Coffin said the

Public Works Board would be providing the Legislature with an inventory of all state buildings that had seismic concerns, and he hoped the issue could be revisited by the 2011 Legislature.

SENATOR COFFIN MOVED FOR APPROVAL OF THE IFC'S SUBCOMMITTEE TO REVIEW PUBLIC WORKS BOARD MATTERS REPORT.

SENATOR MATHEWS SECONDED THE MOTION.

Cochair Horsford said he and Senator Mathews had been contacted by leadership at the University of Nevada, Reno (UNR), regarding some of the demands being placed on the future utilization of the Getchell Library building now that it was vacated for library purposes. He wanted to fully understand the demands, and he asked Mr. Nunez to work with Fiscal staff and UNR representatives to determine possible options for use of that space moving forward,

Mr. Nunez replied the SPWB was familiar with the Getchell Library, and he would be happy to work with Fiscal staff on options for future utilization of the space.

THE MOTION CARRIED.

Assemblyman Arberry was not present for the vote.

- G. WORK PROGRAM REVISIONS IN ACCORDANCE WITH NRS 353.220(5)(b). INFORMATIONAL ONLY – REQUIRED EXPEDITIOUS ACTION WITHIN 15 DAYS.
- 2. **Department of Health and Human Services – Health Division – Chronic Disease – FY 2010** – Transfer of \$35,765 from the Personnel Services category to the Comprehensive Cancer category to support comprehensive cancer coalitions throughout the state. Requires Interim Finance approval since the amount added to the Comprehensive Cancer category exceeds \$50,000. **Work Program #C17754. RELATES TO ITEM S.**

Mark Krmptotic, Senate Fiscal Analyst, announced there were no requests for testimony on the items under Agenda Item G. However, Item G-2, Department of Health and Human Services, Health Division, Chronic Disease, related to Item S on the agenda. He explained the items were agendized separately because they fell under different sections of the *Nevada Revised Statutes* (NRS). Both items were for information only and no action was required.

- H. WORK PROGRAM REVISIONS IN ACCORDANCE WITH NRS 353.220(5)(a). INFORMATIONAL ONLY – DECLARED BY THE GOVERNOR TO BE AN EMERGENCY AS DEFINED IN NRS 353.263 OR FOR THE PROTECTION OF LIFE OR PROPERTY.

Mr. Krmpotic reported the Committee requested testimony on Items 1, 4 and 5.

- 1. Governor's Office – Renewable Energy and Energy Efficiency Authority – FY 2010** – Transfer of \$1,190,000 in Federal State Energy Program American Recovery and Reinvestment Act of 2009 funds to implement the 2009 residential and commercial International Energy Conservation Code for the state of Nevada. **Work Program #C17491**

Dr. Hatice Gecol, Nevada Energy Commissioner, introduced Evan Dale, Administrative Services, Department of Administration, who explained the purpose of the work program was to establish authority for the Renewable Energy and Efficiency Authority to receive funds in the amount of \$1,190,000 from the Nevada State Office of Energy pursuant to A.B. 522 and S.B. 358 of the 2009 Legislative Session. The funds would be used to implement the Energy Efficiency Code regulations for the state, to promote codes and to regulate and monitor compliance with those codes in the future.

Cochair Horsford asked for questions from the Committee; there were none. He asked the agency to report to the Committee on how the position would be funded once the project was completed.

Dr. Gecol replied the agency hoped to receive further grants, because one of the responsibilities of the position was to seek grants. There were several federal grants available in the renewable energy area, and it was hoped grants would be received by April 2012 so that the position would continue. She said the state of Nevada did not currently have an expert in building codes, specifically for international energy conservation codes. Without further funding, the current position would end as of April 30, 2012.

Cochair Horsford asked if the scope of work document submitted to the Committee ([Exhibit E](#)) contained performance benchmarks and a timeline for the deliverables for the position. Dr. Gecol replied it did.

There were no questions from the Committee. Cochair Horsford noted the item was informational only.

- 4. Department of Public Safety – Division of Investigations – FY 2011** – Addition of \$2,059,888 in General Fund Appropriation and \$15,000 in Marijuana Grant funds to facilitate the merging of Narcotics Control with the Investigations Division per the intention of the 26th Special Session budget reductions. **Work Program #C17772**
- 5. Department of Public Safety – Narcotics Control – FY 2011** – Deletion of \$2,059,888 in General Fund Appropriation and \$15,000 in Marijuana Grant funds to facilitate the merging of Narcotics Control with the Investigations Division per the intention of the 26th Special Session budget reductions. **Work Program #C17778**

John Stewart, Deputy Chief, Investigations Division, Department of Public Safety, explained work program requests 4 and 5 were for the purpose of merging budget accounts 3744, Narcotics Control, and 3743, the Investigations Division, to realize greater operational flexibility to allocate resources throughout the division. Merging of the accounts would provide a greater ability to improve public safety across the state, particularly in rural areas, by having detectives available for immediate response to any crime. Mr. Stewart said the officers assigned to Narcotics Control would have the ability to respond immediately to any crime scene to preserve the integrity of that scene until the appropriate investigative staff could arrive. The officers would not actively investigate the crime unless the incident related to narcotics. He said the merger would also enhance the operational, administrative and fiscal effectiveness and efficiency of the division.

Senator McGinness noted Mr. Stewart had indicated the focus would be in the rural areas, and he asked if there would be more law enforcement staff in rural Nevada.

Mr. Stewart replied the integrity of the narcotics task forces would be maintained throughout the state. The merger would basically give the division the opportunity to utilize those people under the Narcotics Control budget to immediately respond to a crime in their community, rather than have someone respond from Las Vegas to Ely or from Carson City to Elko, to preserve the integrity of the crime scene until the investigators arrived.

Senator McGinness asked if there were task forces in every county or if they were regional. Mr. Stewart replied the task forces were regional, with participation from various counties and cities. Currently there were task forces in Fallon, Carson City, Winnemucca, Elko, Ely and Mesquite.

Cochair Horsford asked LCB Legal Counsel, considering A.B. 6 of the 26th Special Session and the fact there was no specific language authorizing the transfer of the appropriations, if the Executive Branch had authority to approve the work program change.

Brenda Erdoes, Chief Legislative Counsel, Legislative Counsel Bureau, replied it was her opinion the Executive Branch did not have the authority, nor did the Interim Finance Committee. There was no authorizing legislation for the merger of the accounts in A.B. 6, and therefore her interpretation was the action was in violation of statute and was not an item IFC could have approved had it been requested to do so.

Senator Mathews noted the action had already been approved by the Governor and was strictly an informational item for the Committee. She was not comfortable with the approval or the information.

Cochair Horsford remarked there was nothing the Committee could do other than state for the record that there was no authority in the Appropriations Act to merge the accounts.

Jerry Hafen, Director, Department of Public Safety, wanted to provide further testimony for the purpose of clarification as to how the agency derived the budget merger. He said as part of 26th Special Session budget reduction request, the agency asked for the merger of the budget accounts under A.B. 6, which would provide an estimated savings over the biennium of \$834,791. The budget reduction, which included five positions and the Narcotics Control account being eliminated, was approved in the Special Session, contingent upon the Appropriations Act being passed with the merger of the two accounts.

Cochair Horsford stated the issue was the merger was not authorized by the Appropriations Act, and whether the Executive Branch had the authority to approve the merger now was questionable. He thanked Mr. Hafen and his staff for appearing to explain the item.

Senator Coffin remarked it was important to always have the record reflect that the emergency items from the Executive Branch were not approved by the Committee. The items on the agenda were obviously not of an emergency nature or for the protection of life or property. He wished the Committee had taken the issue to court, and he encouraged future Committee members to consider clarifying the process so there could be no question about an Attorney General's opinion giving strength to the Executive Branch. He felt a motion to disapprove for the permanent record was in order.

Cochair Horsford stated a motion was not appropriate because the item was agendaized as an informational item, and the Committee was not allowed to take action.

*I. APPROVAL OF GIFTS, GRANTS, WORK PROGRAM REVISIONS, ALLOCATION OF BLOCK GRANT FUNDS AND POSITION CHANGES IN ACCORDANCE WITH CHAPTER 353 OF NRS.

Mr. Krmpotic indicated that Committee members were interested in hearing testimony on item 11 in conjunction with Agenda Item L; item 13; items 26, 28, 30, 32, 34, 35, and 37; item 47 in conjunction with Agenda Item K-6; items 78 and 80; items 89, 90 and 105; items 134 and 135; items 138 and 139; items 141, 143 and 144; items 178 and 179 in conjunction with Information Item U-15; item 181 in conjunction with Agenda Item R; items 233, 234, 238 and 239 in conjunction with Agenda Item Q; items 246, 247 and 248; and item 251 in conjunction with Agenda Item K-9.

Assemblywoman Mastroluca requested that testimony be heard on items 115 and 116.

Mr. Krmpotic indicated revisions had been made to the following work programs:

- Item 66 changed language from the addition of \$22.2 million in ARRA Weatherization Assistance.
- Item 75, Indigent Supplement Account, was revised to add \$52,317 and to apply the entire \$52,317 to category 12, Claims, in lieu of the HIFA category.

- Item 84 was revised to change the amount of transfer from \$415,469 to \$209,238.
- Item 95 was revised to reduce the addition of \$657,362 to \$617,324.
- Item 149 was revised to reduce the addition of \$2,014,097 to \$1,187,659.
- Item 221, Highway Safety Plan and Administration, was revised to change the addition in Traffic Safety C grant funds from \$357,634 to \$366,510, and the amount of the transfer from Traffic Records from \$295,692 to \$276,304.
- Item 244 was revised to add language to include the addition of \$2,520 in miscellaneous student fees.
- Language in item 245 was revised.

Mr. Krmptic noted that requests had been made to hear testimony on Informational Items U-15 and U-6-d(3).

Assemblywoman Smith requested discussion on item U-10. With regard to item U-12, she noted that consultant reports from all of the school districts were not being received, and she requested that Fiscal staff follow up with the districts that were not complying with the statute on use of consultants.

ASSEMBLYMAN HARDY MOVED FOR APPROVAL OF THE REMAINING WORK PROGRAM REVISIONS IN AGENDA ITEM I.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblyman Arberry was not present for the vote.

Mr. Krmptic identified the work programs that included receipt of block grant funding and required a public hearing. He explained neither the staff nor the Committee had issues with the block grant items.

- Item 3, Governor's Office State Energy Office – Energy Conservation, involved a transfer of \$1.7 million from the ARRA reserve category to the Energy Efficiency and Conservation block grant category.
- Item 110, Division of Welfare and Supportive Services (DWSS), added \$248,816 in TANF block grant funds.
- Item 112, DWSS Field Services, deleted \$150,000 in TANF block grant funds.
- Item 113, DWSS Field Services, deleted \$675,000 in TANF block grant funds.
- Item 118, DWSS Energy Assistance Program, involved the addition of \$5,499,115 in Low-Income Home Energy Assistance block grant funds.
- Item 128, Division of Mental Health and Developmental Services, Rural Clinics, added \$129,000 in Community Mental Health Services block grant funds.
- Item 135, Division of Child and Family Services (DCFS), added \$131,670 in Child Care Development block grant funds.
- Item 249, DCFS, added \$74,600 in federal Office of Juvenile Justice Programs block grant funding.

Mr. Krmptic noted that Item I-135 was a block grant item, but the Committee would be hearing testimony from the agency prior to approval, and he recommended the item not be included in the motion for approval.

Cochair Horsford asked for testimony from the public concerning any of the block grant items. There was no public testimony.

ASSEMBLYMAN HARDY MOVED FOR APPROVAL OF THE WORK PROGRAMS INVOLVING BLOCK GRANTS, WITH THE EXCEPTION OF ITEM I-135.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblyman Arberry was not present for the vote.

Work Program Revisions

1. **Governor's Office – High Level Nuclear Waste – FY 2010** – Deletion of \$200,000 in General Fund appropriations to augment FY 2011 to provide funding from legal proceedings related to the Yucca Mountain licensing. Requires Interim Finance approval pursuant to A.B. 562, Section 34 of the 2009 Legislative Session. **RELATES TO ITEM 2. Work Program #C18052**

Refer to motion for approval under Item I.

2. **Governor's Office – High Level Nuclear Waste – FY 2011** – Addition of \$200,000 in General Fund Appropriation to cover legal proceedings related to the Yucca Mountain licensing. Requires Interim Finance approval pursuant to A.B. 562, Section 34 of the 2009 Legislative Session. **RELATES TO ITEM 1. Work Program #C18063**

Refer to motion for approval under Item I.

3. **Governor's Office – State Energy Office – Energy Conservation – FY 2010** – Transfer of \$1,702,000 from the American Recovery and Reinvestment Act of 2009 (ARRA) Reserve category to the Energy Efficiency and Conservation Block Grant category to reallocate savings towards additional activities for cities and counties. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C17538**

Refer to motion for approval under Item I.

4. **Governor's Office – State Energy Office – Renewable Energy, Energy Efficiency and Energy Conservation Loans Program – FY 2011** – Addition of \$100,000 in Interest Income, \$150,000 in Loan Repayment, and \$8,224,097 in transfer from the Energy Conservation account to establish the Renewable Energy, Efficiency and Conservation Loan program pursuant to A.B. 522, Sections 1 through 1.8 of the 2009 Legislative Session. Requires Interim Finance approval pursuant to A.B. 522, Section 1.7, of the 2009 Legislative Session. **Work Program #C18249**

Refer to motion for approval under Item I.

5. **Governor's Office – Renewable Energy and Energy Efficiency Authority – FY 2011** – Addition of \$46,000 in balance forward from the previous year to contract with an attorney to provide the Commissioner support in its tax abatement functions and to cover costs for a contractor to generate an activities report due to the Legislature in January 2011. Requires Interim Finance approval since the cumulative amount added to the Operating category exceeds \$50,000. **Work Program #C18155**

Refer to motion for approval under Item I.

6. **Governor's Office – Renewable Energy and Energy Efficiency Authority – FY 2011** – Addition of \$250,000 in Transfer from the Public Utilities Commission to establish the Renewable Energy and Energy Efficiency Authority created by A.B. 522 and S.B. 358 of the 2009 Legislature. Requires Interim Finance approval pursuant to A.B. 522, Section 107.5, subsection 1 of the 2009 Legislative Session. **Work Program #C18047**

Refer to motion for approval under Item I.

7. **Attorney General – Administrative Fund – FY 2010** – Transfer of \$16,000 from the In-State Travel category to the Information Services category, \$31,108 from the Operating category to the Information Services category, and \$16,000 from the Training category to the Information Services category to purchase servers and software packages allowing the agency to research case repositories, analyze legal data, and provide a more efficient response to Freedom of Information Act and Public Records Requests. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds \$50,000. **Work Program #C18029**

Refer to motion for approval under Item I.

8. **Attorney General – Administrative Fund – FY 2011** – Addition of \$150,000 in federal grant funds from the Southern Nevada Health District to increase retail compliance checks for tobacco sales and to help partner agencies create a system for compliance with new tobacco regulations. Requires Interim Finance approval

since the amount added to the Personnel Services category exceeds \$50,000.
Work Program #C18265

Refer to motion for approval under Item I.

9. **Attorney General – Violence Against Women Grants – FY 2010** – Addition of \$1,350,013 in federal Services Training Officers Prosecutors (STOP) grant funding and transfer of \$14,693 from the STOP Administration Account category to the Prosecution Expenses category to provide additional resources to subgrantees and align state and federal authority. Requires Interim Finance approval since the amount added to the Courts category exceeds \$50,000. **Work Program #C17809**

Refer to motion for approval under Item I.

10. **Secretary of State – FY 2011** – Addition of \$471,630 in Balance Forward from Previous Year funds to rewrite the Secretary of State's electronic system (e SOS). Requires Interim Finance approval since the amount added to the e SOS Rewrite category exceeds \$50,000. **Work Program #C18079**

Refer to motion for approval under Item I.

Cochair Horsford announced item 11 and Agenda Item L would be heard together.

11. **Secretary of State – FY 2011** – Addition of \$971,845 in Balance Forward from Previous Year funds to continue funding for the development and implementation of a State Business Portal to facilitate transactions between businesses and state agencies. Requires Interim Finance approval since the amount added to the State Business Portal category exceeds \$50,000. **RELATES TO ITEM L. Work Program #C18081**

*L. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY FUND PURSUANT TO A.B. 146, Section 45.5 (2009) – Office of the Secretary of State – Request for an allocation of \$4,552,339 to design and implement a state business portal to facilitate transactions between businesses and state agencies.

Nicole Lambole, Chief Deputy Secretary of State, Office of the Secretary of State (SOS), introduced Kate Thomas, Deputy Secretary of State for Operations, and stated item 11 and Agenda Item L related to the Nevada business portal, which the Legislature authorized under A.B. 146 of the 2009 Legislative Session. Item 11 was a work program which balanced forward money approved by IFC in September 2009 as part of the requirement that the office prepare and present a budget for the implementation and development of the Nevada business portal. She explained the work program would move money authorized for personnel services and some operating expenses that had not been expended year to date. Based on the request for proposal (RFP) process, personnel were not hired prior to the RFP selection because it was not known what

technology the office would be using. Ms. Lamboley said the money was used to open recruitment for two Information Technology III professionals, who would be trained in the technology to be utilized for the development of the business portal. Additionally, she continued, there was money in the category related to the credit card discount fees the office had to pay when online transactions were accepted for the business license processing, which the office took over as the initial phase of the business portal effective October 1, 2009. She asked Ms. Thomas to provide an update on the status of the business portal.

Kate Thomas, Deputy Secretary of State for Operations, stated a contract was signed earlier in the week with a vendor to begin work to establish the state business portal. It was anticipated the contract would be approved by the Board of Examiners at its July 13, 2010, meeting, and a meeting was scheduled two days later to bring all of the players to the table so that work on the business portal could begin as soon as possible. Ms. Thomas said a project manager had been hired; he had also been hired to write the request for proposal, so he was intimately involved and knowledgeable about the business portal. She said jobs had been posted for the technical resources, and the phase I aggressive schedule, which involved the integration of the Secretary of State's functions, as well as a portion of the Department of Taxation function, anticipated to pilot launch in February 2011, with a public launch 30 days later in March.

Continuing, Ms. Thomas said work was underway for phase II, which involved integration of more state agencies, as well as some local agencies, to make the business portal more robust, and the office was meeting with stakeholders from some of the different agencies, local governments and the Department of Employment, Training and Rehabilitation (DETR) the following week. She offered to answer any questions from the Committee concerning the project.

Assemblyman Ocegüera asked how much phase I would cost. Ms. Thomas replied the cost was approximately \$4.49 million for the contractor.

Assemblyman Ocegüera noted Ms. Thomas had mentioned involving different agencies, and many different entities had indicated the business portal would work well for them. He asked her to explain what agencies and stakeholders were proposed to be integrated into the business portal.

Ms. Thomas responded that in preliminary discussions with the Controller's office, Treasurer's office, Taxation, Internal Audits, and the Department of Administration, phase II would involve local governments. Clark County was interested in integrating its business license procedure, as well as the city of Reno and potentially Carson City. She said collection of the modified business tax was also being considered for integration.

Assemblyman Ocegüera asked if the office had the ability to pay the credit card fees in 2011. Ms. Lamboley replied she believed it did; the budget was built to account for the credit card fees, which were monitored on a daily basis. She noted that in the

26th Special Session, the Legislature authorized several positions for the Secretary of State's office to bring the processing dates back in line, and she said even the SOS office's expectations had been exceeded. As of this date, the office was working in the same month on the annual list filings, which was a significant revenue generator for the state. At one point, the office was 12 to 13 weeks out, and that time was expected to be within 10 to 12 business days by the middle of July. The timeframe for the business license processing was also being rapidly reduced. Ms. Lamboley expressed appreciation for the additional staff, which had enabled the office to serve customers better and bring in the anticipated revenue.

Assemblyman Hardy recalled that previously call-waiting times were at one hour, and he asked what the times were currently.

Ms. Lamboley replied call times were difficult to determine; there were peak periods. Generally, during the lunch hour, between 10:45 and 2:00, wait times were still at about 53 minutes due to the volume. The office was able to work with the state's telephone vendor to create a menu that directed callers to the appropriate area for their questions, which had facilitated a reduction in call times. The call times were monitored on an hourly basis, and when they reached 20 minutes, additional staff members were brought in who were trained on the phones and in the appropriate areas.

Continuing, Ms. Lamboley said response to the mail correspondence was generally 2 days out, and email correspondence was on a next-day turnaround. She noted both mail and email had previously been 10 days out.

Assemblyman Hardy said he was looking forward to the day when a one-stop shop would be available to an individual or company wanting to bring business to Nevada. He asked when that would occur and if there was a phase III to the project.

Ms. Lamboley replied the business portal would be a project in perpetuity. It was hoped that phase II would be implemented next spring, but she noted there were a lot of challenges in working with the different agencies. The Board of Examiners recently required, as part of the contracting process, that before they submit a contract to the Board of Examiners for approval, each of the agencies must verify the business entity was current with the Secretary of State's office and had a Nevada business license. She said the unique business identification program that was being created for the portal would be part of the contract. There had been state contracts with businesses that were not previously licensed, but they were now in good standing. Ms. Lamboley said she could not give Assemblyman Hardy a definite date for the one-stop shop at this time.

Assemblyman Hardy affirmed that the business portal would be available for the state in March and in Clark County potentially a month later.

Ms. Lamboley said Assemblyman Hardy was correct. The local governments and other agencies would have the opportunity to see project's potential.

Assemblyman Hardy asked if the office could speculate as to when the project would “pay for itself.”

Ms. Thomas replied phase I anticipated a projected return value over five years of approximately \$32 million based on an internal audit report that was completed sometime before. She said it was difficult to project an exact amount because of the structure of the project and the return on investment. It was important to note that although the business portal would not offer a one-stop shop in March, all of the information and resources would be available on the website to point individuals in the right direction to complete their transactions.

Senator Raggio remarked he was aware that Assemblyman Ocegüera was a strong supporter of the business portal concept during the difficult meetings to develop budgets and ways to save money. He did not understand that there would be this long of a lag to develop a business portal one-stop shop, and he wondered why he was unaware that what was approved during the 2009 Legislative Session would not be in effect, and on a limited basis only, until the following legislative session. He was not being critical; it just seemed to him to be a long development period, and he wondered if he had received the wrong information.

Ms. Lamboley replied no one was really aware of the magnitude of the process. She and Ms. Thomas had thought they could write the RFP themselves, but quickly discovered they were not technically astute enough to handle the magnitude of coordination among not only the Secretary of State and the Department of Taxation, but other departments such as the Controller’s office, the Treasurer’s office, and the Department of Administration. She said the project was much larger than anticipated. The RFP was one of the most comprehensive RFPs the state had ever issued, and it took three months to prepare.

Senator Raggio asked if other states had portals. Ms. Lamboley replied there were other portals, but they were entry-level for information only. Nevada’s would actually be a transactional portal and enable the individual to complete his business and leave with a product, whether it be a state business license, a sale and use tax permit or other future services to be provided.

Senator Raggio remarked that was what the Legislature understood would be done.

Ms. Lamboley stated tremendous progress was being made; once the initial phase was completed, all of the pieces would come together much more quickly.

Senator Raggio said the problem was the Legislature did not receive a full evaluation of the project at the time it was asked to consider it. He noted this was the situation in other cases as well. He asked if the cost would exceed what was anticipated.

Ms. Lambolely replied the project was being developed within budget. The costs were monitored daily, and they were being held within the budget, because the office was aware it could not exceed the amount authorized by the Legislature.

Senator Raggio asked if cuts were necessary to the project in order to remain within budget. Ms. Lambolely replied cuts were not necessary.

Senator Raggio asked if phase II was still within budget. Ms. Lambolely replied phase II was not actually part of the budget, but the office believed there would be ways to account for the next phase. She noted the first part of the portal, which was the transfer of the business license from the Department of Taxation to the Secretary of State's office, went into effect October 1, 2009, which was within the original timeline.

Senator Raggio asked the status of the RFP. Ms. Lambolely replied a contract had been awarded two days before and had been signed. It would be submitted to the Board of Examiners for final approval at its July meeting. There were six responses.

Senator Raggio asked to whom the contract was awarded. Ms. Lambolely replied the contract had been awarded to Capgemini Government Solutions, which was the contractor also working with DETR on the unemployment insurance modification project.

Senator Raggio thanked Cochair Horsford for allowing him to delve into the details; he believed it was important the information be entered into the record.

Cochair Horsford agreed, adding there had already been a lot of success with the aspects of the project that were implemented. Catching unlicensed businesses that had contracts with the state was one of the biggest accomplishments so far. He looked forward to the rest of the services coming on line as quickly as possible. He called for a motion.

ASSEMBLYMAN OCEGUERA MOVED FOR APPROVAL.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblymen Arberry and Atkinson were not present for the vote.

12. **Secretary of State – HAVA Election Reform – FY 2011** – Addition of \$33,363 in Mock Election Program grant funds to operate a program of simulated federal elections at least five days before the actual general federal election that permits participation by secondary education students. Requires Interim Finance approval since the amount added to the Mock Election category exceeds 10 percent of the legislatively-approved level for that category. **Work Program #C18080**

Refer to motion for approval under Item I.

13. State Treasurer – College Savings Trust – Endowment Account – FY 2010 –
Transfer of \$200,000 from the Reserve category to the Transfer to Millennium Trust account category to facilitate an action approved by the College Savings Board in accordance with NRS 353B.350, Section 5. Requires Interim Finance approval since the amount transferred to the Transfer to 1085 Millennium Trust category exceeds \$50,000. **Work Program #C18113**

Mark Winebarger, Chief Deputy Treasurer, Office of the State Treasurer, explained the work program was being submitted at the request of the College Savings Board to transfer \$200,000 from the College Savings Program endowment account to the Millennium Scholarship trust fund.

Cochair Horsford asked for further explanation of the decline in tobacco settlement funding since the 26th Special Session. It was his understanding there was an additional shortfall that would impact the ability to fully fund the Millennium Scholarship recipients for the upcoming fiscal year, and he asked what the impact would be on students who were currently eligible for the Millennium Scholarship.

Mr. Winebarger replied the tobacco revenues had come in approximately 10 percent short of projections in April, which resulted in about a \$2 million shortfall to the Millennium Scholarship trust fund. Since that time, new projections had been received from Barclay's, which were revised down for the upcoming several years. The Treasurer's office projections were also reduced for fiscal year 2011 ([Exhibit F](#)). Mr. Winebarger stated the reduced funding would have an impact, and there would be cash-flow difficulties in fiscal year 2011 because of the manner in which scholarship payments were made versus the payments from tobacco funds, which were received in April.

Assemblywoman Gansert had requested information concerning the issue in May, and she received a document that discussed a proposed plan for the remaining college savings fees, changing the strategy of the Prepaid Tuition Program, increasing the amount of the funded ratio and the premium paid. She asked the Treasurer's office to expand on the information in that document.

Karen Duddlesten, Senior Deputy, Treasurer's Office, referring to a spreadsheet reflecting the Prepaid Tuition Program projections and current funded status ([Exhibit G](#)), recalled that with the addition of the \$447,523 transfer from reserve approved at the last IFC meeting, at the Committee's request, the office had asked the actuary to recalculate the projections and revisit the current status of the program. The actual tuition increases from the Board of Regents for the next four years were included, as well as the board's assumption of a steady rate of return on those. Ms. Duddlesten said the current projection was the fund would be at around 100 percent of the anticipated tuition payments, should all of the assumptions hold, including the stock market. The actuary had advised that because the program was not backed by the full faith and credit of the state and did not have a legislative guarantee, the aim should be 120 percent in that

fund. Long-term projections to try to get to that point were provided by the actuary in [Exhibit G](#).

Assemblywoman Gansert remarked significant strides had been made to ensure the Prepaid Tuition Program was whole, given that the state of Nevada was not ultimately responsible for it, and she appreciated the office's efforts and information that was provided.

Assemblyman Ocegüera observed that based on the information, the goal was to reach 120 percent, which might be high, but the Millennium Scholarship Program was \$4.2 million short. He suggested the goal should be 100 percent this year and gradually increase, with the ultimate goal of 120 percent, which might help with the \$4.2 million shortfall now. He asked if that would be possible.

Ms. Duddlesten replied if Assemblyman Ocegüera was referring to the shortfall in the Millennium Scholarship Program, the funding request approved by the College Savings Board was for \$200,000. The Committee had asked for the balances in the endowment account, as well as the board's projection, use and plan, which had been provided to the Committee ([Exhibits H and I](#)).

Cochair Horsford asked what the shortfall was in the Millennium Scholarship Program based on the decline in tobacco settlement revenues. Mr. Winebarger replied it should be approximately \$4.2 million at the end of fiscal year 2011.

Cochair Horsford asked what the impact of the shortfall would be to the recipients of the scholarship starting in fall 2010. Ms. Duddlesten said under state law, tuition was paid by semester; the summer term would be paid 100 percent, but if the fund was short in the fall, whatever percentage was available would be paid.

Cochair Horsford assumed the students and their families would have to make up the difference. Ms. Duddlesten explained the Treasurer's office received a bill from the NSHE, and the law was quite clear that payment would be made based on available funding, whether it was 70 percent or 80 percent. The shortfall would be left to the university and those families.

Cochair Horsford observed there were reserve accounts in the other funds which were used in part for such things as marketing and outreach.

Ms. Duddlesten said if Senator Horsford was referring to the endowment account of the College Savings Board, the board did not have responsibility for the Millennium Scholarship Program. The endowment account was made up of fees that came in from the college savings plans; Nevada was unique in that it sponsored national college savings plans, not just in Nevada. About 98 percent of the customers were from the other 49 states. The fees were placed in the endowment account under the College Savings Board, and they could be used by state law for the Prepaid Tuition Program, for

administering and marketing the college savings plans and to help Nevadans attain higher education.

Assemblywoman Smith referred back to the Millennium Scholarship Program and asked what students who just graduated from high school and were awarded Millennium Scholarships had been told at this point.

Ms. Duddlesten responded the Board of Regents was the entity that awarded the Millennium Scholarships; the Treasurer's office was the financial administrator. Students were eligible for the scholarship because they met the criteria provided in the law, not because they had received a notice of award. All of the students who met the criteria of the Millennium Scholarship would be treated on equal footing. The percentage of funds available would be applied equally to everyone.

Assemblywoman Smith asked if the students had received any type of notification. She recalled seeing some type of a letter.

Ms. Duddlesten said once diplomas were issued and certified by the school districts, the information was provided to the Treasurer's office, which assisted the Board of Regents in gathering the information and certifying the list of students currently eligible for the scholarship, and a notice was sent to the students asking them to acknowledge the award and certain criteria set in law, such as residency. Ms. Duddlesten said the notifications were usually sent the middle or end of July.

Assemblywoman Smith asked how much money was available in the endowment account and what the College Savings Board's plan was for that money.

Ms. Duddlesten replied the projected balance in the endowment account for fiscal year 2010 was about \$2.1 million. The College Savings Board had developed a 10-year plan (Exhibits H and I), and two items were already included in the balance projection, which had been in the works for quite some time. The first was financial monitoring. The state and the College Savings Board had the fiduciary duty to protect the assets of the accounts, which had grown to over \$5 billion in the state of Nevada. She said a request for proposal had been issued for an external investment consultant to monitor and report on the performance and compliance of the plans' investments so that when the office advertised and put a seal on a program description that a fund was conservative, it was indeed a conservative risk option for those investors.

Continuing, Ms. Duddlesten said the second item already included in the projection was a Prepaid Tuition Program computer system, which was 10 years old and was set up when the program was not paying out on accounts, only taking in new accounts. The system was to be updated to serve customers online.

Ms. Duddlesten said the 10-year plan that had been put together for the use of the balance of those funds, which came in at about \$3.5 million a year, also included

marketing those plans, financial literacy and a stabilization reserve in future years for the Prepaid Tuition Program.

Steve George, Chief of Staff, Treasurer's Office, reported the updated balance in the endowment account was \$2,665,000.

Assemblyman Goicoechea commented that a student was eligible for \$2,500 per year under the Millennium Scholarship Program. According to the numbers provided by the Treasurer's office, there was about \$2.1 million available. He deduced that the students would receive \$1,250 the first semester, but at some point in the second semester they would be \$400 or \$500 short.

Ms. Duddlesten clarified that students were eligible for a maximum of \$960 per semester and a total of \$10,000 over the 10-year life of their scholarship.

Assemblyman Goicoechea said he had misunderstood. However, he affirmed there would be a shortfall in the spring semester of 2011 under the existing scenario.

Mr. George replied Assemblyman Goicoechea was correct. Based on the tobacco settlement funds coming in at a lower-than-expected rate and because money was taken from the account for other purposes over the last few years, there would be a \$4.2 million shortage to pay for a full year in fiscal year 2011. The Treasurer's office had been working with the Attorney General's office to determine how the payments would be made, and it appeared there would be enough money to pay the full summer fare, it would be close on paying the whole fall fare, and a problem would develop in the spring. The Attorney General's office had advised to pay NSHE what was available, and it would be up to the universities and colleges to determine how amounts would be paid out to the individual students.

Assemblyman Goicoechea asked when the eligible students would be notified that there was going to be a cash-flow shortage in the program.

Mr. George said students had been notified; the Millennium Scholarship website contained information, letters had been sent to current students, and notice had been posted on Facebook. He added that the shortage had been clearly reported in the media as well, and the office had received many phone calls from students and parents. Every possible method to fill the funding gap for fiscal year 2011 was being considered, but a solution had not yet been found. The problem was a matter of a decrease in tobacco money and funding being used for other purposes by the Legislature. Over the course of time from the 2009 Legislative Session to the 26th Special Session, a total of \$32.8 million was lost as a result of unclaimed property funds, which would normally fund the Millennium Scholarship Program, being shifted to the General Fund, \$5 million shifted to the General Fund in 2009 and another \$5 million shifted in 2010.

Assemblyman Goicoechea noted there seemed to be a perception, especially by parents of students, that tobacco settlement funds were shifted away from the Millennium Scholarship Program, and he wanted it clarified that was not the case.

Assemblywoman Gansert stated she appreciated the fact that the office had notified students of the probable shortage. She recalled that in discussions concerning the transfer of unclaimed property funds to the General Fund instead of the Millennium Scholarship Program, it was understood by the Legislature that the program would be solvent until 2014, and decisions were made by the Legislature based on that belief. She wanted to be clear that there was no intention by the Legislature to make the program insolvent.

Assemblywoman Gansert observed that the \$4.2 million shortfall amounted to approximately 15 to 18 percent of the total annual expense of \$25 million. She asked if there was leeway within the program to fund a percentage of each term, i.e., summer, fall and spring, instead of funding all of summer, all of fall and not having any funding for the spring semester. She suggested the \$960 scholarship amount for the fall semester could be reduced by 20 percent; the students would receive approximately \$780 for fall and still receive some money for the spring semester.

Mr. George replied that option had been discussed with the Attorney General's office. So far, the advice had been to pay out funding as it became available. If there was enough to pay the full cost of the summer and fall terms, the statute required that be done. He said the office did not have flexibility in the program to reduce payments over the entire school year.

Mr. Winebarger clarified that the payment shortage would actually occur in the fall semester. There was currently \$10 million in the fund, and the shortfall would occur after the summer semester tuition was paid. The spring semester should be fully funded with the tobacco revenue received in the spring.

Cochair Horsford asked what the actual balance in the reserve account would be after the \$200,000 transfer being requested.

Mr. George replied the balance at the conclusion of fiscal year 2010 would be \$2,665,270.

Cochair Horsford asked what obligations there were on the funds.

Mr. George replied the College Savings Board had voted in previous meetings, as reflected on [Exhibit I](#), to use some of the funding for administrative costs to help the Prepaid Tuition and College Savings Programs. There were also several programs the board had indicated it wanted to move forward with in the next fiscal year using some of that money, as previously described by Ms. Duddlesten, e.g., marketing, computer system upgrade, financial literacy.

Cochair Horsford indicated that Mr. George was referring to commitments for fiscal year 2011; he again asked how much of the \$2.6 million balance as of fiscal year 2010 was obligated. He noted a balance of \$3.4 million was projected for fiscal year 2011, and he speculated that at the time the board made the decisions, the commitments to new programs made sense. However, with a decline in tobacco revenue funds, Senator Horsford thought it made sense to reconsider those decisions in order to honor the first commitment, which was to students and their families for scholarships.

Mr. George explained that the Treasurer's office did not make those decisions; they were made by the College Savings Board, of which the Treasurer was one of five members. He said it was planned to submit a work program for those items at the September IFC meeting. He clarified the projected revenue was from the program management fees; it was not tax money or money paid by account holders.

Cochair Horsford remarked the use of the funds was at the discretion of the College Savings Board. He suggested the Committee approve an amount to increase the reserve transfer for a total of \$2.8 million, which would include the \$200,000 request, and ask the College Savings Board to return to IFC, should there be an additional shortfall projected for the remainder of fiscal year 2010, with any additional requests, some of which may include reconsideration of some of the marketing, outreach and financial literacy programs originally planned.

Assemblyman Ocegüera agreed that marketing, financial literacy and fund stabilization were worthwhile areas to fund. However, he would like to have more information on the computer upgrade and the financial monitoring of the accounts.

Cochair Horsford again noted those expenses would come from fiscal year 2011 funding.

Ms. Duddleston replied the College Savings Board considered the financial monitoring and Prepaid Tuition computer system to be critical. She said those costs could certainly be allocated out of the current fiscal year or the next fiscal year, but the programs, especially the financial monitoring, were necessary to protect the state's interests.

Senator Raggio understood and appreciated the importance of the Millennium Scholarship Program, but he was concerned when suggestions were made to transfer more from the College Savings Program to the Millennium Scholarship Program. He did not understand the nexus between a trust program, which was funded by voluntary payments on behalf of students, and the scholarship program. He believed such a transfer could be a violation of the trust. He feared further withdrawals from the College Savings Program could put that program in jeopardy.

Senator Raggio also recalled that during the 26th Special Session, the Legislature was told that the projection for the Millennium Scholarship Program would be secure until 2014. The unclaimed property had always been used as a fallback, and he questioned

how much remained from that source; he would rather consider unclaimed property than possibly violate a trust.

Cochair Horsford remarked Senator Raggio had posed a valid question. He asked Legal Counsel to respond to the question as to the authority to transfer funds from the reserve category in the College Savings Program to the Millennium Scholarship Program.

Ms. Erdoes responded it appeared there was some confusion as to what funds were being discussed. She said that NRS 353B.350 set forth an endowment account, which was the account from which the request for \$200,000 was being made. The statute stated the endowment account “must be used for the deposit of any money received by the Nevada College Savings Program that is not received pursuant to a savings trust agreement and, in the determination of the State Treasurer, is not necessary for the use of the Administrative Account.” Ms. Erdoes explained the endowment account contained additional money that did not come in under a trust agreement. There was specific statutory authority for the use of the fund: “In any other manner which assists the residents of this state to attain post-secondary education.” She said her office had determined the Millennium Scholarship use would be another manner that would assist residents of the state to attain post-secondary education.

Senator Raggio asked where the funding for the endowment account came from. Ms. Erdoes replied the answer to that question would more appropriately come from the Treasurer’s office.

Cochair Horsford asked the Treasurer’s office to explain where the revenue outside of the trust amount was coming from. It was his understanding that an additional amount of unclaimed property had come in, but the request to utilize those funds to help address the shortfall was not supported by the Executive Branch, and he asked the Treasurer’s office to also clarify that issue.

Ms. Duddlesten explained the fees deposited in the endowment account came through contracts that the College Savings Board held with investment managers and program managers who managed plans sponsored by the state of Nevada. She said four college savings plans were sponsored: Vanguard, Columbia, USAA and the Upromise College Fund. As a contingency in the agreements, a fee must be paid to the state of Nevada for the privilege of being sponsored by the state to cover administrative costs and financial monitoring and to serve as the regulatory body. Funds not used for those functions went into the endowment account. Ms. Duddlesten said in the last several years, the board had been developing a plan to reorganize the department to ensure it was doing what needed to be done to meet those obligations, i.e., the plan coming forward for fiscal year 2011. In the meantime, the funds in the endowment account had been allowed to accumulate up until this time.

Addressing the question concerning the unclaimed property, Mr. George said, as previously discussed, the Treasurer’s office had tried to come up with ideas to resolve

the shortfall. Another \$10 million in unclaimed property had recently been transferred to the General Fund, and one thought was instead of transferring the entire \$10 million, \$4.2 million could be used for the Millennium Scholarship fund. Another idea was to not transfer the \$5 million being planned from the Millennium Scholarship fund, which would hold the program whole for fiscal year 2011. Mr. George said the Department of Administration had indicated that under statute, it would not be possible to take either action; approval of the full legislative body would be required.

Cochair Horsford asked Ms. Erdoes if the Department of Administration's opinion was accurate.

Ms. Erdoes opined she did not believe the unclaimed property money could be used because the Legislature took out the authority to use unclaimed property money for the Millennium Scholarship Program temporarily for two years. There was no current authority for use of those funds for that purpose, per A.B. 3 of the 26th Special Session.

Cochair Horsford remarked that, as noted by Assemblywoman Gansert, the college savings fees in the endowment account, which were not part of any college savings trust agreements or the Prepaid Tuition Program, although not at the 120 percent level recommended by the actuary, were at a level that was at least solvent. He pointed out there was the projected shortfall of \$4.2 million in the Millennium Scholarship fund, which meant that at some point in the upcoming school year, students and families would be notified that the amount they would be getting would be less. There was \$2.6 million in the reserve account that was not obligated, which Legal Counsel had indicated could be used for the advancement of post-secondary education for citizens of Nevada, and Senator Horsford suggested use of those reserve funds seemed a viable option for the Committee to consider.

Senator Coffin opposed taking any more funds from the College Savings Board. He and his wife had invested their money in the trust, and the thought that the Legislature would want to approach that fund to support the Millennium Scholarship Program made him nervous. The shortage was not just because of a reduction of tobacco settlement money. He believed the Legislature had received conflicting information over the course of the 26th Special Session about how much money was available, and he believed the Legislature needed to take responsibility for the shortfall. He urged the Committee not to take any more funds from other sources. The problem could be resolved during the 2011 Legislative Session.

Assemblyman Hardy affirmed that the \$200,000 in contractual fees went into a reserve account for the endowment fund, should the endowment fund have a problem.

Ms. Duddlesten explained the fees from the contracts in the College Savings Program that were not budgeted through the board's regular budget were placed in the endowment account. The amount not authorized by the Legislature to spend remained in the account; the board did not have authority to spend those funds.

Ms. Duddlesten further explained that according to the law, the endowment account could be used for several purposes:

- To support and market the Prepaid Tuition Program.
- To promote, market and support the administration of college savings plans, which were the private plans separate from the Prepaid Tuition Plan.
- To help Nevadans attain higher education.

Ms. Duddlesten recalled that at the last IFC meeting, the College Savings Board had requested a transfer of \$5 million to the Prepaid Tuition Program and, additionally, to pick up the administration costs that came out of the contracts. When someone paid a fee for their prepaid tuition contract, a certain portion of that fee covered administration. The board asked to cover the administration account out of the endowment account, and IFC had granted approval.

Assemblyman Hardy asked if the endowment account had ever been used to help the higher education of students in Nevada.

Ms. Duddlesten replied not to her knowledge. She added that the 2009 Legislature approved paying the administrative fees of the Millennium Scholarship staff from the endowment account and including them under the administration account.

Assemblyman Hardy asked if taking the \$200,000 out would result in less interest being earned.

Mr. Winebarger replied taking the \$200,000 out would leave a balance in the endowment account of \$2.66 million in fiscal year 2011. Currently the interest rate was not very good, and \$49,000 in interest income was projected for fiscal year 2010 and approximately \$21,000 in fiscal year 2011. He said the \$200,000 would have no impact on interest income.

Cochair Horsford recommended that action on Item I-13 be deferred in order to further study options on how to best meet the obligations to fund the Millennium Scholarship Program at a future IFC meeting. Based on the information received, further evaluation was needed before taking action. He said the item would be placed on the agenda for the next IFC meeting for full discussion and action.

14. Department of Administration – Information Technology Projects – FY 2010 – Deletion of \$143,137 in General Fund Appropriation and \$429,409 in Transfer from Health Care Financing and Policy (HCFP) revenue to augment FY 2011 to complete the Medicaid Management Information System (MMIS) project. Requires Interim Finance approval pursuant to A.B. 562, Section 34 of the 2009 Legislative Session. **RELATES TO ITEM 16. Work Program #C18260**

Refer to motion for approval under Item I.

- 15. Department of Administration – Information Technology Projects – FY 2010 –** Deletion of \$2,240,419 in General Fund Appropriation and \$683,648 in Transfer from Welfare revenue to augment FY 2011 to complete the Eligibility Operations Data System Enhancement project. Requires Interim Finance approval pursuant to A.B. 562, Section 34 of the 2009 Legislative Session. **RELATES TO ITEMS 17 AND 108. Work Program #C18261**

Refer to motion for approval under Item I.

- 16. Department of Administration – Information Technology Projects – FY 2011 –** Addition of \$143,137 in General Fund Appropriation and \$429,409 in Transfer from Health Care Financing and Policy revenue to complete the Medicaid Management Information System project. Requires Interim Finance approval pursuant to A.B. 562, Section 34 of the 2009 Legislative Session. **RELATES TO ITEM 14. Work Program #C17904**

Refer to motion for approval under Item I.

- 17. Department of Administration – Information Technology Projects – FY 2011 –** Addition of \$2,240,419 in General Fund Appropriation and \$683,648 in Transfer from Welfare revenue to complete the Eligibility Operations Data System Enhancement project. Requires Interim Finance approval pursuant to A.B. 562, Section 34 of the 2009 Legislative Session. **RELATES TO ITEMS 15 AND 108. Work Program #C17937**

Refer to motion for approval under Item I.

- 18. Department of Administration – Purchasing – Commodity Food Program – FY 2010 –** Transfer of \$59,294 from the Reserve category to the Personnel Services category to cover a projected shortfall through fiscal year end. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C18009**

Refer to motion for approval under Item I.

- 19. Department of Administration – Purchasing – Commodity Food Program – FY 2011 –** Addition of \$25,000 in federal State Administrative Expenses (SAE) to continue the implementation of the Web Based Supply Chain Management System in FY 2011. Requires Interim Finance approval since the amount added to the SAE category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18119**

Refer to motion for approval under Item I.

- 20. Department of Taxation – FY 2010 –** Transfer of \$155,000 from the Operating Expenses category to the Personnel Services category to cover anticipated

expenditures through the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Personnel Services category exceeds \$50,000. **Work Program #C17334**

Refer to motion for approval under Item I.

21. **Department of Taxation – FY 2010** – Transfer of \$15,000 from the In-State Travel category to the Lockbox Services category, \$12,000 from the Operating Expenses category to the Lockbox Services category, and \$28,000 from the Training category to the Lockbox Services category to cover projected expenditures through the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Lockbox Services category exceeds \$50,000. **Work Program #C18043**

Refer to motion for approval under Item I.

22. **Department of Information Technology – Computing Division – Facility Management – FY 2010** – Addition of \$1,552 in Prior Year Refund receipts, transfer of \$140,000 from the Reserve category to the Personnel Services category, and transfer of \$19,000 from the Reserve category to the Utilities category to align revenue authority with actual receipts and cover projected expenditures through the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C18021**

Refer to motion for approval under Item I.

23. **Department of Information Technology – Security Division – FY 2011** – Transfer of \$25,935 from the Reserve category to the Information Services category to cover the annual software maintenance for a security testing software program. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C17773**

Refer to motion for approval under Item I.

24. **Department of Education – Discretionary Grants – Restricted – FY 2011** – Addition of \$1,801,985 in federal Longitudinal Data Systems grant funds to balance forward authority to continue the Longitudinal Data Systems program. Requires Interim Finance approval since the amount added to the Longitudinal Data Systems category exceeds \$50,000. **Work Program #C17614**

Refer to motion for approval under Item I.

25. **Nevada System of Higher Education – University of Nevada – Reno – FY 2010** – Addition of \$236,722 in Registration Fees, \$40,906 in Student

Surcharges, and \$5,297 in Miscellaneous Student Fees to offset a projected shortfall in Non-Resident Tuition, contingent upon Board of Regents approval June 3rd and 4th. Requires Interim Finance approval pursuant to S.B. 431, Section 8 of the 2009 Legislative Session. **Work Program #C18070**

Refer to motion for approval under Item I.

Cochair Horsford announced that items 26, 28, 30, 32, 34, 35 and 37 would be heard together.

- 26. Nevada System of Higher Education – University of Nevada – Reno – FY 2011** – Addition of \$4,624,075 in Student Surcharges to partially offset budget reductions as approved by the Board of Regents at its June 2009 meeting. Requires Interim Finance approval pursuant to S.B. 431, Section 8 of the 2009 Legislative Session. **Work Program #C17888**

Refer to testimony and motion for approval under item 37.

- 27. Nevada System of Higher Education – University of Nevada – Las Vegas – FY 2010** – Addition of \$1,086,703 in Registration Fees, \$125,000 in Miscellaneous Student Fees, and \$142,990 in Student Surcharges to offset a projected shortfall in Non-Resident Tuition and other Miscellaneous Revenue, contingent upon Board of Regents approval at its June 3rd and 4th meeting. Requires Interim Finance approval pursuant to S.B. 431, Section 8 of the 2009 Legislative Session. **Work Program #C18071**

Refer to motion for approval under Item I.

- 28. Nevada System of Higher Education – University of Nevada – Las Vegas – FY 2011** – Addition of \$7,028,985 in Student Surcharges to partially offset general fund budget reductions as approved by the Board of Regents at its June 2009 meeting. Requires Interim Finance approval pursuant to S.B. 431, Section 8 of the 2009 Legislative Session. **Work Program #C17890**

Refer to testimony and motion for approval under item 37.

- 29. Nevada System of Higher Education – Great Basin College – FY 2010** – Addition of \$15,000 in Student Surcharges and \$19,000 in Non-Resident Tuition to offset general fund budget reductions pending final Board of Regents approval at its June 3rd and 4th meeting. Requires Interim Finance approval pursuant to S.B. 431, Section 8 of the 2009 Legislative Session. **Work Program #C18072**

Refer to motion for approval under Item I.

- 30. Nevada System of Higher Education – Great Basin College – FY 2011** – Addition of \$384,537 in Student Surcharges to partially offset budget reductions as

approved by the Board of Regents at its June 2009 meeting. Requires Interim Finance approval pursuant to S.B. 431, Section 8 of the 2009 Legislative Session. **Work Program #C17894**

Refer to testimony and motion for approval under item 37.

- 31. Nevada System of Higher Education – Western Nevada College – FY 2010 –** Addition of \$596,822 in Registration Fees, \$19,362 in Student Surcharges, and \$122,573 in Non-Resident Tuition to cover additional instructional costs and to offset general fund reductions approved during the 26th Special Session in A.B. 6, Section 1, subsection 23. Requires Interim Finance approval pursuant to S.B. 431, Section 8 of the 2009 Legislative Session for the use of Non-Resident Tuition and additional student fees for costs other than incremental instructional increases. **Work Program #C18074**

Refer to motion for approval under Item I.

- 32. Nevada System of Higher Education – Western Nevada College – FY 2011 –** Addition of \$490,147 in Student Registration Fees to implement the fee increases in FY 2011 approved at the June 2009 Board of Regents meeting to offset budget reductions. Requires Interim Finance approval pursuant to S.B. 431, Section 8 of the 2009 Legislative Session. **Work Program #C17896**

Refer to testimony and motion for approval under item 37.

- 33. Nevada System of Higher Education – College of Southern Nevada – FY 2010 –** Addition of \$442,670 in Student Registration Fees, \$44,514 in Student Surcharges, and \$15,386 in Miscellaneous Student Fees to partially offset budget reductions and a projected shortfall in Non-Resident Tuition for this fiscal year. Requires Interim Finance approval pursuant to S.B. 431, Section 8 of the 2009 Legislative Session. **Work Program #C18073**

Refer to motion for approval under Item I.

- 34. Nevada System of Higher Education – College of Southern Nevada – FY 2011 –** Addition of \$3,946,514 in Student Surcharges to offset general fund budget reductions approved at its June 2009 Board of Regents meeting. Requires Interim Finance approval pursuant to S.B. 431, Section 8 of the 2009 Legislative Session. **Work Program #C17893**

Refer to testimony and motion for approval under item 37.

- 35. Nevada System of Higher Education – Truckee Meadows Community College – FY 2011 –** Addition of \$1,255,764 in Student Surcharges to partially offset budget reductions as approved by the Board of Regents at its June 2009

meeting. Requires Interim Finance approval pursuant to S.B. 431, Section 8 of the 2009 Legislative Session. **Work Program #C17892**

Refer to testimony and motion for approval under item 37.

- 36. Nevada System of Higher Education – Nevada State College at Henderson – FY 2010** – Addition of \$20,986 in Miscellaneous Student Fees, \$20,186 in Student Surcharges and \$60,183 in Non-Resident Tuition to offset general fund budget reductions pending final Board of Regents approval at its June 3rd and 4th meeting. Requires Interim Finance approval pursuant to S.B. 431, Section 8 from the 2009 Legislative Session. **Work Program #C18076**

Refer to motion for approval under Item I.

- 37. Nevada System of Higher Education – Nevada State College at Henderson – FY 2011** – Addition of \$484,025 in Student Surcharges to partially offset budget reductions as approved by the Board of Regents at its June 2009 meeting. Requires Interim Finance approval pursuant to S.B. 431, Section 8 of the 2009 Legislative Session. **Work Program #C17891**

Mark Stevens, Interim Vice Chancellor for Finance, Nevada System of Higher Education (NSHE), explained the set of seven work programs requested approval to augment student fee revenues for the surcharge that was approved by the Board of Regents in June 2009 for fiscal year 2011. Following the 2009 Legislative Session, the NSHE had received a letter of intent from the money committees involving increases in student fees that could potentially be implemented by the Board of Regents during the 2009-11 biennium, and the work programs complied with the provisions of the letter of intent.

Mr. Stevens itemized the fee increases by institution:

- \$14.00 per credit for undergraduate students at UNR and UNLV.
- \$10.00 per credit for undergraduate students at Nevada State College.
- \$10.00 per credit for upper-division courses at the College of Southern Nevada, Great Basin College, and Western Nevada College.
- \$ 6.25 per credit for lower-division courses at all community colleges.

Mr. Stevens offered to answer questions from the Committee; there were no questions.

SENATOR RHOADS MOVED FOR APPROVAL.

THE MOTION WAS SECONDED BY SENATOR COFFIN.

Senator Coffin asked what the actual financial impact would be in terms of the 6.9-percent reduction in revenue for the NSHE and whether each institution factored in the surcharge revenue when making budget reductions and adjustments.

Mr. Stevens replied these work programs did not reduce the 6.9 percent. The surcharge was approved by the Board of Regents just after the 2009 Legislative Session, and it was designed to offset some of the reductions in General Fund support that were realized in this biennium.

Mr. Stevens said the seven other work programs included in today's agenda involved additional excess student fees in fiscal year 2010, and he explained in those instances, the excess student fees were utilized to offset some of the General Fund reductions due to the 6.9-percent cut in the 26th Special Session.

Senator Coffin requested details concerning the net impact of the fees and the status of the NSHE budget reductions in fiscal year 2010. Mr. Stevens agreed to provide the information.

Cochair Horsford and Senator Coffin disclosed their wives were employed by the NSHE, but their votes would have no impact.

THE MOTION CARRIED.

Assemblyman Ocegüera was not present for the vote.

- 38. Nevada System of Higher Education – WICHE Loan and Stipend – FY 2011 –** Transfer of \$161,108 from the Allied Health grant category to the Operating category and \$689,437 from the Stipends category to the Operating category to ensure the account is properly established under the Nevada System of Higher Education as approved in the 2009 Legislative Session. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000. **Work Program #C17897**

Refer to motion for approval under Item I.

- 39. Nevada System of Higher Education – WICHE Administration – FY 2011 –** Transfer of \$144,746 from the Personnel Services category to the Operating category, \$982 from the Out-of-State Travel category to the Operating category, \$6,725 from the In-State Travel category to the Operating category, \$165,456 from the Operating Expenses category to the Operating category, \$1,620 from the Information Services category to the Operating category, \$73 from the Training category to the Operating category, and \$53 from the Purchasing Assessment category to the Operating category to ensure the account is properly established under the Nevada System of Higher Education as approved in the 2009 Legislative Session. Requires Interim Finance approval since the amount transferred to the Operating category exceeds \$50,000. **Work Program #C17782**

Refer to motion for approval under Item I.

- 40. Department of Cultural Affairs – Museums and History – Lost City Museum – FY 2011 –** Addition of \$44,998 in funds transferred from Historic Preservation for

funding of exhibits. Requires Interim Finance approval since the amount added to the Southern Nevada Public Land Management Act/State Historical Preservation Office subgrant category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18201**

Refer to motion for approval under Item I.

- 41. Department of Cultural Affairs – Museums and History – Nevada Historical Society – FY 2011** – Addition of \$23,735 in federal Library Services and Technology Act (LSTA) grant funds transferred from the Nevada State Library to provide funding for the Nevada Historical Society's Library Catalog project. Requires Interim Finance approval since the amount added to the LSTA subgrant category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18214**

Refer to motion for approval under Item I.

- 42. Department of Cultural Affairs – Museums and History – State Railroad Museums – FY 2011** – Addition of \$466,806 in federal grant funds transferred from the Nevada Department of Transportation (NDOT) through its Stewardship Plan for construction of new permanent transportation-related exhibits at the Nevada State Railroad Museum in Carson City. Requires Interim Finance approval since the amount added to the NDOT federal grant category exceeds \$50,000. **Work Program #C18215**

Refer to motion for approval under Item I.

- 43. Department of Cultural Affairs – State Historic Preservation Office – FY 2011** – Addition of \$26,966 in United States Department of the Interior, National Park Service, Preserve America grant funds to provide continued funding for the creation of a state and national register Geographic Information Systems (GIS) database, which will be incorporated into the Nevada Cultural Resource Information System (NVCRIS) database. Requires Interim Finance approval since the amount added to the Cultural Resources Information category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18101**

Refer to motion for approval under Item I.

- 44. Department of Cultural Affairs – State Historic Preservation Office – FY 2011** – Addition of \$193,000 in Federal Bureau of Land Management (BLM), Southern Nevada Public Land Management Act (SNPLMA) grant funds to provide continued funding for the Nevada Cultural Resource Information System (NVCRIS) database. Requires Interim Finance approval since the amount added to the Cultural Resources Information category exceeds \$50,000. **Work Program #C18102**

Refer to motion for approval under Item I.

45. **Department of Cultural Affairs – State Historic Preservation Office – FY 2011** – Addition of \$75,000 in federal Bureau of Land Management (BLM) grant funds to provide continued funding for the Nevada Cultural Resource Information System (NVCRIS) database. Requires Interim Finance approval since the amount added to the Cultural Resources Information category exceeds \$50,000. **Work Program #C18103**

Refer to motion for approval under Item I.

46. **Department of Cultural Affairs – State Historic Preservation Office – FY 2011** – Addition of \$139,662 in federal Bureau of Land Management grant funds to perform expedited review of renewable energy projects throughout Nevada. Requires Interim Finance approval since the amount added to the Survey and Planning category exceeds \$50,000. **Work Program #C18104**

Refer to motion for approval under Item I.

47. **Department of Cultural Affairs – Division of State Library and Archives – Archives and Records – FY 2011** – Transfer of ~~\$57,298~~ **\$62,043** from the Personnel Services category to the Reserve for Reversion category to offset the majority of the cost of a Literacy Program Administrative Assistant II position in the Nevada State Library budget account. Requires Interim Finance approval since the amount transferred to the Reserve for Reversion category exceeds \$50,000. This work program is ~~contingent upon the approval of~~ related to the Contingency Fund request action item for the Nevada State Library (reference work program C18046). **RELATES TO ITEM K 6. Work Program #C18010. REVISED JUNE 15, 2010.**

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

6. Department of Cultural Affairs – Division of State Library and Archives – Request for an allocation of \$58,332 for FY 2011 to fund an Administrative Assistant II position currently being funded by the Nevada State Library Literacy Program. **RELATES TO ITEM I 47. RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 2, 2010. (REVISED JUNE 15, 2010.)**

Michael Fischer, Director, Department of Cultural Affairs, explained item 47 was a transfer of \$62,043 from the personnel services category to the reserve for reversion category to offset the cost of an Administrative Assistant II position in Archives and Records. He noted the work program description incorrectly identified a Literacy Program Administrative Assistant II position.

Mark Costa, Administrative Services Officer IV, Department of Cultural Affairs, affirmed funds were being reverted from budget account 1052; the funding was actually from the State Archives Manager position that was not being filled. He reiterated a portion of the

funding would be used to continue to fund an Administrative Assistant II position in Archives and Records.

Mr. Fischer added that the position in Archives and Records was very important. With the confusion on A.B. 6 of the 26th Special Session, the department had worked diligently with analysts from the Budget Division and Fiscal Division. He explained the Records program would cease to exist as it did currently if the tape storage program was not allowed to take in further records. It would still be able to retrieve records but not be able to bring others to the program. He felt it was a very prudent use of the state's money and would save money in the long run.

As far as the Literacy position requested in Item K-6, Mr. Fischer stated that large libraries like those in Las Vegas, Clark County, Henderson and Washoe County had programs of their own, but the position was extremely important for the rural areas of the state. The position would also provide some financial literacy through the Treasurer's office.

SENATOR RAGGIO MOVED FOR APPROVAL OF ITEM I-47 AS REVISED AND ITEM K-6.

SENATOR COFFIN SECONDED THE MOTION.

Assemblywoman Mastroluca asked how the Records position would be funded after this fiscal year.

Mr. Fischer replied the department would work with Fiscal staff and the Budget Office for continued funding after fiscal year 2011. He indicated the potential litigation costs to the state would be great if material was not archived and could not be retrieved. The small expenditure of money was in the state's best interest. Due to that fact, Mr. Fischer thought a strong case could be made for continuing the position going forward.

THE MOTION CARRIED.

- 48. Department of Cultural Affairs – Division of State Library and Archives – Archives and Records – FY 2011 – Addition of \$32,199 in federal Institute of Museums and Library Services (IMLS) grant funds to allow the Nevada State Archives and the State Historical Records Advisory Board (SHRAB) to survey the conservation and preservation needs of Nevada Cultural organizations. Requires Interim Finance approval since the amount added to the IMLS grant category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18112****

Refer to motion for approval under Item I.

- 49. Department of Cultural Affairs – Division of State Library and Archives – Nevada State Library – CLAN – FY 2011** – Addition of \$202,649 in User Charges balanced forward to purchase equipment benefiting all member libraries. Requires Interim Finance approval since the amount added to Cooperative Libraries Automated Network (CLAN) category exceeds \$50,000. **Work Program #C18188**

Refer to motion for approval under Item I.

- 50. Department of Cultural Affairs – Nevada Arts Council – FY 2011** – Addition of \$135,000 in federal National Endowment for the Arts (NEA) Partnership grant funds to align state budget authority with the federal grant award for Arts in Education, Grants Program, Community Arts Development, Artist Services, Public Information/Arts Initiatives and Folk Arts. Requires Interim Finance approval since the amount added to Folk Art Programs category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C17989**

Refer to motion for approval under Item I.

- 51. Department of Cultural Affairs – Nevada Arts Council – FY 2011** – Addition of \$25,000 in National Endowment for the Arts (NEA) - American Recovery and Reinvestment Act (ARRA) grant funds for administrative costs for two contract staff to assist with NEA grants management and outreach programs. Requires Interim Finance approval since the amount added to the Operating category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18065A**

Refer to motion for approval under Item I.

- 52. Department of Cultural Affairs – Nevada Arts Council – FY 2011** – Addition of \$91,400 in federal National Endowment for the Arts (NEA) Partnership grant funds to reestablish unexpended authority to be used in support of Arts in Education, Grants Program, Community Arts Development, Artist Services, Public Information/Arts Initiatives and Folk Arts. Requires Interim Finance approval since the amount added to Artist Services Program category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18064A**

Refer to motion for approval under Item I.

- 53. Department of Cultural Affairs – Nevada Arts Council – FY 2011** – Addition of \$45,300 in License Plate Fees balanced forward from FY 2010 to continue support for programs that enhance art education for children. Requires Interim Finance approval since the amount added to the License Plate Initiative category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18067A**

Refer to motion for approval under Item I.

- 54. Department of Agriculture – Administration – FY 2010** – Transfer of \$10,029 from the Personnel Services category to the Operating category and \$63,148 from the Personnel Services category to the Utilities category to cover anticipated expenditures through the end of FY 2010. Requires Interim Finance approval since the amount transferred to the Utilities category exceeds \$50,000. **Work Program #C18128**

Refer to motion for approval under Item I.

- 55. Department of Agriculture – Livestock Inspection – FY 2010** – Addition of \$30,637 in Laboratory Charges to cover testing costs for the Animal Health Laboratory through the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Equine Infectious Anemia (EIA) Testing category exceeds \$50,000. **Work Program #C18255**

Refer to motion for approval under Item I.

- 56. Department of Agriculture – Mormon Cricket and Grasshoppers – FY 2011** – Addition of \$449,989 in United States Department of Agriculture (USDA) Scrapie Disease Survey to assist in the operation of a successful survey and control program for Mormon crickets and grasshoppers in Nevada. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C18194**

Refer to motion for approval under Item I.

- 57. Department of Agriculture – Predatory Animal and Rodent Control – FY 2010** – Transfer of \$24,576 from the Operating category to the Nevada Department of Wildlife (NDOW) Predatory Reduction category and \$1,441 from the Personnel Services category to the NDOW Predatory Reduction category to cover anticipated expenditures through the remainder of FY 2010. Requires Interim Finance approval since the amount transferred to the NDOW Predatory Reduction category exceeds 10 percent of the legislatively-approved level for that category. **Work Program #C17549**

Refer to motion for approval under Item I.

- 58. Public Utilities Commission – FY 2010** – Transfer of \$125,000 from the Reserve category to the Personnel Services category to cover unanticipated expenses incurred from terminal leave payouts from multiple retirements. Requires Interim Finance approval since the amount transferred to the Personnel Services category exceeds \$50,000. **Work Program #C17757**

Refer to motion for approval under Item I.

59. **Department of Business and Industry – Real Estate – Administration – FY 2010** – Addition of \$63,979 in Testing Fees and \$1,107 in Property Managers' Exam Registration Fees to support increased number of examinations. Requires Interim Finance approval since the amount added to the Testing Services category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18276**

Refer to motion for approval under Item I.

60. **Department of Business and Industry – Housing Division – FY 2010** – Addition of \$172,085 in Tax Credit Application Fees and an addition of \$98,478 in Tax Credits Audit Fees to support housing projects. Requires Interim Finance approval since the amount added to the Tax Credit Program category exceeds \$50,000. **Work Program #C18146**

Refer to motion for approval under Item I.

61. **Department of Business and Industry – Housing Division – FY 2010** – Addition of \$15,261,717 in American Recovery and Reinvestment Act, Section 1602 Tax Credit Exchange Program funds to assist and encourage the private sector and other government entities in the financing, creation and maintenance of affordable housing throughout the state. Requires Interim Finance approval since the amount added to the American Recovery and Reinvestment Act, Section 1602 Tax Credit Exchange Program category exceeds \$50,000. **RELATES TO ITEM 62. Work Program #C18224**

Refer to motion for approval under Item I.

62. **Department of Business and Industry – Housing Division – FY 2011** – Addition of \$35,688,622 in American Recovery and Reinvestment Act, Section 1602 Tax Credit Exchange Program funds to assist and encourage the private sector and other government entities in the financing, creation and maintenance of affordable housing throughout the state. Requires Interim Finance approval since the amount added to the American Recovery and Reinvestment Act, Section 1602 Tax Credit Exchange Program category exceeds \$50,000. **RELATES TO ITEM 61. Work Program #C18225**

Refer to motion for approval under Item I.

63. **Department of Business and Industry – Housing Division – Low Income Housing Trust Fund – FY 2010** – Addition of \$133,239 in Emergency Shelter grant funds to help improve the quality of emergency shelters and transitional housing for the homeless, to make available additional shelters, to meet the costs of operating shelters, to provide essential social services to homeless individuals, and to help prevent homelessness. Requires Interim Finance approval since the

amount added to the Emergency Shelter grant category exceeds \$50,000. **Work Program #C18089**

Refer to motion for approval under Item I.

- 64. Department of Business and Industry – Housing Division – Low Income Housing Trust Fund – FY 2010** – Addition of \$85,150 in National Foreclosure Mitigation Counseling Program funds to support foreclosure mitigation counseling to certain entities. Requires Interim Finance approval since the amount added to the National Foreclosure Mitigation Counseling Program category exceeds \$50,000. **Work Program #C18109**

Refer to motion for approval under Item I.

- 65. Department of Business and Industry – Housing Division – Low Income Housing Trust Fund – FY 2011** – Addition of \$1,496,075 in American Recovery and Reinvestment Act, Homeless Prevention and Rapid Re-Housing Program funds to provide financial assistance and services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. Requires Interim Finance approval since the amount added to the American Recovery and Reinvestment Act, Homeless Prevention and Rapid Re-Housing Program Subgrantees category exceeds \$50,000. **Work Program #C18217**

Refer to motion for approval under Item I.

- 66. Department of Business and Industry – Housing Division – Weatherization – FY 2011** – Addition of \$22,253,577 in American Recovery and Reinvestment Act Weatherization Assistance for ~~Low Income Persons~~ **Program** funds to provide weatherization assistance to eligible households. Requires Interim Finance approval since the amount added to the American Recovery and Reinvestment Act Subgrantees category exceeds \$50,000. **Work Program #C18218**

Refer to motion for approval under Item I.

- 67. Department of Business and Industry – Housing Division – Special Housing Assistance – FY 2011** – Addition of \$13,138,885 in Neighborhood Stabilization Program grant funds to support the stabilization of neighborhoods in response to the foreclosure crisis. Requires Interim Finance approval since the amount added to the Neighborhood Stabilization Program Subgrantees category exceeds \$50,000. **Work Program #C18227**

Refer to motion for approval under Item I.

- 68. Department of Business and Industry – Industrial Relations – Occupational Safety and Health Enforcement – FY 2011** – Addition of \$346,167 in Federal

Department of Occupation Health and Safety funds to purchase equipment and lease office space for training activities. Requires Interim Finance approval since the amount added to the Operating Expenses category exceeds \$50,000. **Work Program #C18027**

Refer to motion for approval under Item I.

- 69. Commission on Economic Development – FY 2010** – Addition of \$5,000 in funds transferred from the Insurance Division to assist the agency in promoting the Captive Insurance industry. Requires Interim Finance Committee approval pursuant to NRS 694C.460. **Work Program #C18300**

Refer to motion for approval under Item I.

- 70. Commission on Economic Development – FY 2011** – Addition of \$500,000 in funds transferred from the Department of Employment, Training and Rehabilitation, Employment Security Division to support the state's Train Employees Now program. Requires Interim Finance approval since the amount added to the Train Employees Now category exceeds \$50,000. **Work Program #C18283**

Refer to motion for approval under Item I.

- 71. Commission on Economic Development – FY 2011** – Addition of \$5,500 in funds transferred from the Insurance Division to assist the agency in promoting the Captive Insurance industry. Requires Interim Finance Committee approval pursuant to NRS 694C.460. **Work Program #C18301**

Refer to motion for approval under Item I.

- 72. Commission on Economic Development – Rural Community Development – FY 2011** – Addition of \$739,795 in federal Housing and Urban Development (HUD) grant funds to support the agency's State and Small Cities Community Development Block Grant program. Funding will be passed through to cities and local governments for improvement projects approved to receive American Reinvestment and Recovery Act of 2009 (ARRA) funds. Requires Interim Finance Committee approval since the amount added to the Federal HUD ARRA grant Funding category exceeds \$50,000. **Work Program #C18303**

Refer to motion for approval under Item I.

- 73. Department of Health and Human Services – Director's Office – Administration – FY 2010** – Addition of \$7,213 in federal Head Start grant funds and transfer of \$4,590 from the Operating category to the Head Start grant category to realign authority in order to fully utilize the Head Start grant for FY 2010. Requires Interim Finance approval since the amount added to the Head

Start grant category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C40274**

Refer to motion for approval under Item I.

- 74. Department of Health and Human Services – Director's Office – Administration – FY 2011** – Addition of \$2,516,144 in Health Information Technology (HIT) grant funds and \$36,359 in Gifts and Donations to fund three positions that will establish Nevada's Health Information Exchange (HIE) framework. Requires Interim Finance approval since the amount added to the ARRA HIT Blue Ribbon Panel category exceeds \$50,000. **Work Program #C40282**

Refer to motion for approval under Item I.

- 75. Department of Health and Human Services – Director's Office – Indigent Supplemental Account – FY 2010** – Addition of \$52,317 in Balance Forward from Previous Year funds as a result of a correction to the Health Insurance Flexibility Accountability (HIFA) Holding Account FY 2009 closing report. Requires Interim Finance approval since the amount added to the Transfer to HIFA category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C40277**

Refer to motion for approval under Item I.

- 76. Department of Health and Human Services – Aging and Disability Services Division – Aging Federal Programs and Administration – FY 2011** – Addition of \$152,895 in Medicare Improvements for Patients and Providers Act (MIPPA) for Beneficiary Outreach and Assistance grant funds to improve beneficiary access to preventive and mental health services; to enhance low-income benefit programs; and to maintain access to care in rural areas, including pharmacy access for the Medicare program. Requires Interim Finance approval since the amount added to the MIPPA grant category exceeds \$50,000. **Work Program #C17771**

Refer to motion for approval under Item I.

- 77. Department of Health and Human Services – Aging and Disability Services Division – Aging Federal Programs and Administration – FY 2011** – Addition of \$459,782 in federal Alzheimer's grant funds to develop the evidence based Coping with Caregivers program in support of individuals with Alzheimer's disease and its care providers. Requires Interim Finance approval since the amount added to the Alzheimer's grant category exceeds \$50,000. **Work Program #C17907**

Refer to motion for approval under Item I.

78. Department of Health and Human Services – Aging and Disability Services Division – Aging Federal Programs and Administration – FY 2011 – Addition of \$198,162 in federal Aging and Disability Resource Center (ADRC) grant funds to design and implement a management information system that will provide reliable information on long-term care options throughout the state along with associated costs. Requires Interim Finance approval since the amount added to the ADRC grant category exceeds \$50,000. **Work Program #C17919**

Carol Sala, Administrator, Aging and Disability Services Division, Department of Health and Human Services (DHHS), explained the purpose of work program 78 was to bring in the balance of a federal grant received in October 2009 in the amount of \$198,000; the grant was to build on the structure of the Aging and Disability Resource Centers (ADRC). She said the ADRC Program Manager position was established in the 2009 Legislative Session through use of \$42,000 from Title III, Older Americans Act, \$17,000 from tobacco settlement funds and \$14,000 in General Fund match for the Title III funds.

Ms. Sala had testified during the 2009 Session as to how critical the ADRC Program Manager position was to get the division to a level to compete for future federal grants to continue to build on the ADRC project. She said award of this grant was a successful result. The grant was for three years, but only the first year of funding had been received; the remaining two years would be contingent on whether there was still funding available from the federal government for each year and whether the state could prove it was performing as outlined in the grant application.

Ms. Sala said the division had been moving forward with the steps to meet the goals of the grant. One of the major goals was to expand ADRC sites into rural areas. A request for proposal was issued earlier in the year to try to elicit interest in some of the rural areas, and sites had been expanded to Lyon County and potentially to Elko.

Continuing, Ms. Sala said another key component was working with the Department of Information and Technology (DoIT) to enter into a master services agreement (MSA) contract to help enhance the ADRC website. The website was being increased to provide several services; to house the registry for the deaf and hard of hearing; the housing registry; options and benefit counseling; e-learning solutions; and personal assistance services modules for providers. Ms. Sala remarked the division's goal was always to maximize its federal funding first and to revert as much General Fund as possible. It had a very involved cost allocation plan that provided 100-percent time tracking to all of the different activities of the division, which helped to ensure the division was meeting the match requirements for all of its federal grants and maximizing federal funds and reverting any available General Funds.

Assemblyman Bobzien asked if all of the work would be done by DoIT or if RFPs would be issued.

Ms. Sala replied the division had worked with DoIT on a master services agreement, and a contractor had been on board for two months. He had been working with the Synergy System, which was the division's data system that had some components for the different functionality of the website.

Assemblyman Bobzien affirmed that by working with DoIT, at the end of the project, the product could be taken forward and there would be no additional overhead. Ms. Sala said Assemblyman Bobzien was correct.

Senator Raggio affirmed the grant was for three years and asked if the commitment was for three years. Ms. Sala replied it was a three-year grant, but funding was only guaranteed for the first year. The next two years were not guaranteed; the division would have to demonstrate it was making progress, performing and meeting goals in order to receive funding in years two and three.

Considering the amount of the match being proposed, Senator Raggio asked if the division would be in a position to give that kind of assurance. Ms. Sala replied the division was using in-kind match through time tracking, and staff time could be allocated as match to the grant.

Senator Raggio asked if the division anticipated being in the position to show the goals were being met in order to qualify for the remaining two years. Ms. Sala replied she believed it would be, especially with the help of the contractor, who was already making major strides.

Assemblyman Denis asked if the division was using the grant funding in indirect costs as much as possible in order to revert as much General Fund as possible.

Brenda Berry, Aging and Disability Services Division, replied the grant was set up with a 5-percent match; since the match was in-kind, there was no way to revert administrative costs since they were being used as in-kind match for the grant.

ASSEMBLYMAN BOBZIEN MOVED FOR APPROVAL.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED.

- 79. Department of Health and Human Services – Aging and Disability Services Division – Developmental Disabilities – FY 2011 – Addition of \$130,429 in Medicaid Infrastructure grant funds to improve coordination of services among state agencies and community organizations with direct responsibilities to individuals with disabilities in their pursuit of competitive employment and facilitate a 2 percent job placement a year among the Ticket-to-Work holders in Nevada. Requires Interim Finance approval since the amount added to the Medicaid Infrastructure grant category exceeds \$50,000. **Work Program #C17768****

Refer to motion for approval under Item I.

- 80. Department of Health and Human Services – Aging and Disability Services Division – EPS/Homemaker Programs – FY 2011** – Addition of \$207,334 in Transfer from Healthy Nevada Funds and \$20,601 in Transfer from Aging federal grants and Administration cost allocation funds to assume responsibility for the Clark County Elder Protective Services (EPS) program. Requires Interim Finance approval since the amount added to the Purchase of Services category exceeds \$50,000. **Work Program #C18318**

Carol Sala, Administrator, Aging and Disability Services Division, explained item 80 was a work program that would allow the division to assume the functions of Elder Protective Services (EPS) responsibilities in Clark County. Historically, the division had only done a small percentage of investigations; it only investigated the Medicaid clients, and Clark County Social Services conducted the majority of the other investigations. As of July 1, the county was ceasing investigations and restructuring its own organization. The division had been working with several entities toward a smooth transition to ensure the most vulnerable seniors were not caught without assistance, especially when it came to abuse and neglect, exploitation and isolation. She said the work program would allow the division to hire the necessary staff to perform the same level of service delivery in the south as was being provided in the north. Ms. Sala said the division had been going through a transition over the last few months by slowly taking over Clark County cases as they came in; it began by taking every fourth call in February and by May it was taking 100 percent of the calls. Clark County had been working on cleaning up its ongoing cases. Social workers who had been providing services to the Homemaker Services Program were being shifted over and trained to become Elder Protective Services workers.

Assemblyman Denis asked how the caseloads were in the Homemaker Services Program with the shift of workers from that program to Elder Protective Services.

Ms. Sala replied the division had been working on the transition since September 2009, and there were several factors occurring. One was to start phasing out the intermittent family support workers who were actually state employees, because cost analyses showed it cost twice as much for an hour of service with a family support worker as opposed to contract providers, who were already in place for the Community Home-Based Initiatives Program (CHIP). In September there were about 500 clients, and that number was down to about 125. Several of the clients had increased their needs levels and were able to be shifted to the waivers because they needed higher levels of care. Some of the clients were not at the level of risk that warranted them being on the program and were attritioned off. Many clients shifted to different providers in the aging network that received grant funds from the division. She said the Homemaker Program would continue.

Assemblyman Denis again asked what the case levels were for the Homemaker Program and Elder Protective Services. Ms. Sala replied before the shift, the Homemaker Services Program case levels were at 500; they were now at 125, but that number would increase slightly, which translated to a caseload of about 40 clients per

caseworker. She asked Kay Panelli to address the caseloads for Elder Protective Services.

Kay Panelli, Chief of Elder Rights, explained Elder Protective Services caseload was not predetermined; it was based on the volume of reports that came into the division. Last year, 3,000 reports of elder abuse were investigated statewide. In the south, only those cases involving Medicaid were investigated by the division, which was probably a third of the volume of the EPS cases in Clark County. Since May 10, 2010, the division was taking all Clark County calls, and the average was about 55 reports per week; in the past the average was 19 a week. Statewide, the EPS caseload was about 56 cases per social worker.

Senator Raggio did not understand how the transfer would be funded. He asked if there was some revenue from the fact that Clark County was not transferring full responsibility, or if the revenue was coming from Homemaker Services or grant augmentations.

Ms. Sala replied the program was funded mostly by Title XX of the Social Security Act funds. The EPS and Homemaker programs were both in budget account 3252, which was Title XX funding. By attritioning off the family support workers, the division had a surplus of about \$605,000 in Title XX funds which, during the 26th Special Session, was allocated to the DHHS to apply to shortages in other areas. Ms. Sala said there was an understanding that when the EPS program was taken over on July 1, 2010, the division would need its Title XX funding whole again. She added there were also some tobacco settlement funds in the account. Finally, she said no funding was being received from Clark County. She noted that over the past few years, Clark County had been granted \$405,000 in tobacco settlement funds.

Senator Raggio noted tobacco settlement funds were depleting. He asked how Clark County was previously funding the entire program. Ms. Sala replied the tobacco settlement funded only part of the county's program; the total program was \$2 million.

Senator Raggio asked if the Committee approved the request pursuant to the agreement and then the division ended up with the entire program, what the cost would be to the state and how it would be funded.

Ms. Sala replied the majority of the funding for the EPS program was Title XX federal funds and some tobacco settlement funds.

In response to a question from Senator Raggio, Mr. Krmpotic indicated Fiscal staff did not have any issues or questions pertaining to the request. The tobacco settlement funds were depleting each year and probably would not be a sustainable funding source in the future. He said the Committee might be concerned that the program would become an obligation of the General Fund in the future, but it would depend on the availability of Title XX funding as well as tobacco settlement funds. The Legislature

would have the decision as to the level of funding and the level of service to be provided beyond fiscal year 2011.

Senator Raggio asked what the impact would be on the Homemaker Services program. Ms. Sala replied the current work program would free up the social workers that had been borrowed to phase into assuming the Elder Protective Services program.

Senator Raggio asked what the waiting lists were for the Homemaker Services program. Ms. Sala said she would provide that information to the Committee.

Cochair Horsford asked Ms. Sala to keep the Fiscal staff and Committee apprised of future planning and activities with both the expansion of the EPS program and the Homemaker Services program.

ASSEMBLYWOMAN MCCLAIN MOVED FOR APPROVAL.

THE MOTION WAS SECONDED BY ASSEMBLYMAN OCEGUERA.

THE MOTION CARRIED.

- 81. Department of Health and Human Services – Aging and Disability Services Division – Community Based Services – FY 2011** – Addition of \$65,625 in federal Lifespan Respite Care grant funds to expand and enhance respite services in the state; improve coordination and dissemination of service delivery; improve access and fill gaps in service delivery; and improve overall quality of respite services currently available. Requires Interim Finance approval since the amount added to the federal Lifespan Respite Care grant category exceeds \$50,000. **Work Program #C17742**

Refer to motion for approval under Item I.

- 82. Department of Health and Human Services – Aging and Disability Services Division – Community Based Services – FY 2010** – Addition of \$77,106 in Independent Living grant funds to provide services and devices to severely disabled people of all ages to allow them to improve basic functional capacities and live independently. This request also transfers \$157,632 from the Independent Living category to the Reserve for Reversion category to correct authority allocations made in a prior work program. Requires Interim Finance approval since the amount added to the Reserve for Reversion category exceeds \$50,000. **Work Program #C18230**

Refer to motion for approval under Item I.

- 83. Department of Health and Human Services – Division of Health Care Financing and Policy – Intergovernmental Transfer Program – FY 2011** – Addition of \$5,116,346 in School District Reimbursement funds for receipts into

the Intergovernmental Transfer (IGT) account for the Medicaid and Nevada Check-Up budgets to pay the state share of school-based medical claims funded by the school districts. Requires Interim Finance approval since the amount added to the Transfer to BA 3243 - Medicaid category exceeds \$50,000. **RELATES TO ITEMS 86 AND 87. Work Program #C18179**

Refer to motion for approval under Item I.

- 84. Department of Health and Human Services – Division of Health Care Financing and Policy – Administration – FY 2010** – Transfer of \$415,469 **\$209,238** from the Reserve for Resident Protection category to the Payments to state Agencies category to provide funding for nursing facility ombudsman activities and ~~ensure long term care facilities within the state have not violated Medicare and Medicaid licensing and certification regulations as required by the federal government.~~ Requires Interim Finance approval since the amount added to the Payments to State Agencies category exceeds \$50,000. **Work Program #C17955. REVISED JUNE 15, 2010.**

Refer to motion for approval under Item I.

- 85. Department of Health and Human Services – Division of Health Care Financing and Policy – Administration – FY 2011** – Addition of \$675,534 in Health Information Technology (HIT) grant funds and deletion of \$75,059 in federal Title XIX funds to assist in the state's planning, assessment, and analysis activities associated with implementing the health information technology (HIT) provisions under Sec. 4201 of ARRA. Requires Interim Finance approval since the amount added to the HIT grant category exceeds \$50,000. **Work Program #C18066**

Refer to motion for approval under Item I.

- 86. Department of Health and Human Services – Division of Health Care Financing and Policy – Nevada Check-Up Program – FY 2011** – Addition of \$505,121 in Transfer from Intergovernmental Transfers (IGT) Account funds to pay school based medical claims. Requires Interim Finance approval since the amount added to the Program Medical Expenditures category exceeds \$50,000. **RELATES TO ITEMS 83 AND 87. Work Program #C18138**

Refer to motion for approval under Item I.

- 87. Department of Health and Human Services – Division of Health Care Financing and Policy – Nevada Medicaid, Title XIX – FY 2011** – Addition of \$6,270,422 in federal Title XIX funds and \$4,611,225 in Transfer from Intergovernmental Transfer (IGT) Account funds to support school-based medical services. Requires Interim Finance approval since the amount added to the

School Based Services category exceeds \$50,000. **RELATES TO ITEMS 83 AND 86. Work Program #C18151**

Refer to motion for approval under Item I.

- 88. Department of Health and Human Services – Health Division – Cancer Control Registry – FY 2010** – Addition of \$34,223 in federal Indoor Radon grant funds and transfer of \$52,611 from the Personnel Services category to the Cancer Prevention and Control Program category to support the collection and processing of data for the Cancer Control Registry used to evaluate the measures for the prevention and control of cancer and to conduct comprehensive epidemiological surveys of cancer and cancer related deaths. Requires Interim Finance approval since the amount added to the Cancer and Prevention Control Program category exceeds \$50,000. **Work Program #C15773**

Refer to motion for approval under Item I.

Cochair Horsford announced items 89, 90 and 105 would be heard together.

- 89. Department of Health and Human Services – Health Division – Early Intervention Services – FY 2010** – Transfer of \$78,084 from the Medical Contracts Payments category to the Information Services category to support the professional clinic practice management system upgrade to meet federal requirements. Requires Interim Finance approval since the amount transferred from the Medical Contracts Payments category exceeds \$50,000. **Work Program #C17983**

Refer to testimony and motion for approval under item 105.

- 90. Department of Health and Human Services – Health Division – Early Intervention Services – FY 2010** – Transfer of \$75,522 from the Medical Contracts/Payments category to the Information Services category to support the replacement of computers. Requires Interim Finance approval since the amount added to the Information Services category exceeds \$50,000. **Work Program #C18069**

Refer to testimony and motion for approval under item 105.

- 91. Department of Health and Human Services – Health Division – WIC Food Supplement – FY 2010** – Addition of \$30,284 in federal Women, Infants, and Children (WIC) Breastfeeding Program grant funds to support the efforts to improve breastfeeding rates in Nevada. Requires Interim Finance approval since the amount added to the WIC Breastfeeding Program category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18005**

Refer to motion for approval under Item I.

92. **Department of Health and Human Services – Health Division – WIC Food Supplement – FY 2011** – Addition of \$672,227 in federal Women, Infants and Children (WIC) Breastfeeding grant funds to support the efforts to improve breastfeeding rates in Nevada. Requires Interim Finance approval since the amount added to the WIC Breastfeeding Program category exceeds \$50,000. **Work Program #C18003**

Refer to motion for approval under Item I.

93. **Department of Health and Human Services – Health Division – WIC Food Supplement – FY 2011** – Addition of \$188,495 in federal United States Department of Agriculture Women, Infant, and Children (WIC) Program grant funds to support four new positions as a result of increased participation. Requires Interim Finance approval since the request includes new positions. **Work Program #C18002**

Refer to motion for approval under Item I.

94. **Department of Health and Human Services – Health Division – Communicable Diseases – FY 2010** – Addition of \$761,403 in federal rebate funds and transfer of \$298 from the Nevada State Health Division Administrative Cost Allocation category to the Rebates category to support the Ryan White Program purchasing HIV/AIDS drugs for eligible clients as a result of increased program enrollment and higher inflation of drug prices than anticipated and to show that no indirect charges can be collected on the rebate funding. Requires Interim Finance approval since the amount added to the Rebates category exceeds \$50,000. **Work Program #C17320**

Refer to motion for approval under Item I.

95. **Department of Health and Human Services – Health Division – Health Facilities Hospital Licensing – FY 2011** – Addition of ~~\$657,362~~ **\$617,324** in Licenses and Fees to support the duties required in A.B. 10 (retaliation or discrimination against nursing staff), A.B. 20 (criminal history review of the applicant, licensee, employees, or independent contractors), A.B. 112 (causes of disease, epidemics, source of mortality, nuisances affecting the public health, and other matters), A.B. 121 (staffing plans and related records and requirements), and A.B. 123 (permit and national accreditation requirements) of the 2009 Legislative Session. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000 and the request includes new positions. **Work Program #C17941. REVISED JUNE 15, 2010.**

Refer to motion for approval under Item I.

96. **Department of Health and Human Services – Health Division – Health Facilities Hospital Licensing – FY 2011** – Addition of \$146,321 in Transfer from

the Department of Health and Human Services - Division of Health Care Financing and Policy (DHCFP) to support a contract with the University of Nevada, Las Vegas, School of Community Health Sciences to analyze data regarding infectious disease outbreaks in Nevada's skilled nursing homes and to develop work plans, infection control policies and procedures, and training tools and procedures to educate facility staff, residents and surveyors to prevent or reduce outbreaks of infectious diseases. Requires Interim Finance approval since the amount added to the Infectious Disease Project - DHCFP category exceeds \$50,000. **Work Program #C18289**

Refer to motion for approval under Item I.

- 97. Department of Health and Human Services – Health Division – Health Facilities Hospital Licensing – FY 2011** – Addition of \$85,462 in Healthcare Associated Infections (HAI) grant funds to support drafting and implementing a state HAI prevention plan, which includes the essential elements of the HHS action plan and is based on scientifically verified methods of infection prevention and control. A multi-disciplinary advisory group will also be formed from stakeholders across the health sector to participate in the development phase and provide counsel on an on-going basis. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C18307**

Refer to motion for approval under Item I.

- 98. Department of Health and Human Services – Health Division – Public Health Preparedness Program – FY 2010** – Addition of \$1,345,790 in federal Public Health Emergency Preparedness grant funds; transfer of \$91,487 from the Operating category to the Public Health Emergency Preparedness category; transfer of \$439,906 from the Transfer Assistant Secretary for Preparedness and Response (ASPR) Funds to Budget Account 3194 category to the Public Health Emergency Preparedness category; and transfer of \$112,392 from the Division Cost Allocation category to the Public Health Emergency Preparedness category to support the development of material acquisition and distribution plans, including a comprehensive and operational plan for the Strategic National Stockpile, assess and improve disease reporting throughout the state, continue the development of Pandemic Influenza Continuity of Operations (COOP) plans and continue testing Nevada's capability to effectively execute a statewide mass vaccination operation among all four health jurisdictions. Requires Interim Finance since the amount added to the Public Health Emergency Preparedness category exceeds \$50,000. **Work Program #C17148**

Refer to motion for approval under Item I.

- 99. Department of Health and Human Services – Health Division – Public Health Preparedness Program – FY 2011** – Addition of \$232,246 in federal Assistant

Secretary for Preparedness and Response (ASPR) H1N1 grant funds to support activities to mass vaccinate hospital staff and their families, to develop employee workplace policies, to purchase personal protective equipment and systems, and to establish alternate care sites statewide. Requires Interim Finance approval since the amount added to the ASPR H1N1 grant category exceeds \$50,000. **Work Program #C18090**

Refer to motion for approval under Item I.

- 100. Department of Health and Human Services – Health Division – Public Health Preparedness Program – FY 2011** – Addition of \$5,918,896 in federal Centers for Disease Control and Prevention (CDC) H1N1 grant funds to support the preparedness for the Pandemic H1N1 Influenza vaccination and other mass vaccination planning. Requires Interim Finance approval since the amount added to the CDC H1N1 grant category exceeds \$50,000. **Work Program #C18097**

Refer to motion for approval under Item I.

- 101. Department of Health and Human Services – Health Division – Chronic Disease – FY 2010** – Deletion of \$41,025 in federal Diabetes grant funds and transfer of \$9,159 from the Personnel Services category to the Diabetes Program category to support the subgrants to increase diabetes self-management among the minority populations. Requires Interim Finance approval since the amount deducted from the Personnel Category exceeds \$50,000. **Work Program #C17845**

Refer to motion for approval under Item I.

- 102. Department of Health and Human Services – Health Division – Chronic Disease – FY 2010** – Addition of \$54,720 in federal National Cancer Prevention and Control grant funds and transfer of \$252,501 from the Personnel Services category to the National Cancer and Prevention Control category to support reducing cancer incidence, morbidity, and mortality through prevention, early detection, treatment, rehabilitation and palliation. Requires Interim Finance approval since the amount transferred to the National Cancer and Prevention Control category exceeds \$50,000. **Work Program #C17921**

Refer to motion for approval under Item I.

- 103. Department of Health and Human Services – Health Division – Maternal Child Health Services – FY 2010** – Addition of \$6,401 in federal Oral Health grant funds and transfer of \$15,461 from the Division Cost Allocation category to the Oral Health Prevention category to support the evaluation of statewide oral health initiatives, partnership development, technical assistance and data collection of school-based dental sealant programs, as well as other program activities. Requires Interim Finance approval since the amount added to the Oral

Health category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C17097**

Refer to motion for approval under Item I.

- 104. Department of Health and Human Services – Health Division – Community Health Services – FY 2010** – Addition of \$145,170 in H1N1 funds transferred from the Public Health Preparedness Program and deletion of \$21,285 in Charges for Family Planning Services and \$31,543 in Charges for Services - Other Fund to reflect the decrease in charges for services as personnel were redirected to support the response to the H1N1 pandemic. Requires Interim Finance approval since the cumulative change to the Personnel Services category exceeds \$50,000. **Work Program #C17825**

Refer to motion for approval under Item I.

As previously indicated, Cochair Horsford announced items 89, 90 and 105 would be heard together.

- 105. Department of Health and Human Services – Health Division – Community Health Services – FY 2010** – Addition of \$94,285 in federal Family Planning Program grant funds; transfer of \$21,779 from the Personnel Services category to the Information Services category; ***transfer of \$623 from the Personnel Services category to the Reserve for Reversion category***; transfer of \$62,458 from the Operating category to the Information Services category; and transfer of \$17,979 from the Operating category to the Family Planning category to fund software license upgrade and maintenance agreement and family planning contraceptive options. Requires Interim Finance approval since the amount added to the Family Planning category exceeds \$50,000. **Work Program #C17780. REVISED JUNE 14, 2010.**

Phil Weyrick, Administrative Services Officer, Health Division. Department of Health and Human Services, introduced Janelle Mulvenan, Bureau Chief, Early Intervention Services, Health Division.

Mr. Weyrick explained work programs 89, 90 and 105 addressed improvements to the division's licensing and software program used in early intervention and nursing called Lytec. Lytec had been used for a number of years, and its functions included basic scheduling, collection of demographic data, medical coding, proof of income and basic accounts receivable. He said items 89 and 105 were requests to renew the licenses and software maintenance agreement and to upgrade a Lytec MD program, which would provide significant additional capabilities, including:

- Compliance with A.B. 87 of the 2009 Legislative Session concerning debt collection and accounts receivable.

- Compliance with the federal electronic medical records requirements that would be coming in the next few years.
- Medical billing capability. There had been issues with trying to collect the appropriate fees included in the budget.

Continuing, Mr. Weyrick explained item 105 involved federal family planning grant funding, carryover funds that were specifically approved for this purpose. The funding would expire on June 30, 2010. He said Fiscal staff had some concerns that the initiative in the nursing program might be somewhat personality driven, but he assured the Committee the division had the full support of Dr. Green, the State Health Officer, and the Grants Management Unit of the Office of Public Health and Science to make sure these initiatives were carried out.

Mr. Weyrick went on to say that item 89, a companion to item 105, requested authority to purchase the same Lytec software for Early Intervention Services budget account 3208. There were 110 licenses, and they were concurrent users and not tied to an individual person. He said the two budget accounts had been linked to the purchase of the software because there were significant cost savings in doing so instead of purchasing a license for each budget account.

Item 90 was a request to purchase 63 replacement computers for the north, south and rural areas. Mr. Weyrick said most of the computers in budget account 3208 were very old, purchased prior to 2004, and were starting to have significant problems. He acknowledged that both he and Fiscal staff were concerned that overall management, i.e., a master plan, for computer equipment replacement had been lacking over the last several years. Mr. Weyrick had been working with the department's information technology staff to develop a replacement plan to be included in the 2012-13 biennium budget. The 63 computers represented 20-25 percent of the computers in the budget account, which he believed was a reasonable start toward establishment of a standard five-year replacement program.

Mr. Weyrick further explained that items 89 and 90 were originally requested to move funding from category 12, General Fund appropriation, to category 26. However, he just learned that there was a waiting list in the north due to the fact a contractor was not in place to serve that population; a contract should be in place by July. Once it was realized there was a waiting list, the Health Division administration did not feel it was appropriate to use General Fund that was specifically set aside for caseload to buy computers or software. A supplemental source of funding, the Individuals with Disabilities Education Act (IDEA) Part C grant, had sufficient savings to purchase the software and equipment. Therefore, item 89 would be revised from a negative \$78,084 in category 12 to a negative \$78,084 in category 13, with the funds transferring to category 26. Item 90 would be revised from a negative \$75,552 from category 12 to a negative \$75,552 in category 13, IDEA Part C funds.

Mr. Krmpotic remarked the revisions would not change the purpose of the work programs, but would only change the funding sources.

Assemblyman Denis asked if upgrading the software would provide the ability to receive more revenue.

Mr. Weyrick replied the software contained a robust workload tracking system. The nurses were currently relying on paper to track their time and effort, and the new software would have the capability to track electronically and link to the billing module. The data would only have to be entered once, whereas now two entries were required.

Assemblyman Denis asked if the dollar amount had been quantified.

Janelle Mulvenan, Bureau Chief, Early Intervention Services, replied an amount had not yet been quantified. She explained that when an early intervention professional saw a child and a family and provided those services, progress notes were written and hand delivered to the fiscal office. The software upgrade would allow the professional's electronic progress notes to be directly linked to the billing function. The Lytec system would also allow daily reconciliation of appointments with progress notes and billing information. She added that currently the billing staff was entering all demographic data by hand.

Assemblyman Denis surmised the update would provide more computer capabilities, which he assumed would require high-speed lines, and he wondered if the rural clinics would be able to utilize the system.

Mr. Weyrick replied funding was available for installation of T-1 lines. The lines and increase in horsepower were part of the upgrade package. In response to questions from Assemblyman Denis, he confirmed that all of the computers in the Early Intervention Services unit were utilized full time.

Assemblywoman Smith asked Fiscal staff if the request was precedent setting; it was unusual to transfer funds in this manner.

Tracy Raxter, Assembly Fiscal Analyst, responded that the General Fund had been approved for caseloads, and it was now being recommended to be utilized for replacement of computers. He said typically caseload funding was set aside just for caseload in the Executive Budget. It was considered a maintenance decision unit, whereas equipment and software were typically an enhancement. Mr. Raxter said this was not in accordance with the way the Executive Budget was built; two different types of decision units were being mixed.

ASSEMBLYMAN DENIS MOVED TO APPROVE ITEMS 89 AND 105.

THE MOTION WAS SECONDED BY SENATOR MATHEWS.

THE MOTION CARRIED.

ASSEMBLYMAN DENIS MOVED TO APPROVE ITEM 90 WITH A 20 PERCENT COMPUTER REPLACEMENT SCHEDULE.

THE MOTION WAS SECONDED BY ASSEMBLYMAN GRADY.

Assemblywoman Smith said she was concerned with setting precedent by moving funds from one area to another. She realized that the efficiencies were needed and better service needed to be provided, but she cautioned against making these types of decisions in the future.

THE MOTION CARRIED.

Mr. Krmpotic noted the motions to approve items 89 and 90 included amendments as described by Mr. Weyrick. The motion for item 90 included replacement of computers at 20 percent, which would reduce the work program to \$61,149 from approximately \$63,000.

106. Department of Health and Human Services – Health Division – Community Health Services – FY 2011 – Addition of \$124,000 in Gifts and Donations funds to support the operations of the Community Health Nursing Program. Requires Interim Finance approval since the amount added to the United Health Settlement category exceeds \$50,000. **Work Program #C17794. REVISED JUNE 14, 2010.**

Refer to motion for approval under Item I.

107. Department of Health and Human Services – Division of Welfare and Supportive Services – Administration – FY 2010 – Addition of \$750,000 in Supplemental Nutrition Assistance Program (SNAP) funds per section 1001 of P.L. 111-118 to help address increased SNAP caseload. Requires Interim Finance approval since the amount added to the Transaction Costs category exceeds \$50,000. **Work Program #C17524**

Refer to motion for approval under Item I.

108. Department of Health and Human Services – Division of Welfare and Supportive Services – Administration – FY 2011 – Addition of \$348,836 in federal Supplemental Nutrition Assistance Program (SNAP) funds and \$334,812 in federal Title XIX funds to balance forward a portion of available authority to continue the development of the Eligibility Operations Data System Enhancement project. Requires Interim Finance approval since the amount added to the 20 percent Efficiency Increase category exceeds \$50,000. **RELATES TO ITEMS 15 AND 17. Work Program #C17931**

Refer to motion for approval under Item I.

- 109. Department of Health and Human Services – Division of Welfare and Supportive Services – Administration – FY 2011** – Addition of \$716,489 in Supplemental Nutrition Assistance Program (SNAP) funds as authorized by section 1001 of P.L. 111-118 to help address increased SNAP caseload. Requires Interim Finance approval since the amount added to the transaction costs category exceeds \$50,000. **Work Program #C17737**

Refer to motion for approval under Item I.

- 110. Department of Health and Human Services – Division of Welfare and Supportive Services – Administration – FY 2011** – Addition of \$158,363 in federal Child Support Program funds, \$97,581 in Federal Incentive funds, and \$248,816 in federal Temporary Assistance for Needy Families (TANF) Program funds and deletion of \$16,000 in State Share of Collections Transferred from the Child Support Enforcement Program to balance forward funds for the Crystal Reports project. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C18137**

Refer to motion for approval under Item I.

- 111. Department of Health and Human Services – Division of Welfare and Supportive Services – Assistance to Aged and Blind – FY 2010** – Deletion of \$150,000 in Budgetary Transfers to transfer funds to Field Services due to increased Supplemental Nutrition Assistance Program (SNAP) administrative costs. SNAP administrative costs require 50 percent state general fund match. **Requires Interim Finance approval per A.B. 562, Section 46 of the 2009 Legislative Session. RELATES TO ITEM 112. Work Program #C18088**

Refer to motion for approval under Item I.

- 112. Department of Health and Human Services – Division of Welfare and Supportive Services – Field Services – FY 2010** – Addition of \$150,000 in Budgetary Transfers and deletion of \$150,000 in federal Temporary Assistance for Needy Families (TANF) Program funds due to increased Supplemental Nutrition Assistance Program (SNAP) administrative costs. SNAP administrative costs require 50 percent state general fund match. **Requires Interim Finance approval per A.B. 562, Section 46 of the 2009 Legislative Session and the amount involves the allocation of block grant funds and this action requires a public hearing. RELATES TO ITEM 111. Work Program #C18207**

Refer to motion for approval under Item I.

- 113. Department of Health and Human Services – Division of Welfare and Supportive Services – Field Services – FY 2010** – Addition of \$675,000 in Budgetary Transfers and deletion of \$675,000 in federal Temporary Assistance for

Needy Families (TANF) Program funds due to increased Supplemental Nutrition Assistance Program (SNAP) administrative costs. SNAP administrative costs require 50 percent state general fund match. **Requires Interim Finance approval per A.B. 3, Section 36 from the 26th Special Session and the amount involves the allocation of block grant funds and this action requires a public hearing. RELATES TO ITEM 123. Work Program #C18208**

Refer to motion for approval under Item I.

- 114. Department of Health and Human Services – Division of Welfare and Supportive Services – Child Support Enforcement Program – FY 2011 –** Addition of \$210,617 in federal Child Support Program funds and \$1,500,000 in Balance Forward from Previous Year to implement a new pilot program with the Eighth Judicial District Court to increase court calendar time to improve child support collections. Requires Interim Finance approval since the amount added to the New Court Calendar category exceeds \$50,000. **Work Program #C17799**

Refer to motion for approval under Item I.

- 115. Department of Health and Human Services – Division of Welfare and Supportive Services – Child Support Enforcement Program – FY 2011 –** Addition of \$1,113,847 in federal Child Support Program funds and \$319,302 in federal Incentive funds to balance forward available authority from FY 2010 into FY 2011 to improve the effectiveness and efficiency of the Child Support Enforcement Program. Requires Interim Finance approval since the amount added to the federal Incentive Award category exceeds \$50,000. **Work Program #C18196**

Refer to motion for approval under Item 116.

- 116. Department of Health and Human Services – Division of Welfare and Supportive Services – Child Support Federal Reimbursement – FY 2011 –** Addition of \$2,936,015 in federal Child Support Program funds and \$1,512,492 in Federal Incentive funds to balance forward available funds from FY 2010 into FY 2011 to complete projects that enhance the Child Support Enforcement program. Requires Interim Finance approval since the amount added to the Incentives - In-State category exceeds \$50,000. **Work Program #C18054**

ASSEMBLYWOMAN MASTROLUCA MOVED FOR APPROVAL OF ITEMS 115 AND 116.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED.

Senator Mathews was not present for the vote.

- 117. Department of Health and Human Services – Division of Welfare and Supportive Services – Child Assistance and Development – FY 2011 –** Addition of \$293,156 in federal Discretionary grant funds to balance forward a portion of the available authority to improve the performance of the Nevada Child Care System (NCCS) and tune the system for maximum efficiency and operability. Requires Interim Finance approval since the amount added to the Information Services category exceeds \$50,000. **Work Program #C17936**

Refer to motion for approval under Item I.

- 118. Department of Health and Human Services – Division of Welfare and Supportive Services – Energy Assistance Program – FY 2011 –** Addition of \$5,499,115 in Low Income Home Energy Assistance (LIHEA) block grant funds to continue contract staffing to meet caseload increases, address increased usage of intake sites, complete the EAP information technologies initiative, provide eight new work stations, and additional funding for payments to clients. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C18019**

Refer to motion for approval under Item I.

- 119. Department of Health and Human Services – Mental Health and Developmental Services – Northern Nevada Adult Mental Health Services – FY 2010 –** Transfer of \$198,643 from the Personnel Services category to the Professional Services category to provide funding for contracted psychiatric services. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds \$50,000. **Work Program #C18017**

Refer to motion for approval under Item I.

- 120. Department of Health and Human Services – Mental Health and Developmental Services – Northern Nevada Adult Mental Health Services – FY 2011 –** Transfer of \$1,094,026 from the Personnel Services category to the Professional Services category and \$138,305 from the Personnel Services category to the Northern Nevada Adult Mental Health Services (NNAMHS) Psychiatric Residency Program category to provide funding for contracted psychiatric services. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds \$50,000. **Work Program #C18059**

Refer to motion for approval under Item I.

- 121. Department of Health and Human Services – Mental Health and Developmental Services – Rural Regional Center – FY 2010 –** Addition of \$91,081 in federal Fernley Disaster Relief grant funds to assist

individuals who were residing in the Fernley area from July 1, 2009, through September 30, 2010. Requires Interim Finance approval since the amount added to the Fernley Disaster Relief grant category exceeds \$50,000. **Work Program #C15598**

Refer to motion for approval under Item I.

- 122. Department of Health and Human Services – Mental Health and Developmental Services – Desert Regional Center – FY 2010** – Deletion of \$650,000 in Budgetary Transfers to provide funding for a projected shortfall in budget account 3645 - Facility for the Mental Offender and budget account 3648 - Rural Clinics. Requires Interim Finance approval pursuant to A.B. 3, Section 36 of the 26th Special Session. **RELATES TO ITEMS 124 AND 126. Work Program #C18082**

Refer to motion for approval under Item I.

- 123. Department of Health and Human Services – Mental Health and Developmental Services – Desert Regional Center – FY 2010** – Deletion of \$675,000 in Budgetary Transfers to provide funding for a projected shortfall in the Division of Welfare and Supportive Services. Requires Interim Finance approval pursuant to A.B. 3, Section 36 of the 26th Special Session. **RELATES TO ITEM 113. Work Program #C18203**

Refer to motion for approval under Item I.

- 124. Department of Health and Human Services – Mental Health and Developmental Services – Facility for the Mental Offender – FY 2010** – Addition of \$350,000 in Budgetary Transfers to provide funding for a projected shortfall in the Personnel Services category. **Requires Interim Finance approval pursuant to A.B. 3, Section 36 of the 26th Special Session. RELATES TO ITEMS 122 AND 126. Work Program #C18108**

Refer to motion for approval under Item I.

- 125. Department of Health and Human Services – Mental Health and Developmental Services – Rural Clinics – FY 2010** – Deletion of \$412,424 in Fernley Disaster Relief grant funds and transfer of \$157,164 from the Professional Services category to the Fernley Disaster Relief grant category and \$20,000 from the Professional Services category to the Reserve for Reversion to the General Fund category to track authority and expenditures associated with the Fernley Disaster Relief grant separately from other standard categories and align authority with anticipated costs for FY 2010. Requires Interim Finance approval since the amount transferred to the Fernley Disaster Relief grant category exceeds \$50,000. **Work Program #C17499**

Refer to motion for approval under Item I.

- 126. Department of Health and Human Services – Mental Health and Developmental Services – Rural Clinics – FY 2010** – Addition of \$300,000 in Budgetary Transfers to provide funding for a projected shortfall in the Personnel Services category. **Requires Interim Finance approval pursuant to A.B. 3, Section 36 of the 26th Special Session. RELATES TO ITEMS 122 AND 124. Work Program #C18096**

Refer to motion for approval under Item I.

- 127. Department of Health and Human Services – Mental Health and Developmental Services – Rural Clinics – FY 2010** – Transfer of \$50,000 from the Contracted Clinician category to the Professional Services category to fund contract doctors who support current agency operations and maintain quality patient care. Requires Interim Finance approval since the cumulative change to the Professional Services category exceeds \$50,000. **Work Program #C18115**

Refer to motion for approval under Item I.

- 128. Department of Health and Human Services – Mental Health and Developmental Services – Rural Clinics – FY 2010** – Addition of \$129,000 in Community Mental Health Services (CMHS) Block Grant funds and a transfer of \$3,000 from the In-State Travel category to the CMHS category to fund outpatient mental health staff salaries and acquire additional supplies, equipment, and interpretive resources to enhance staff's ability to treat children at all Rural Services locations. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C18060**

Refer to motion for approval under Item I.

- 129. Department of Health and Human Services – Division of Child and Family Services – Washoe County Integration – FY 2010** – Addition of \$986,529 in federal Child Welfare Title IV-E funds to accept the American Recovery and Reinvestment Act (ARRA) increased federal medical assistance percentage (FMAP) not included in the legislatively-approved budget for child welfare services including substitute care, foster care licensing services, adoption services, Interstate Compact on the Placement of Children (ICPC) program, and intensive family services. Requires Interim Finance approval since the amount added to the IV-E Washoe County category exceeds \$50,000. **Work Program #C17729**

Refer to motion for approval under Item I.

- 130. Department of Health and Human Services – Division of Child and Family Services – Clark County Integration – FY 2010** – Addition of \$7,324,558 in federal Child Welfare Services Title IV-E funds to support child welfare services that include substitute care, foster care licensing services, adoption services,

Interstate Compact on the Placement of Children (ICPC) program, and intensive family services. Requires Interim Finance approval since the amount added to the Pass Through category exceeds \$50,000. **Work Program #C17952**

Refer to motion for approval under Item I.

- 131. Department of Health and Human Services – Division of Child and Family Services – UNITY/SACWIS – FY 2010** – Addition of \$83,496 in Budgetary Transfer from Rural Child Welfare to cover personnel costs through the remainder of FY 2010. **Requires Interim Finance approval pursuant to A.B. 562, Section 51 of the 2009 Legislative Session. RELATES TO ITEM 137. Work Program #C17436**

Refer to motion for approval under Item I.

- 132. Department of Health and Human Services – Division of Child and Family Services – Children, Youth and Family Administration – FY 2010** – Addition of \$196,782 in Budgetary Transfers from the Juvenile Correction Facility budget account to cover unanticipated room and board expenses for non-custody mental health placements. **Requires Interim Finance approval pursuant to A.B. 3, Section 36 of the 26th Special Session. RELATES TO ITEM 133. Work Program #C18251**

Refer to motion for approval under Item I.

- 133. Department of Health and Human Services – Division of Child and Family Services – Juvenile Correctional Facility – FY 2010** – Deletion of \$196,782 in Budgetary Transfers to cover unanticipated room and board expenses for non-custody mental health placements in the division's administration account. **Requires Interim Finance approval pursuant to A.B. 3, Section 36 of the 26th Special Session. RELATES TO ITEM 132. Work Program #C18278**

Refer to motion for approval under Item I.

- 134. Department of Health and Human Services – Division of Child and Family Services – Child Care Services – FY 2010** – Transfer of \$34,392 from the Reserve category to the Operating Expenses category to support the operating costs for licensing and monitoring child care facilities. Requires Interim Finance approval since the amount added to the Operating Expenses category exceeds 10 percent of the legislatively-approved level for that category. **Work Program #C17555**

Refer to testimony and motion for approval under item 135.

- 135. Department of Health and Human Services – Division of Child and Family Services – Child Care Services – FY 2011** – Addition of \$13,755 ~~\$20,340~~ in Child

Care Facility Licenses fees and ~~\$122,497~~ **\$131,670** in Child Care Development Block Grant (CCDF) funds to add 4.25 new positions to support the child care licensing responsibility which Clark County is reverting back to the state. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C18221. REVISED JUNE 15, 2010**

Diane Comeaux, Administrator, Division of Child and Family Services, Department of Health and Human Services, explained item 134 was a work program to transfer funds from the reserve category to operating to cover projected expenditures through the end of the fiscal year for the Child Care Services Bureau.

Item 135, Ms. Comeaux continued, was also for the Child Care Services Bureau. The work program would establish authority to add 4.25 positions to assume the child care licensing responsibilities from Clark County. She said the change would go into effect September 1, 2010.

Item 135 involved a block grant and required a public hearing. Cochair Horsford asked if there was anyone in the audience wishing to testify. There was no public testimony.

SENATOR MATHEWS MOVED FOR APPROVAL.

ASSEMBLYMAN ARBERRY SECONDED THE MOTION.

Cochair Horsford asked why the leased office space in southern Nevada exceeded what was needed for the program at this time. Ms. Comeaux replied the space was located in one of the neighborhood care centers, and the total leased space was 33,000 square feet. She said the process to negotiate the lease began in February 2007, and the division actually moved into the space in December 2009. She explained the division was aware that it would be assuming the additional responsibilities for child care licensing when the lease was being negotiated, but the number of cases was unknown, and therefore the future staffing needs were also unknown. Ms. Comeaux said four additional staff were being requested, and there was still excess space. Consideration was being given to moving other entities to occupy the excess area, which would probably take place September 1 when the other entities' leases were due to expire.

THE MOTION CARRIED.

136. Department of Health and Human Services – Division of Child and Family Services – Caliente Youth Center – FY 2010 – Deletion of \$11,031 in Workforce Investment American Recovery and Reinvestment Act (ARRA) of 2009 funds to return remaining authority to the Department of Employment, Training and Rehabilitation (DETR) to make funds available for other projects. Requires Interim Finance approval since the cumulative change to the DETR Workforce Investment ARRA Funds category exceeds \$50,000. **Work Program #C17899**

Refer to motion for approval under Item I.

- 137. Department of Health and Human Services – Division of Child and Family Services – Rural Child Welfare – FY 2010** – Deletion of \$83,496 in Budgetary Transfer to cover personnel costs for the division's information services budget through the remainder of fiscal year. **Requires Interim Finance approval pursuant to A.B. 562, Section 51 of the 2009 Legislative Session. RELATES TO ITEM 131. Work Program #C18233**

Refer to motion for approval under Item I.

- 138. Department of Employment, Training and Rehabilitation – Administrative Services – Administration – FY 2011** – Transfer of \$96,521 from the Reserve category to the Personnel Services category; \$4,868 from the Reserve category to the Operating category; \$3,915 from the Reserve category to the Information Services category; and \$500 from the Reserve category to the Training category to fund two new permanent positions in the Financial Management section in order to maintain acceptable customer service levels, enhance internal controls, and improve fiscal analysis of grants and other funding sources. Requires Interim Finance approval since the amount transferred to the Personnel Services category exceeds \$50,000 and this request includes new positions. **Work Program #C18012**

Renee Olsen, Chief Financial Officer, Department of Employment, Training and Rehabilitation (DETR), explained item 138 was a request for two new Management Analyst positions for the Financial Management unit. One position would be a Management Analyst III to serve as supervisor of the budget and fiscal analysis staff. The second position, a Management Analyst I, would provide general fiscal support and be responsible for special projects, ad hoc information requests, coordination of audits, federal reports and maintaining and organizing financial management databases and systems.

ASSEMBLYMAN DENIS MOVED FOR APPROVAL.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblywoman McClain was not present for the vote.

- 139. Department of Employment, Training and Rehabilitation – Administrative Services – Information Development and Processing – FY 2011** – Transfer of \$116,698 from the Reserve category to the Personnel Services category; \$1,000 from the Reserve category to the In-State Travel category; \$4,868 from the Reserve category to the Operating category; \$3,915 from the Reserve category to the Information Services category; and \$2,000 from the Reserve category to the Training category to fund two new permanent positions to add vital software developer and business analyst resources to aid in the implementation and maintenance of multiple federal and state mandated unemployment insurance benefit programs; American Recovery and Reinvestment Act (ARRA) programs;

and workforce development projects. Requires Interim Finance approval since the amount transferred to the Personnel Services category exceeds \$50,000 and this request includes new positions. **Work Program #C18053**

Renee Olsen, Chief Financial Officer for DETR, explained item 139 was a request for two information technology positions to add much-needed software developer and business analyst resources for the implementation and ongoing support of DETR systems.

Cochair Horsford asked if the department had a sustainable funding source to maintain the positions in the future. Ms. Olsen replied yes, the department had a sustainable funding source. The primary funding for the budget account was cost allocation; however, when positions were directly in support of unemployment insurance programs, the funding for the program would be at least at the current level, if not increased, over the next five or six years.

Assemblyman Denis recalled the Legislature approved two positions during the 2009 Session, and he affirmed the current request was for two additional positions.

Dave Haws, Information Development and Processing Administrator, DETR, replied Assemblyman Denis was correct. He said the workload continued to increase as a result of the high unemployment rates, as well as an increase in the number of grants coming through for different projects that had to be completed. The two positions were necessary to continue those activities.

In response to a question from Mr. Denis, Mr. Haws explained the agency had begun to use Sharepoint for heavy collaboration with an agency, specifically to allow more efficiency when working with one another or across different locations. The application had been maintained with different staff, and now it was necessary to have a full-time position to perform coding and provide support.

ASSEMBLYMAN DENIS MOVED FOR APPROVAL.

ASSEMBLYMAN ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED.

140. Department of Employment, Training and Rehabilitation – Rehabilitation Division – Disability Adjudication – FY 2010 – Transfer of \$50,000 from the Personnel Services category to the Operating category and \$175,000 from the Personnel Services category to the Medical Determination category in order to adequately fund anticipated costs for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred from the Personnel Services category exceeds \$50,000. **Work Program #C18106**

Refer to motion for approval under Item I.

Cochair Horsford announced that items 141, 143 and 144 would be heard together.

- 141. Department of Employment, Training and Rehabilitation – Rehabilitation Division – Disability Adjudication – FY 2011** – Addition of \$1,500,000 in federal Disability Determination grant funds in order to fund the Social Security Administration's planned program expansion of adding an additional 23 positions, enabling the Bureau of Disability Adjudication to adequately respond to Nevada's citizens requesting disability services. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000 and this request includes new positions. **Work Program #C17926**

Refer to testimony and motion for approval under item 144.

- 142. Department of Employment, Training and Rehabilitation – Rehabilitation Division – Disability Adjudication – FY 2011** – Addition of \$77,100 in federal Disability Determination grant funds to continue support for one new position and ancillary costs authorized by the Social Security Administration (SSA) and the Interim Finance Committee approved in FY 2010. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C17996**

Refer to motion for approval under Item I.

- 143. Department of Employment, Training and Rehabilitation – Rehabilitation Division – Disability Adjudication – FY 2011** – Addition of \$260,084 in federal Disability Determination grant funds to provide additional funding for relocation of the Las Vegas Bureau of Disability Adjudication office as part of a previously approved expansion. This request includes moving, telephone and data wiring, alarm system, cubicles and additional furniture costs. Requires Interim Finance approval since the amount added to the Equipment category exceeds \$50,000. **Work Program #C18013**

Refer to testimony and motion for approval under item 144.

- 144. Department of Employment, Training and Rehabilitation – Rehabilitation Division – Disability Adjudication – FY 2011** – Addition of \$236,099 in federal Disability Determination grant funds to provide additional funding for relocation of the Carson City Bureau of Disability Adjudication office as part of a previously approved expansion. This request includes the purchase of a telephone system and the balance forward of remaining moving authority from FY 2010. Requires Interim Finance approval since the amount added to the Equipment category exceeds \$50,000. **Work Program #C18139**

Renee Olsen, Chief Financial Officer, DETR, explained item 141 was a request for 23 new permanent positions for the Bureau of Disability Adjudication to meet current

and anticipated workload demands. The positions would include 20 Adjudicator IV positions, 2 Adjudication Supervisors and 1 Operations Manager.

Assemblywoman Smith asked for information concerning the agency's existing vacancies.

Deborah Braun, Administrator, Rehabilitation Division, replied a recruitment had just been closed on June 16, and the agency was in the process of filling the vacant positions. Ms. Braun said between 100 and 200 applications were received when the agency conducted a recruitment, and she was confident the 8 vacant positions, as well as the 23 additional positions being requested, could be filled.

ASSEMBLYWOMAN SMITH MOVED FOR APPROVAL OF ITEMS
141, 143 AND 144.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

Senator Rhoads asked if there was a freeze on hiring new positions. Ms. Olsen replied there was a freeze, but the program was 100 percent federally funded. The agency had been working in partnership with the Social Security Administration, which had advised the agency to add the additional staff in order to keep up with the workload.

THE MOTION CARRIED.

- 145. Department of Employment, Training and Rehabilitation – Rehabilitation Division – Blind Business Enterprise Program – FY 2011** – Addition of \$830,001 in federal pass-through contract revenue from the Department of Defense to process payments to the blind vendor serving the Fallon Naval Air Station. Requires Interim Finance approval since the amount added to the Business Enterprise category exceeds \$50,000. **Work Program #C17546**

Refer to motion for approval under Item I.

- 146. Department of Employment, Training and Rehabilitation – Employment Security – FY 2011** – Addition of \$1,192,029 in Wagner Peyser Employment Services 7B Reserve grant funds to reestablish unexpended FY 2010 authority in order to comply with requirements in the Wagner Peyser grant to designate 10 percent of the grant award for services for groups with special needs. Requires Interim Finance approval since the amount added to the Employment Services 7B Reserve category exceeds \$50,000. **Work Program #C17923**

Refer to motion for approval under Item I.

- 147. Department of Employment, Training and Rehabilitation – Employment Security – FY 2011** – Addition of \$715,942 in federal Administrative Cost Allowance grant funds and \$371,391 in federal Workforce Investment Act (WIA) grant funds to align federal grant funding with state budget authority and continue

funding for 13 new front-line support and supervisory positions approved in FY 2010 to maintain acceptable service levels and program requirements for 5 operational units. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C17935**

Refer to motion for approval under Item I.

- 148. Department of Employment, Training and Rehabilitation – Employment Security – FY 2011** – Addition of \$6,000,000 in American Recovery and Reinvestment Act (ARRA) - State Energy Sector Partnership (SESP) grant funding 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 \$50,000. **Work Program #C17876**

Refer to motion for approval under Item I.

- 149. Department of Employment, Training and Rehabilitation – Employment Security – FY 2011** – Addition of ~~\$2,014,097~~ **\$1,187,659** in federal Administration Cost Allowance grant funding to continue several Unemployment Insurance (UI) initiatives consisting of a Virtual Call Center, outreach/avoiding debit card fees, Aggregate Workforce Analytic and Reporting Engine (AWARE), Social Security UI Cross Match, Customize Cross Matching Screens, and UI Information Technology Contingency Planning Security. Requires Interim Finance approval since the amount added to the Information Services category exceeds \$50,000. **Work Program #C18084. REVISED JUNE 3, 2010.**

Refer to motion for approval under Item I.

- 150. Department of Corrections – Director's Office – FY 2011** – Addition of \$232,139 in federal Justice Assistance grant Program funds transferred from the Department of Public Safety to continue the Department of Corrections GangNet Gang Intelligence program. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C18286**

Refer to motion for approval under Item I.

- 151. Department of Corrections – Director's Office – FY 2010** – Deletion of \$400,348 in Budgetary Transfers, \$3,800 in federal Social Security Administration Reimbursements, and \$179 in Gifts and Donations and addition of \$3,475 in Miscellaneous Revenue to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Bed/Mattress Replacement category exceeds \$50,000. **Work Program #C18160**

Refer to motion for approval under Item I.

- 152. Department of Corrections – Prison Medical Care – FY 2010** – Addition of \$43,187 in Budgetary Transfers and \$966,511 in Transfer from Programs and deletion of \$3,413 in Charges for Services, \$5,904 in Reimbursements, and \$8,935 in Transfer from Prison Store to provide funding for statewide expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Inmate Drivens category exceeds \$50,000. **Work Program #C18143**

Refer to motion for approval under Item I.

- 153. Department of Corrections – Correctional Programs – FY 2010** – Deletion of \$674,232 in Budgetary Transfers to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000. **Work Program #C18039**

Refer to motion for approval under Item I.

- 154. Department of Corrections – Correctional Programs – FY 2011** – Addition of \$41,000 in Department of Justice Federal Going Home Prepared grant funds and \$273,203 in Department of Justice Federal Prison Reentry Initiative grant funds to balance forward authority to continue these programs. Requires Interim Finance approval since the amount added to the Prison Reentry Initiative grant category exceeds \$50,000. **Work Program #C18205**

Refer to motion for approval under Item I.

- 155. Department of Corrections – Ely State Prison – FY 2010** – Deletion of \$47,356 in Budgetary Transfers, \$2,081 in Employee Services, \$9,901 in Room, Board, Transportation Charges, \$3,610 in Jail Meals and \$87 in Meal Sales to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Inmate Drivens category exceeds \$50,000. **Work Program #C18159**

Refer to motion for approval under Item I.

- 156. Department of Corrections – High Desert State Prison – FY 2010** – Deletion of \$4,256 in Employee Services, \$136,848 in Room, Board, Transportation Charges, \$4,168 in Bakery Sales, and \$1,640 in Reimbursement for Utilities. This request also transfers \$40,852 from the Utilities category to the Personnel Services category to true up revenues and provide funding for projected shortfalls. Requires Interim Finance approval since the amount deducted from the Utilities category exceeds \$50,000. **Work Program #C18140**

Refer to motion for approval under Item I.

- 157. Department of Corrections – Northern Nevada Correctional Center – FY 2010** – Addition of \$58,238 in Budgetary Transfers, \$751 in Laundry Service and \$33,748 in Bakery Sales and deletion of \$1,583 in Employee Services, \$63,372 in Room, Board, Transportation Charges, \$35,000 in Power Sales and \$20,165 in Reimbursement for Utilities to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C18123**

Refer to motion for approval under Item I.

- 158. Department of Corrections – Nevada State Prison – FY 2010** – Addition of \$30,945 in Budgetary Transfers and deletion of \$12,837 in Room, Board, Transportation Charges and \$4,250 in Reimbursement for Utilities to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Utilities category includes a budgetary transfer that balances against other work programs. **Work Program #C18126**

Refer to motion for approval under Item I.

- 159. Department of Corrections – Southern Desert Correctional Center – FY 2010** – Addition of \$212,148 in Budgetary Transfers and \$47 in Meal Sales and deletion of \$3,470 in Employee Services, \$177,590 in Room, Board, Transportation Charges, and \$3,303 in Reimbursement for Utilities to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Utilities category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18177**

Refer to motion for approval under Item I.

- 160. Department of Corrections – Lovelock Correctional Center – FY 2010** – Deletion of \$93,905 in Budgetary Transfers, \$2,055 in Employee Services, \$1,109 in Jail Meals, and \$1,284 in Meal Sales and addition of \$6,084 in Room, Board, Transportation Charges and \$1,246 in Reimbursement for Utilities to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Utilities category exceeds \$50,000. **Work Program #C18164**

Refer to motion for approval under Item I.

- 161. Department of Corrections – Southern Nevada Correctional Center – FY 2010** – Addition of \$798 in Budgetary Transfers to provide funding for statewide projected expenditures within the department for the remainder of the

fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category includes a budgetary transfer that balances against other work programs. **Work Program #C18133**

Refer to motion for approval under Item I.

- 162. Department of Corrections – Warm Springs Correctional Center – FY 2010 –** Addition of \$406,559 in Budgetary Transfers and deletion of \$18,049 in Room, Board, Transportation charges to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C18121**

Refer to motion for approval under Item I.

- 163. Department of Corrections – Florence McClure Women's Correctional Center – FY 2010 –** Addition of \$831 in Room, Board, Transportation Charges and deletion of \$190 in Meal Sales and \$373 in Reimbursements. This request also transfers \$30,492 from the Inmate Drivens category to the Personnel Services category and \$4,234 from the Utilities category to the Personnel Services category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Personnel Services category exceeds \$50,000. **Work Program #C18132**

Refer to motion for approval under Item I.

- 164. Department of Corrections – Casa Grande Transitional Housing – FY 2010 –** Addition of \$267,740 in Budgetary Transfers and deletion of \$357,004 in Room, Board, Transportation Charges to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000. **Work Program #C18131**

Refer to motion for approval under Item I.

- 165. Department of Corrections – Casa Grande Transitional Housing – FY 2011 –** Addition of \$361,200 in federal grant funds transferred from the Department of Employment, Training and Rehabilitation (DETR) to support participation in the Purpose, Respect, Integrity, Determination and Excellence (PRIDE) program, which provides pre and post release training and assistance to inmates. Requires Interim Finance approval since the amount added to the PRIDE category exceeds \$50,000. **Work Program #C17939**

Refer to motion for approval under Item I.

- 166. Department of Corrections – Northern Nevada Restitution Center – FY 2010** – Addition of \$163,741 in Budgetary Transfers and deletion of \$159,698 in Room, Board, Transportation Charges to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Operating category includes a budgetary transfer that balances against other work programs. **Work Program #C18127**

Refer to motion for approval under Item I.

- 167. Department of Corrections – Pioche Conservation Camp – FY 2010** – Deletion of \$29,142 in Budgetary Transfers and \$9,038 in Room, Board, Transportation Charges. This request also transfers \$2,071 from the Inmate Driven category to the Utilities category to provide funding for statewide projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category includes a budgetary transfer that balances against other work programs. **Work Program #C18124**

Refer to motion for approval under Item I.

- 168. Department of Corrections – Three Lakes Valley Conservation Camp – FY 2010** – Addition of \$56,706 in Budgetary Transfers and deletion of \$11,383 in Room, Board, Transportation Charges to provide funding for statewide expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Personnel Services category exceeds \$50,000. **Work Program #C18170**

Refer to motion for approval under Item I.

- 169. Department of Corrections – Wells Conservation Camp – FY 2010** – Addition of \$16,717 in Budgetary Transfers and deletion of \$12,094 in Room, Board, Transportation Charges to provide for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category includes a budgetary transfer that balances against other work programs. **Work Program #C18136**

Refer to motion for approval under Item I.

- 170. Department of Corrections – Humboldt Conservation Camp – FY 2010** – Deletion of \$13,060 in Budgetary Transfers and \$10,622 in Room, Board, Transportation Charges to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category includes a budgetary transfer that balances against other work programs. **Work Program #C18142**

Refer to motion for approval under Item I.

- 171. Department of Corrections – Ely Conservation Camp – FY 2010** – Addition of \$9,760 in Budgetary Transfers and deletion of \$9,760 in Room, Board, Transportation Charges to provide funding for statewide projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance approval since the request includes a budgetary transfer that balances against other work programs. **Work Program #C18149**

Refer to motion for approval under Item I.

- 172. Department of Corrections – Jean Conservation Camp – FY 2010** – Addition of \$21,694 in Budgetary Transfers and deletion of \$19,790 in Room, Board, Transportation Charges to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Maintenance of Buildings and Grounds category includes a budgetary transfer that balances against other work programs. **Work Program #C18129**

Refer to motion for approval under Item I.

- 173. Department of Corrections – Silver Springs Conservation Camp – FY 2010** – Deletion of \$4,280 in Budgetary Transfers to provide funding for statewide projected expenditures within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Closure Costs category includes a budgetary transfer that balances against other work programs. **Work Program #C18158**

Refer to motion for approval under Item I.

- 174. Department of Corrections – Carlin Conservation Camp – FY 2010** – Addition of \$6,589 in Budgetary Transfers and deletion of \$8,175 in Room, Board, Transportation Charges to provide funding for statewide projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance approval since the request includes a budgetary transfer that balances against other work programs. **Work Program #C18162**

Refer to motion for approval under Item I.

- 175. Department of Corrections – Tonopah Conservation Camp – FY 2010** – Deletion of \$32,499 in Budgetary Transfers and \$11,419 in Room, Board, Transportation Charges. This request also transfers \$2,000 from the Personnel Services category to the Maintenance of Buildings and Grounds category and \$3,000 from the Personnel Services category to the Inmate Drivens category to provide funding for statewide projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Personnel Services category includes a budgetary transfer that balances against other work programs. **Work Program #C18130**

Refer to motion for approval under Item I.

- 176. Department of Corrections – Offenders' Store Fund – FY 2010** – Transfer of \$300 from the Operating category to the Utilities category and \$583,000 from the Retained Earnings category to the Transfer to Inmate Welfare Fund (IWF) category to provide funding for projected shortfalls for the remainder of the year. Requires Interim Finance approval since the amount added to the Transfer to IWF category exceeds \$50,000. **RELATES TO ITEM 177. Work Program #C18038**

Refer to motion for approval under Item I.

- 177. Department of Corrections – Inmate Welfare Account – FY 2010** – Addition of \$583,000 in Transfer from Offenders Store. This request also transfers \$1,000 from the Warm Springs Correctional Center Law Library category to the Inmate Gate Money category; \$1,000 from the Northern Nevada Correctional Center Law Library category to the Inmate Gate Money category; \$500 from the Nevada State Prison Law Library category to the Inmate Gate Money category; \$1,000 from the Ely State Prison Law Library category to the Inmate Gate category; and \$7,500 from the Retained Earnings category to the Indigent Inmate Postage category to provide funding for projected shortfalls for the remainder of the year. Requires Interim Finance approval since the amount added to the Transfer to Medical Co-Pays category exceeds \$50,000. **RELATES TO ITEM 176. Work Program #C18040**

Refer to motion for approval under Item I.

Cochair Horsford announced that items 178, 179 and U-15 would be heard together.

- 178. Department of Motor Vehicles – Real ID – FY 2011** – Addition of ~~\$600,000~~ **\$697,217** in federal Department of Homeland Security Demonstration grant funds, ~~\$578,000~~ **\$426,283** in federal Department of Homeland Security Hub Testing grant funds, and \$150,000 in federal Department of Homeland Security FY 2009 grant funds to balance forward a portion of remaining authority to provide adequate authority for the beginning of FY 2011. Requires Interim Finance approval since the amount added to the Department of Homeland Security Demonstration grant category exceeds \$50,000. **Work Program #C18144. REVISED JUNE 11, 2010.**

Refer to testimony and motion for approval under item 179.

- 179. Department of Motor Vehicles – Real ID – FY 2011** – Transfer of \$484,900 from the Operating category to the FY 2009 grant category, \$78 from the Public Awareness Campaign category to the FY 2009 grant category, and \$40 from the Information Services category to the FY 2009 grant category to isolate grant related expenditure authority for ease of tracking. Requires Interim Finance approval since the amount transferred to the FY 2009 grant category exceeds \$50,000. **Work Program #C18163**

U. INFORMATIONAL ITEMS – REPORTS ON LETTERS OF INTENT, COMMITTEE REQUESTS AND STATUTORY REQUIREMENTS.

15. DEPARTMENT OF MOTOR VEHICLES – Status report as of June 14, 2010, on the REAL ID ACT and related grant funds.

Farrokh Hormazdi, Deputy Director, Department of Motor Vehicles (DMV), introduced Debbie Wilson, Management Analyst, and Amy McKinney, Deputy Chief, Administration, who were present to answer questions from the Committee.

Regarding the status of the REAL ID Act, Cochair Horsford said the Committee was concerned with the ability of the agency to move forward with the program based on the lack of permanent regulations and the overall impact on the program.

Debbie Wilson, Management Analyst, DMV, replied although the department was not technically implementing the REAL ID rules because of lack of statutory authority to issue the card, the department had written authority from the Department of Homeland Security (DHS) to move forward and spend grant funds to further secure the driver's license, to increase the data integrity, to increase the efficiencies of the department and any other activities related to the driver's license and identification card issuance process. Ms. Wilson explained the department had permission to move forward with the fiscal year 2008 demonstration grant funds because it was a REAL ID specific grant. The fiscal year 2009 grant was a driver's license security program grant and not specific to REAL ID or implementation of the requirements of REAL ID; those funds could only be used for securing the driver's license issuance process. Therefore, Ms. Wilson stated, the department could move forward with the projects outlined in the grants to complete some of the activities to increase the security of the driver's license process.

Cochair Horsford said it was the Committee's understanding that a preliminary audit had been completed as a requirement of the demonstration grant. He asked Ms. Wilson to work with Fiscal staff and share the audit once it was complete.

Assemblywoman Smith was uncomfortable with moving forward with the funding when the program was not being implemented and regulations were not in place. She understood the department had the ability to complete some activities, but not all, and it did not make sense to her that the department was continuing with the same funding but not implementing the same program.

Ms. Wilson replied the program that was completed with REAL ID grant funds still existed. If it was decided during the 2011 Legislative Session to continue with the program, it could be resumed. She said the programs outlined in the grant narrative being presented to the Department of Homeland Security included projects such as records consolidation, migration to a more secure platform the department used to run applications, as well as adding additional counselor stations in the Las Vegas metro offices to reduce wait times, which increased efficiencies. Ms. Wilson explained those were the types of activities the department had authority to expend funds on, which did

not necessarily relate to the material compliance, which had been fully met, or the full compliance requirements for implementation.

Cochair Horsford said based on the demonstration grant itself, while the department was not able to implement the REAL ID due to the temporary regulations not being extended, the planning and procedures were being put in place in the event the authority was given. Mr. Hormazdi affirmed Senator Horsford was correct.

ASSEMBLYMAN ATKINSON MOVED FOR APPROVAL OF ITEMS 178 AND 179 AND THE REAL ID STATUS REPORT.

ASSEMBLYMAN ARBERRY SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblyman Bobzien was not present for the vote.

Senator Raggio asked for information on the status of the regulations. He understood they were not approved, and he wondered if and when new regulations would be proposed.

Cochair Horsford replied an agreement could not be reached to approve any permanent regulations, and the matter would be deferred for further discussion during the 2011 Legislative Session. There would be an opportunity for anyone to receive the REAL ID without adoption of permanent regulations.

- 180. Department of Motor Vehicles – Automation – FY 2011** – Addition of \$81,296 in U.S. Department of Transportation, federal Motor Carrier Safety Administration, Commercial Driver's License Program Improvement grant funds to develop and deploy an automated Commercial Driver's License ten-year history protocol, enabling the department to meet federal guidelines on tracking and auditing; improve data accuracy; avoid human errors; and reduce data entry for Nevada and other states. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C17949**

Refer to motion for approval under Item I.

Cochair Horsford announced that work program 181 and Agenda Item R would be heard together.

- 181. Department of Motor Vehicles – Motor Vehicle Pollution Control – FY 2011** – Transfer of \$704,270 from the Reserve category to the City/County Air Quality category for distribution of excess reserves to county governments. Requires Interim Finance approval since the amount transferred to the City/County Air

Quality category exceeds \$50,000. **RELATES TO ITEM R. Work Program #C17942**

- *R. DEPARTMENT OF MOTOR VEHICLES – Pursuant to NRS 445B.830(8), request for approval of grants from the Pollution Control Account to:
1. Clark County Department of Air Quality and Environmental Management – \$564,270.
 2. Washoe County District Health Department – \$140,000.

Wade Nelson, DMV Services Manager, Department of Motor Vehicles, Compliance Enforcement Division, Emissions Control Program, explained Item R requested approval of grants from the Pollution Control account to Washoe County in the amount of \$564,270, and to Clark County in the amount of \$140,000. He said the funds would help provide the county air quality agencies with the tools and resources needed to carry out the tasks of preparing updated state air quality implementation plans, which were submitted to the U.S. Environmental Protection Agency. In addition to updating air quality plans, funding would allow Washoe County the ability to update its air quality monitoring equipment and office equipment, and both Washoe and Clark Counties planned to conduct outreach programs to educate their residents on methods to reduce air pollution. Mr. Nelson said both grant requests had been approved by the Advisory Committee on the Control of Emissions of Motor Vehicles and were favorably reviewed by the Department of Motor Vehicles' Deputy Director and Administrator of the Nevada Division of Environmental Protection.

SENATOR MATHEWS MOVED FOR APPROVAL.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblymen Ocegüera and Bobzien were not present for the vote.

- 182. Department of Public Safety – Justice Assistance Act – FY 2011 – Addition of \$72,000 in Department of Justice (DOJ) Substance Abuse for Parole and Probation (P&P) to enable subgrantee reimbursement payments to be processed during the first six months of FY 2011. Requires Interim Finance approval since the amount added to the Substance Abuse P&P category exceeds \$50,000. **RELATES TO ITEM 209. Work Program #C17951****

Refer to motion for approval under Item I.

- 183. Department of Public Safety – Justice Assistance Act – FY 2011 – Addition of \$200,000 in Community Oriented Policing Services (COPS) grant to enable subgrantee reimbursement payments to be processed during the first six months of FY 2011. Requires Interim Finance approval since the amount added to the COPS grant category exceeds \$50,000. **Work Program #C17966****

Refer to motion for approval under Item I.

184. **Department of Public Safety – Justice Assistance Act – FY 2011** – Addition of \$200,000 in Community Oriented Policing Services (COPS) 2009 Child Sexual Predator Program (CSPP) grant to enable subgrantee reimbursement payments to be processed during the first six months of FY 2011. Requires Interim Finance approval since the amount added to the COPS Grant-Sexual Predator category exceeds \$50,000. **RELATES TO ITEM 205. Work Program #C17968**

Refer to motion for approval under Item I.

185. **Department of Public Safety – Justice Assistance Act – FY 2011** – Addition of \$500,000 in National Instant Criminal Background Check System (NICS) grant to enable subgrantee reimbursement payments to be processed during the first six months of FY 2011. Requires Interim Finance approval since the amount added to the Instant Background Check category exceeds \$50,000. **Work Program #C17972**

Refer to motion for approval under Item I.

186. **Department of Public Safety – Justice Assistance Act – FY 2011** – Addition of \$750,000 in Rural Law Enforcement grant to balance forward remaining authority to enable the state to submit crime data to the Federal Bureau of Investigations National Data Exchange system. Requires Interim Finance approval since the amount added to the Justice Assistance grant (JAG) category exceeds \$50,000. **Work Program #C17973**

Refer to motion for approval under Item I.

187. **Department of Public Safety – Justice Assistance Grant Trust – FY 2011** – Addition of \$6,500,000 in Balance Forward of American Recovery and Reinvestment Act (ARRA) Justice Assistance Grant (JAG) funds to enable subgrantee reimbursement payments during the first six months of FY 2011. Requires Interim Finance approval since the amount added to the JAG category exceeds \$50,000. **Work Program #C17991**

Refer to motion for approval under Item I.

188. **Department of Public Safety – Justice Assistance Grant Trust – FY 2011** – Addition of \$400,000 in federal Balance Forward Justice Assistance Grant (JAG) funds to enable subgrantee reimbursement payments to be processed within the first six months of FY 2011. Requires Interim Finance approval since the amount added to the Justice Assistance Grant category exceeds \$50,000. **Work Program #C17993**

Refer to motion for approval under Item I.

- 189. Department of Public Safety – Forfeitures – Law Enforcement – FY 2011 –** Transfer of \$86,560 from the Reserve category to the K-9 Program category to fund on-going operational costs and quarterly training for three existing K-9 units. Requires Interim Finance approval since the amount transferred to the K-9 Program category exceeds \$50,000. **RELATES TO ITEM 195. Work Program #C17756**

Refer to motion for approval under Item I.

- 190. Department of Public Safety – Forfeitures – Law Enforcement – FY 2011 –** Addition of \$356,699 in Fines/Forfeitures/Penalties to balance forward remaining authority from FY 2010 to complete the purchase and installation of evidence holding locker systems. Requires Interim Finance approval since the amount added to the Evidence Vaults category exceeds \$50,000. **Work Program #C17880**

Refer to motion for approval under Item I.

- 191. Department of Public Safety – Forfeitures – Law Enforcement – FY 2011 –** Addition of \$81,424 in Fines/Forfeitures/Penalties to partially balance forward remaining authority from FY 2010 to continue upgrading the Department of Public Safety's network. Requires Interim Finance approval since the amount added to the Technology Upgrades category exceeds \$50,000. **Work Program #C17946**

Refer to motion for approval under Item I.

- 192. Department of Public Safety – Forfeitures – Law Enforcement – FY 2011 –** Transfer of \$1,000,000 from the Reserve category to the Records Management System (RMS) Support category to provide maintenance and support using forfeiture funds to supplement the American Recovery and Reinvestment Act (ARRA) funding which will implement a multi-jurisdictional public safety data system. Requires Interim Finance approval since the amount transferred to the RMS Support category exceeds \$50,000. **Work Program #C18145**

Refer to motion for approval under Item I.

- 193. Department of Public Safety – Emergency Management Division – FY 2011 –** Addition of \$330,000 in Transfer from Department of Emergency Management (DEM)-Department of Homeland Security (DHS), \$500,000 in Transfer from DEM Homeland Security Grant Program (HSGP), and \$300,000 in Transfer from DEM-Public Safety Interoperable Communications (PSIC) to balance forward a portion of the federal funding sources from FY 2010 to allow expenditures to be paid at the beginning of FY 2011. Requires Interim Finance approval since the amount added to the Public Safety Interoperable Communications category exceeds \$50,000. **Work Program #C17713**

Refer to motion for approval under Item I.

194. **Department of Public Safety – Emergency Management Division – FY 2011** – Addition of \$40,000 in Transfer from Department of Emergency Management (DEM) Emergency Management Preparedness Grant (EMPG) to balance forward authority for the [Exhibit O](#) contract which will provide enhancements to the audio visual system for the Emergency Operations Center. Requires Interim Finance approval since the amount added to the Information Services category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C17938**

Refer to motion for approval under Item I.

195. **Department of Public Safety – NHP K-9 Program – FY 2011** – Addition of \$86,560 in Transfer from Other Budget Account Same Fund to increase the authority to fund the on-going operational costs and quarterly training for three existing K-9 units. Requires Interim Finance approval since the amount added to the K-9 Program category exceeds \$50,000. **RELATES TO ITEM 189. Work Program #C17726**

Refer to motion for approval under Item I.

196. **Department of Public Safety – Highway Patrol – FY 2010** – Deletion of \$2,404,245 in Highway Fund Authorization to transfer authority to FY 2011 to replace fleet vehicles. Requires Interim Finance approval pursuant to A.B. 562, Section 35 of the 2009 Legislative Session. **RELATES TO ITEM 200. Work Program #C18293**

Refer to motion for approval under Item I.

197. **Department of Public Safety – Highway Patrol – FY 2011** – Addition of \$69,070 in Balance Forward from Previous Year insurance recovery funds to repair or replace Highway Patrol fleet vehicles. Requires Interim Finance approval since the amount added to the Crash Fund category exceeds \$50,000. **Work Program #C17698**

Refer to motion for approval under Item I.

198. **Department of Public Safety – Highway Patrol – FY 2011** – Addition of \$64,874 in Transfer from Traffic Safety to balance forward a portion of the Joining Forces Grant authority from FY 2010 to support traffic enforcement on Nevada's highways. Requires Interim Finance approval since the amount added to the Joining Forces Grant category exceeds \$50,000. **Work Program #C17969**

Refer to motion for approval under Item I.

199. **Department of Public Safety – Highway Patrol – FY 2011** – Addition of \$30,900 in High Intensity Drug Trafficking Area (HIDTA) Reimbursement to balance forward a portion of the HIDTA Task Force grant authority from FY 2010 to allow for reimbursement for participation in the task force activities. Requires Interim Finance approval since the amount added to the HIDTA Task Force category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18091**

Refer to motion for approval under Item I.

200. **Department of Public Safety – Highway Patrol – FY 2011** – Addition of \$2,404,245 in Highway Fund Authorization to transfer authority from FY 2010 to replace fleet vehicles. Requires Interim Finance approval pursuant to A.B. 562, Section 35 of the 2009 Legislative Session. **RELATES TO ITEM 196. Work Program #C17929**

Refer to motion for approval under Item I.

201. **Department of Public Safety – Highway Safety Grants Account – FY 2011** – Addition of \$29,644 in 20.218 Nevada Citation and Accident Tracking System to partially balance forward remaining authority for the Ticketing Aggressive Cars and Trucks (TACT) Enforcement program to complete a driver behavior survey. Requires Interim Finance approval since the amount added to the TACT Enforcement category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C17732**

Refer to motion for approval under Item I.

202. **Department of Public Safety – Division of Investigations – FY 2010** – Addition of \$25,000 in United States Marshal Reimbursement to allow reimbursement for overtime from the U.S. Marshals Service in support of the ongoing Nevada Fugitive Investigative Strike Team (FIST) Task Force. Requires Interim Finance approval since the amount added to the U.S. Marshal Reimbursement category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C17683**

Refer to motion for approval under Item I.

203. **Department of Public Safety – Division of Investigations – FY 2011** – Addition of \$200,000 in Transfer from Department of Emergency Management (DEM) 2008, \$1,000,000 in Transfer from DEM 2009, and \$5,771 in Transfer from Department of Public Safety (DPS) Criminal Justice to balance forward partial federal grant authority to continue Fusion Center operations without interruption and continue ordering bulletproof vests. Requires Interim Finance approval since the amount added to the DEM 2009 State Homeland Security Program exceeds \$50,000. **Work Program #C17804**

Refer to motion for approval under Item I.

- 204. Department of Public Safety – Division of Investigations – FY 2011 –** Addition of \$596,906 in Transfer from Department of Public Safety (DPS) Criminal Justice to balance forward American Recovery and Reinvestment Act (ARRA) grant authority to fund five sworn officer positions. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C17971**

Refer to motion for approval under Item I.

- 205. Department of Public Safety – Division of Investigations – FY 2011 –** Addition of \$185,758 in Transfer from Department of Public Safety (DPS) Criminal Justice to balance forward a portion of the Child Sexual Predator Program grant authority to aid in the apprehension of sex offenders who are violating parole and/or committing crimes. Requires Interim Finance approval since the amount added to the Sexual Predator grant category exceeds \$50,000. **RELATES TO ITEM 184. Work Program #C18000**

Refer to motion for approval under Item I.

- 206. Department of Public Safety – Division of Investigations – FY 2011 –** Addition of \$40,000 in Transfer from Department of Emergency Management (DEM) State Homeland Security Program and \$10,000 in Transfer from DEM Law Enforcement Terrorism Prevention Program to balance forward a portion of FY 2010 authority to continue State Fusion Center operations without interruption. Requires Interim Finance approval since the amount transferred to the State Homeland Security Program category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18028**

Refer to motion for approval under Item I.

- 207. Department of Public Safety – Division of Investigations – FY 2011 –** Addition of \$30,000 in Federal Funds From Previous Year for the federal Marijuana grant to continue the eradication of illicit cannabis plants. Requires Interim Finance approval since the amount added to the Drug Enforcement Administration (DEA) grant category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18247**

Refer to motion for approval under Item I.

- 208. Department of Public Safety – Parole and Probation – FY 2011 –** Addition of \$238,888 in Transfer from Department of Public Safety (DPS) Criminal Justice to balance forward a portion of the American Reinvestment and Recovery Act (ARRA) Substance Abuse Counselor Program authority to continue providing substance abuse counseling in the Las Vegas area. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C17640**

Refer to motion for approval under Item I.

- 209. Department of Public Safety – Parole and Probation – FY 2011** – Addition of \$72,000 in Transfer from Department of Public Safety (DPS) Criminal Justice to balance forward a portion of the Substance Abuse Counseling authority to continue providing offenders with vouchers to participate in established substance abuse counseling programs. Requires Interim Finance approval since the amount added to the Substance Counseling Assistance Program category exceeds \$50,000. **RELATES TO ITEM 182. Work Program #C17643**

Refer to motion for approval under Item I.

- 210. Department of Public Safety – Parole and Probation – FY 2011** – Addition of \$160,808 in Transfer from Employment Security to participate in the Purpose, Respect, Integrity, Determination, and Excellence (PRIDE) program which will provide pre-release and post-release assistance to inmates and felons that incorporates intensive case management, transitional housing, employment training and placement, life skills, mental health services, substance and drug counseling, mentoring, and other comprehensive transitional services. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C18032**

Refer to motion for approval under Item I.

- 211. Department of Public Safety – Criminal History Repository – FY 2010** – Transfer of \$17,428 from the Personnel Services category to the Nevada Criminal History Improvement Program (NCHIP) grant category to support contracted staff to continue entering court dispositions into Nevada's criminal history records system. Requires Interim Finance approval since the cumulative amount transferred to the NCHIP category exceeds \$50,000. **Work Program #C17962**

Refer to motion for approval under Item I.

- 212. Department of Public Safety – Criminal History Repository – FY 2010** – Addition of \$427,387 in Fingerprint Fees and \$153,780 in Civil Name Check Fees due to the increased number of background checks being conducted. Requires Interim Finance approval since the amount added to the FBI Fingerprint category exceeds \$50,000. **Work Program #C18058**

Refer to motion for approval under Item I.

- 213. Department of Public Safety – Criminal History Repository – FY 2011** – Addition of \$261,673 in Transfer from Criminal Justice-Records Management System (RMS) and \$6,263,038 in American Recovery and Reinvestment Act (ARRA) RMS to balance forward authority to procure the Statewide Multi-Jurisdictional Records Management System. Requires Interim Finance

approval since the amount added to the Records Management System category exceeds \$50,000. **Work Program #C17874**

Refer to motion for approval under Item I.

- 214. Department of Public Safety – Criminal History Repository – FY 2011 –** Addition of \$268,246 in Transfer from Department of Public Safety (DPS) Criminal Justice - Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART) grant to balance forward partial authority to continue developing and enhancing the Nevada sex offender registration program. Requires Interim Finance approval since the amount added to the SMART grant category exceeds \$50,000. **Work Program #C17948**

Refer to motion for approval under Item I.

- 215. Department of Public Safety – Technology Division – FY 2011 –** Addition of \$29,040 in Transfer from Department of Public Safety (DPS) Criminal Justice to partially balance forward remaining authority for network infrastructure improvements. Requires Interim Finance approval since the amount added to the Infrastructure Upgrade category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C17961**

Refer to motion for approval under Item I.

- 216. Department of Public Safety – State Emergency Response Commission – FY 2011 –** Transfer of \$39,000 from the Reserve category to the Federal Emergency Management Agency (FEMA) Explo Support category for hazardous materials training of emergency planners and responders throughout the state. Requires Interim Finance approval since the amount transferred to the FEMA Explo Support category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C17813**

Refer to motion for approval under Item I.

- 217. Department of Public Safety – Traffic Safety – FY 2010 –** Addition of \$86,270 in federal Traffic Safety grant and \$69,122 in federal 405 Incentive grant to accept the FFY 2010 grant funds which provide funding for statewide programs that reduce traffic safety problems statewide. This work program also transfers \$323,093 from the Aid to Local Agencies category to the Aid to State Agencies category to re-categorize expenditures. Requires Interim Finance approval since the amount added to the Aid to State Agencies category exceeds \$50,000. **Work Program #C17947**

Refer to motion for approval under Item I.

218. **Department of Public Safety – Traffic Safety – FY 2011** – Addition of \$115,509 in federal 2010 Incentive grant, \$446,823 in federal 408 Incentive grant, \$930,893 in federal 406 grant, and \$180,000 in Transfer from Transportation to balance forward federal authority to continue programs aimed at improving highway safety. Requires Interim Finance approval since the amount added to the 406 grant category exceeds \$50,000. **Work Program #C17990**

Refer to motion for approval under Item I.

219. **Department of Public Safety – Highway Safety Plan and Administration – FY 2010** – Addition of \$370,554 in 402 Highway Safety Funds and deletion of \$55,000 in 406 Incentive grant to align authority with the FFY 2010 Highway Safety Plan as approved by the National Highway Transportation Safety Administration (NHTSA). Requires Interim Finance approval since the amount added to the Community Services category exceeds \$50,000. **Work Program #C17881**

Refer to motion for approval under Item I.

220. **Department of Public Safety – Highway Safety Plan and Administration – FY 2010** – Addition of \$270,259 in Transfer from Traffic Safety to cover anticipated grant funded expenditures through the end of FY 2010. Requires Interim Finance approval since the amount added to the Nevada Department of Transportation (NDOT) Flex Funds exceeds \$50,000. **Work Program #C17883**

Refer to motion for approval under Item I.

221. **Department of Public Safety – Highway Safety Plan and Administration – FY 2011** – Addition of \$271,800 in 402 Highway Funds, ~~\$357,634~~ **\$366,510** in Transfer from Traffic Safety-C, ~~\$295,692~~ **\$276,304** in Transfer from 4687 Traffic Records, \$131,146 in Transfer from Traffic Safety-F, and \$910,662 in Transfer from Traffic Safety-G to balance forward federal authority to continue programs aimed at improving highway safety. Requires Interim Finance approval since the amount added to the 406 Incentive Funds category exceeds \$50,000. **Work Program #C17954. REVISED JUNE 9, 2010.**

Refer to motion for approval under Item I.

222. **Department of Public Safety – Highway Safety Plan and Administration – FY 2011** – Addition of \$115,509 in Transfer from Traffic Safety to establish authority in FY 2011 to utilize previously awarded Motorcycle Safety grant funds. Requires Interim Finance approval since the amount added to the Motorcycle Safety grant category exceeds \$50,000. **Work Program #C18175**

Refer to motion for approval under Item I.

- 223. State Department of Conservation and Natural Resources – Administration – FY 2010** – Addition of \$9,600 in Budgetary Transfer from DCNR - Forestry to cover a portion of the salary shortfall resulting from a terminal leave payout up to the amount budgeted for vacancy savings. **Requires Interim Finance approval pursuant to A.B. 562, Section 51 of the 2009 Legislative Session. RELATES TO ITEM 224. Work Program #C18007**

Refer to motion for approval under Item I.

- 224. State Department of Conservation and Natural Resources – Forestry Division – FY 2010** – Deletion of \$9,600 in Budgetary Transfer to DCNR, Administration to cover a portion of the salary shortfall resulting from a terminal leave payout up to the amount budgeted for vacancy savings. **Requires Interim Finance approval pursuant to A.B. 562, Section 51 of the 2009 Legislative Session. RELATES TO ITEM 223. Work Program #C18014**

Refer to motion for approval under Item I.

- 225. State Department of Conservation and Natural Resources – Forestry Division – FY 2011** – Addition of \$300,000 in United States Forest Service (USFS) Consolidated Payment Grants (CPG) 06, \$400,000 in USFS CPG 07, \$600,000 in USFS CPG 08, and \$1,053,532 in USFS CPG 09 grant funds to balance forward available authority from FY 2010 to FY 2011. Requires Interim Finance approval since the amount added to the USFS CPG 09 category exceeds \$50,000. **Work Program #C18020**

Refer to motion for approval under Item I.

- 226. State Department of Conservation and Natural Resources – Forestry Division – FY 2011** – Addition of \$801,308 in United States Forest Service (USFS) American Recovery and Reinvestment Act (ARRA) of 2009 Stimulus grant funds to balance forward available authority from FY 2010 to FY 2011. Requires Interim Finance approval since the amount added to the USFS 2009 ARRA Stimulus category exceeds \$50,000. **Work Program #C18034**

Refer to motion for approval under Item I.

- 227. State Department of Conservation and Natural Resources – Forestry Division – FY 2011** – Addition of \$176,244 in United States Forest Service (USFS) Fuels Reduction grant funds to balance forward available authority from FY 2010 to FY 2011. Requires Interim Finance approval since the amount added to the USFS Fuels Reduction category exceeds \$50,000. **Work Program #C18044**

Refer to motion for approval under Item I.

228. **State Department of Conservation and Natural Resources – Forestry Division – FY 2011** – Addition of \$901,778 in United States Forest Service (USFS) Emergency Supplement Hazardous Fuels Reduction grant funds and deletion of \$67,785 in USFS Fuels for Schools to balance forward available authority from FY 2010 to FY 2011. Requires Interim Finance approval since the amount added to the USFS Fuels Reduction/Emergency category exceeds \$50,000. **Work Program #C18049**

Refer to motion for approval under Item I.

229. **State Department of Conservation and Natural Resources – Forestry Division – FY 2011** – Addition of \$990,000 in United States Forest Service (USFS) Legacy grant funds to balance forward available authority from FY 2010 to FY 2011. Requires Interim Finance approval since the amount added to the USFS Legacy category exceeds \$50,000. **Work Program #C18050**

Refer to motion for approval under Item I.

230. **State Department of Conservation and Natural Resources – Forestry Division – FY 2011** – Addition of \$215,000 in United States Bureau of Land Management (BLM) Southern Nevada Public Land Management Act (SNPLMA) grant funds to balance forward available authority from FY 2010 to FY 2011. Requires Interim Finance approval since the amount added to the U.S. BLM-SNPLMA grant category exceeds \$50,000. **Work Program #C18087**

Refer to motion for approval under Item I.

231. **State Department of Conservation and Natural Resources – State Parks Division – FY 2010** – Addition of \$20,738 in funds transferred from A.B. 9 Q1 Bonds to cover a shortfall in salaries and In-State Travel expenditures associated with three Q1 funded positions. Requires Interim Finance committee approval since the cumulative change to the Personnel Services category exceeds \$50,000. **Work Program #C18222**

Refer to motion for approval under Item I.

232. **State Department of Conservation and Natural Resources – Division of Environmental Protection – State Revolving Fund – Administration – FY 2011** – Addition of \$40,238 in federal Environmental Protection Agency Water Pollution Control State Revolving Fund grant funds to fund 50 percent of a Professional Engineer position to provide needed support for the agency's Clean Water State Revolving Fund (CWSRF) grant program. This request also transfers \$8,047 from the Reserve category to the CWSRF Administration category to provide the required match for the additional federal CWSRF funds. Requires Interim Finance Committee approval since the amount

added to the CWSRF Administration category exceeds 10 percent of the legislatively-approved amount for that category. **Work Program #C18061**

Refer to motion for approval under Item I.

Cochair Horsford announced that items 233, 234, 238, 239 and Item Q would be heard together.

- 233. Department of Wildlife – Director's Office – FY 2011** – Addition of \$43,361 in State Wildlife grant funds; addition of \$193,061 in Wildlife Restoration Funds addition of \$169,061 in Sport Fish Restoration Funds; and addition of \$2,191,714 in Transfer from Wildlife funds to separate revenues and expenditures in the Wildlife Administration account to facilitate tracking, reporting, accountability and planning. **Requires Interim Finance approval pursuant to S.B. 431, Section 23, A.B. 562, Section 49 of the 2009 Legislative Session. RELATES TO ITEMS 234, 238, 239, AND Q. Work Program #C18036**

Refer to testimony and motion for approval under item 239.

- 234. Department of Wildlife – Operations – FY 2011** – Addition of \$28,500 in federal Support–Employment **Statewide Wildlife Grants** funds; addition of \$702,617 in federal Pittman Robertson Aid; addition of \$38,500 in federal Dingell Johnson Aid; addition of \$4,889,516 in Transfer from Wildlife funds to separate revenues and expenditures in the Wildlife Administration account to facilitate tracking, reporting, accountability and planning. **Requires Interim Finance approval pursuant to S.B. 431, Section 23, A.B. 562, Section 49 of the 2009 Legislative Session. RELATES TO ITEMS 233, 238, 239, AND Q. Work Program #C18037**

Refer to testimony and motion for approval under item 239.

- 235. Department of Wildlife – Administration – FY 2010** – Addition of \$123,227 in federal Pittman Robertson Aid funds and addition of \$26,049 in federal Dingell Johnson Aid funds to purchase new equipment for the Wildlife Management Area Program. Requires Interim Finance approval since the amount added to the Habitat category exceeds \$50,000. **Work Program #C18023. WITHDRAWN JUNE 11, 2010.**

- 236. Department of Wildlife – Administration – FY 2010** – Addition of \$131,145 in federal Pittman Robertson Aid funds for wildlife water development projects. Requires Interim Finance approval since the amount added to the Wildlife Water Development category exceeds \$50,000. **Work Program #C18048**

Refer to motion for approval under Item I.

- 237. Department of Wildlife – Administration – FY 2011 –** Transfer of \$92,301 from the Reserve category to the Personnel Services category and transfer of \$20,199 from the Reserve category to the Sagebrush Ecosystem Restoration category to fund the coordination and the related costs associated with protection and restoration of sagebrush habitats, restoration of areas damaged by wildfires, prevention of wildfires, and reduction of cheatgrass pursuant to S.B. 146 of the 2009 Legislative Session. Requires Interim Finance approval since the amount transferred to the Personnel Services category exceeds \$50,000. **Work Program #C18232**

Refer to motion for approval under Item I.

- 238. Department of Wildlife – Administration – FY 2011 –** Deletion of \$71,861 in federal Statewide Wildlife Grants funds; deletion of \$895,678 in federal Pittman Robertson Aid; deletion of \$207,561 in federal Dingell Johnson Aid; deletion of \$8,929,926 in Licenses and Fees; deletion of \$148,540 in Guide Application Fees; deletion of \$1,596,424 in Application Fees; deletion of \$144,402 in Miscellaneous Program Fees; deletion of \$15,000 in Distributor Fees; deletion of \$391,177 in Predator Fees of A.B. 291 of the 2001 Legislative Session; addition of \$8,104,930 in Transfer from Wildlife funds to separate revenues and expenditures in the Wildlife Administration account to facilitate tracking, reporting, accountability and planning. **Requires Interim Finance approval pursuant to S.B. 431, Section 23, A.B. 562, Section 49 of the 2009 Legislative Session. RELATES TO ITEMS 233, 234, 239, AND Q. Work Program #C18031**

Refer to testimony and motion for approval under item 239.

- 239. Department of Wildlife – Obligated Reserve – FY 2011 –** Addition of \$8,929,926 in Licenses and Fees; addition of \$148,540 in Guide Application Fees; addition of \$1,596,424 in Application Fees; addition of \$144,402 in Miscellaneous Program Fees; addition of \$15,000 in Distributor Fees; addition of \$391,177 in Predator Fees to separate revenues and expenditures in the Wildlife Administration account to facilitate tracking, reporting, accountability and planning. **Requires Interim Finance approval pursuant to S.B. 431, Section 23, A.B. 562, Section 49 of the 2009 Legislative Session. RELATES TO ITEMS 233, 234, 238, AND Q. Work Program #C18092**

*Q. DEPARTMENT OF WILDLIFE – Pursuant to a letter of intent from the 2009 Legislature, request for approval of a proposed plan for the separation of the Wildlife Administration account into separate budget accounts. **RELATES TO ITEMS I 233, 234, 238, and 239.**

Patrick Cates, Deputy Director, Nevada Department of Wildlife (NDOW), explained the report submitted at the previous IFC meeting was in response to a departmental budget split plan according to direction from the Legislature. He said the report described the implementation of the budget split over two phases. The first phase was for fiscal year

2011 and split the main administration account into a separate budget for the director's office and a separate budget for the operations division. Mr. Cates said all of the fee-based revenue would be moved from the administration account into budget account 4458, the obligated reserve account, which housed other fee-based revenue. When the department's budget was submitted for fiscal years 2012 and 2013, the administration budget would be further split into separate budgets for each division. The obligated reserve account would then be repurposed into a wildlife account to house all of the agency's fee-based revenue and nothing else. He noted the work programs currently being submitted only dealt with the director's office, the operations division and consolidation of some revenue.

Assemblywoman Smith asked Mr. Cates to explain the procedures and oversight for the wildlife gift account.

Mr. Cates replied the gift account would be submitted with the fiscal year 2012 and 2013 budgets. A bill draft request (BDR) had been submitted to the Budget Division for the mechanisms of the gift account, which were based on the gift accounts in the Department of Cultural Affairs and Division of Museums. The Department of Wildlife would have the authority to receive gifts, with reporting to the IFC on a periodic basis. Mr. Cates explained the department received many gifts and donations from entities to deal with emergent issues. For instance, Nevada Bighorns Unlimited was an entity that was very generous to the department with its time and money. Often there were emergent issues with wildlife which required the department to move very quickly; the recent sheep die-off in northeastern Nevada was an example. He said there had been concerns with receiving prior approval from IFC for those types of donations due to the Committee's meeting schedule, and consequently the account would be requested to be set up with the provision for periodic reporting to the Committee.

Assemblywoman Smith asked Legal Counsel if there was any statutory conflict or issue with the recommendation for the obligated reserve account.

Brenda Erdoes, Chief Legislative Counsel, Legislative Counsel Bureau, replied there was an issue, because the statutes specifically contained a number of references stating funds must be put into the obligated reserve account. However, based on reading of the statutes and regulatory statutory interpretation rules, she believed the NDOW proposal did not conflict with the statute because there was not a statute limiting the types of funds that could be put into the obligated reserve account. Ms. Erdoes recommended the issue be considered at the 2011 Session, because it would be confusing to have multiple statutes stating what could be put into the obligated reserve account, and now NDOW would be putting additional funds into the account. She reiterated there was not a statutory provision limiting the types of funds that could be put into the obligated reserve account.

Assemblywoman Smith asked Mr. Cates to work with LCB staff to clarify and correct any conflicts in statute for the 2011 Session.

Senator Raggio had concerns with some of the questions that had been raised. He noted that over many decades of watching the method and manner in which the Department of Wildlife operated, the original intent was always to use only fees and not General Fund for any of its purposes. However, he said, as times became more difficult, obligations were added that were not strictly hunting and fishing sports activities, and it was recognized that some General Fund was necessary in order to support other programs, such as conservation. Senator Raggio said attempts had always been made to define a line of demarcation in the funding for the Department of Wildlife to recognize the different purposes for which fees were being paid by those who utilized different licenses, as opposed to the need to recognize the other activities.

Continuing, Senator Raggio recalled that an unobligated and obligated reserve had been established many decades ago, and after reading the staff's analysis, he understood there were concerns about how the agency was being asked to deal with furloughs and budget reductions. He was still concerned with how far the department was retreating from what he believed to be tight curbs on the utilization of the obligated reserve. He recalled that during the 26th Special Session, the Legislature had considered sweeping the wildlife gift account, which was ultimately rejected. Senator Raggio asked for a better indication of what phase I and phase II actually would do to the obligated reserve and the impact on the existing or proposed gift account.

Mr. Cates explained several fees went into the obligated reserve account that had restricted uses under statute, and they were segregated within the budget account and kept fund-mapped separately within that account. The other fees to be moved into the account that were currently going into the administration account were general fees collected that did not have a restricted use and could be used within the department, e.g., general fishing and hunting license fees. Mr. Cates said those fees could be put into the obligated reserve account and kept segregated from the fees that had special uses. He said the agency would not seek to change the special uses for the fees in statute, but they could all be kept separate and distinct in one account. The purpose of the account was simply to collect all fee-based revenues and those reserves in one place; the different revenues would be broken down separately. He said the fees would fund operational budgets with the state match needed; there would not be any federal funds in the obligated reserve account. Mr. Cates said the account currently contained some program expenditures, which would be left for fiscal year 2011 but taken out in fiscal year 2012; all that would be housed in the account would be fee-based revenue. He reiterated a breakdown for all of the account's special uses would be available, and transfers to the operating budgets would be clearly shown. He said having the separate operating budgets and seeing those fees get transferred into them should provide more transparency for people to see how each individual program was being funded and that fees were used according to their use under statute.

Senator Raggio asked what changes would be included in phase II for fiscal year 2012. Mr. Cates replied phase II would be included in the budget submittal for the 2012-13 biennium. Only operating expenditures for the director's office and the operations division would be broken out for fiscal year 2011. The law enforcement,

game management and fisheries divisions would continue to be combined in the administration account for fiscal year 2011.

Senator Raggio asked if anything was now being funded from the obligated reserve that would not be funded in the future. Mr. Cates replied there was not.

Senator Raggio asked what oversight would be provided to ensure dedications would be retained. He knew sportsmen had an interest in ensuring that the dedicated funds were used for the purposes they were intended. He wanted assurance that would be the case.

Mr. Cates replied that through the budgeting process, working with LCB staff and coming to IFC with work programs throughout the year, the agency would be able to demonstrate how the fees were being kept separate and used only for their intended purpose. He assured Senator Raggio that the dedicated funds would be used for their intended purpose. Transfers were currently being made from the obligated reserve account into the administration account and tracked internally, and the recommended changes would make the account more transparent.

Senator Raggio said he appreciated Mr. Cates' assurances, because for whatever reasons, there had been a lot of concern expressed by sportsmen groups over the past year that somehow the trust they had placed in the Department of Wildlife was being distorted, not by the department, but by other forces. He wanted to make sure the changes would not add to their concern.

SENATOR RAGGIO MOVED FOR APPROVAL OF ITEMS 233,
234, 238, 239 AND AGENDA ITEM Q.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblyman Arberry was not present for the vote.

- 240. Department of Transportation – FY 2010 –** Transfer of \$1,000,000 from the Equipment category to the Personnel Services category to provide adequate authority for projected expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C18147. WITHDRAWN JUNE 15, 2010.**
- 241. Public Employees' Benefits Program – FY 2010 –** Transfer of \$80,000 from the Reserve category to the Operating category to ensure timely submission and accuracy of the program's application for reinsurance funds for early retirees in accordance with the Health Care and Education Affordability Reconciliation Act

of 2010. Requires Interim Finance approval since the amount transferred to the Operating category exceeds \$50,000. **Work Program #C18216**

Refer to motion for approval under Item I.

- 242. Public Employees' Benefits Program – FY 2011** – Transfer of \$49,680 from the Reserve category to the Operating category to ensure timely submission and accuracy of the program's claims information for reinsurance funds for early retirees in accordance with the Health Care and Education Affordability Reconciliation Act of 2010. Requires Interim Finance approval since the cumulative amount transferred to the Operating category exceeds \$50,000. **Work Program #C18234**

Refer to motion for approval under Item I.

- 243. Adjutant General and National Guard – Military – FY 2010** – Addition of \$300,000 in federal Department of Defense funds to cover increased costs for utilities due to increased activities at the armories and facilities. Requires Interim Finance approval since the amount added to the Utilities category exceeds \$50,000. **Work Program #C18094**

Refer to motion for approval under Item I.

- 244. Nevada System of Higher Education – Truckee Meadows Community College – FY 2010** – Addition of \$176,365 in Registration Fees *to fund the cost of adjunct instructors as a result of increased enrollment and the addition of \$2,520 in Miscellaneous Student Fees to partially offset general fund budget reductions pending final Board of Regents approval at the June 3rd and 4th meeting approved during the 26th Special Session in A.B.6, Section 1, subsection 23.* Requires Interim Finance approval pursuant to S.B. 431, Section 8, from of the 2009 Legislative Session *for the use of additional student fees for costs other than incremental instructional faculty costs.* **Work Program #C18075. REVISED JUNE 9, 2010.**

Refer to motion for approval under Item I.

- 245. Department of Health and Human Services – Health Division – Office of Health Administration – FY 2010** – Addition of \$172,150 in Cost Allocation Reimbursement funds to support the operations and technology required for the division administration. Requires Interim Finance approval since the amount added to the Information Services category exceeds \$50,000. **Work Program #C18315. RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 9, 2010. (REVISED JUNE 14, 2010.)**

Refer to motion for approval under Item I.

Cochair Horsford announced items 246, 247 and 248 would be heard together.

- 246. Department of Corrections – Ely State Prison – FY 2011 –** Deletion of \$873,688 in Budgetary Transfers to permanently transfer positions from Ely State Prison to Northern Nevada Correctional Center and Southern Desert Correctional Center to reduce overtime costs at these facilities. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000. **Work Program #C18326. RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 9, 2010.**

Refer to testimony and motion for approval under item 248.

- 247. Department of Corrections – Southern Desert Correctional Center – FY 2011 –** Addition of \$291,229 in Budgetary Transfers to fund the transfer of five positions from Ely State Prison to Southern Desert Correctional Center to reduce overtime costs at this facility. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C18327. RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 9, 2010.**

Refer to testimony and motion for approval under item 248.

- 248. Department of Corrections – Northern Nevada Correctional Center – FY 2011 –** Addition of \$582,459 in Budgetary Transfers to fund the transfer of ten positions from Ely State Prison to Northern Nevada Correctional Center to reduce overtime costs at this facility. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C18328. RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 9, 2010.**

Jeff Mohlenkamp, Deputy Director, Support Services, Department of Corrections, stated that Director Skolnik intended to answer questions from Las Vegas via telephone.

Mr. Mohlenkamp explained work programs 246, 247 and 248 were for the purpose of moving and transferring 15 Correctional Officer positions, 10 from Ely to the Northern Nevada Correctional Center (NNCC) and 5 from Ely to the Southern Desert Correctional Center (SDCC). He said the transfers were needed in order to equalize the staffing at Southern Desert Correctional Center. Northern Nevada Correctional Center did not have the staff needed to supervise transports due to the regional medical facility being at NNCC. Mr. Mohlenkamp said numerous inmates were transferred to and from the hospital and sometimes hospitalized for days, weeks and even months. Correctional Officers needed to be present at all times when inmates were outside the institution.

As a result, Mr. Mohlenkamp further explained, there were at least 2 to as many as 9 officers off the premises at one time at NNCC, and the agency was currently only budgeted for 1 officer to perform this function. Moving additional staff was necessary in order to help the overtime situation, and he was happy to report that overtime had been significantly reduced throughout the department. Overtime in northern Nevada had

been reduced from \$1.3 million in 2009 to approximately \$574,000 in fiscal year 2010. Mr. Mohlenkamp said much of the reduction was attributable to re-staffing and focus on management. Similarly, Southern Desert's overtime was reduced from \$418,000 in fiscal year 2009 to \$322,000 in fiscal year 2010. He added that the staffing changes had helped to mitigate overtime concerns and address some of the security needs at the facilities as well.

Howard Skolnik, Director, Department of Prisons, testifying by telephone from Las Vegas, apologized for not attending the meeting. He remarked that Deputy Director Mohlenkamp had fully explained the reasons for the staff moves. He added that the moves were a recommendation from the Advisory Commission on the Administration of Justice.

Assemblywoman Smith asked Mr. Mohlenkamp to discuss the 200-percent increase in outside medical costs.

Mr. Mohlenkamp replied there had been increases in medical costs, but he noted the medical costs fluctuated greatly over the years, and the situation was not unique. He said the current external medical costs, which included some pharmacy costs as well as outside costs related to inmate care outside the institution, were due to two major factors. The first was an increase in both volume and dollar size of some of the claims that involved an inmate harming another inmate or himself or who was injured in a recreational activity. Those claims were about \$1 million over what the agency had budgeted. Similarly, Mr. Mohlenkamp continued, there was over a \$1 million increase in outside medical claims. There had been some very expensive medical claims; one exceeded \$300,000 and two others were in the \$100,000-plus range. Relatively speaking, in terms of the medical world, the agency had a small population, and those kinds of expensive claims created a big bump in the numbers.

Assemblywoman Smith said she understood the difficulty in controlling the costs. She asked what the agency was doing to reduce supervisory coverage costs.

Mr. Mohlenkamp responded the agency was looking at options, and clearly one of the best options would be to work with the hospitals to contain the costs. There were ongoing discussions concerning the possibility of locating all of the inmates in one location. He noted it became problematic in situations such as when inmates were in intensive care versus in the cardiac unit. The situation was currently a work in progress.

SENATOR RHOADS MOVED FOR APPROVAL AS REVISED.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblymen Ocegüera and Bobzien were not present for the vote.

- 249. Department of Health and Human Services – Division of Child and Family Services – Community Juvenile Justice Programs – FY 2010** – Addition of \$74,600 in Federal Office of Justice Programs, Office of Juvenile Justice and Delinquency Prevention (OJJDP) Juvenile Accountability Block Grant (JABG) funds and transfer of \$219,268 from the Reserve category to the Local Government category to support juvenile justice and delinquency programs. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C18282. RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 11, 2010.**

Refer to motion for approval under Item I.

- 250. Department of Health and Human Services – Health Division – Communicable Diseases – FY 2010** – Transfer of \$67,362 from the Administrative Cost Allocation category to the HIV/ AIDS Medications category to support the increased utilization and increased average price for medications. Requires Interim Finance approval since the amount transferred to the HIV/ AIDS Medications category exceeds \$50,000. **Work Program #C18331. RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 14, 2010.**

Refer to motion for approval under Item I.

- 251. Governor's Office – FY 2011** – Addition of \$212,990 in American Recovery and Reinvestment Act (ARRA) Cost Allocation funds to cover a portion of personnel and operating expenditures for the ARRA Director's Office for FY 2011. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **RELATES TO ITEM K 9. Work Program #C18412. RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 15, 2010.**

Refer to testimony and motion for approval under Item K-9.

- 252. Department of Public Safety – Highway Safety Grants Account – FY 2010** – Transfer of \$77,475 from the Reserve for federal funds to the Motor Carrier Safety category to provide sufficient state authority to expend federal Funds for the remainder of state fiscal year 2010. Requires Interim Finance approval since the amount transferred to the Motor Carrier Safety category exceeds \$50,000. **Work Program #C18414. RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 15, 2010.**

Refer to motion for approval under Item I.

Reclassifications

Agency	Agency/ Account Number	Position Number	Present Class Title, Class Code, Grade & Salary	Proposed Class Title, Class Code, Grade and Salary
Department of Administration	083/1362	0028	Driver/Warehouse Supervisor Code: 9.212, grade 30, step 10, \$54,204.48 Employee/Employer Paid Retirement	Program Officer I Code: 7.649, grade 31, step 10, \$56,626.56 Employee/Employer Paid Retirement
Department of Employment, Training and Rehabilitation	901/3268	0152	Administrative Assistant IV Code: 2.210, grade 29, step 03, \$38,523.60 Employee/Employer Paid Retirement	Program Officer I Code: 7.649, grade 31, step 03, \$41,906.16 Employee/Employer Paid Retirement
Department of Corrections	440/3706	D802, F801, New	Pharmacist I (Unclassified) 2 positions Code: U9074, grade N/A, step N/A, \$99,560.00 Employee/Employer Paid Retirement	Pharmacy Technician II 3 positions Code: 10.723, grade 27, step 05, \$38,523.60 Employee/Employer Paid Retirement
Department of Conservation and Natural Resources/ Environmental Protection	709/3185	0518	Environmental Scientist III, Code: 10.525, grade 36, Step 01, \$47,606.40 Employee/Employer Paid Retirement	Professional Engineer, Code: 06.226, grade 40, step 01, \$56,626.56 Employee/Employer Paid Retirement
Department of Transportation	800/4660	050-007	Maintenance Coordinator I Code: 7.737, grade 35, step 01, \$45,560.16 Employee/Employer Paid Retirement	Staff II, Associate Engineer Code: 6.228, grade 37, step 01, \$49,694.40 Employee/Employer Paid Retirement
Department of Transportation	800/4660	067-089	Telecommunications Coordinator II Code: 6.969, grade 38, step 10, \$77,569.20 Employee/Employer Paid Retirement	IT Professional III Code: 7.925, grade 39, step 10, \$81,139.68 Employee/Employer Paid Retirement

Agency	Agency/ Account Number	Position Number	Present Class Title, Class Code, Grade & Salary	Proposed Class Title, Class Code, Grade and Salary
Office of the Military	431/3650	0050	Administrative Assistant III Code: 2.211, grade 27, step 10, \$47,606.40 Employee/Employer Paid Retirement	Fiscal/Business Professional Trainee Code: 7.776, grade 31, step 08, \$51,865.92 Employee/Employer Paid Retirement

Refer to motion for approval under Item I.

J. STATEMENT OF CONTINGENCY FUND BALANCE.

Mr. Krmpotic stated that prior to the current meeting, the balance in the Contingency Fund was \$11.6 million; the balance of the General Fund portion following approval of requests on the agenda would total approximately \$8.3 million.

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

1. State Controller's Office – Request for an allocation of \$125,980 to continue funding for one position and associated costs in FY 2011 to comply with American Recovery and Reinvestment Act (ARRA) of 2009 reporting requirements.

Kim Wallin, State Controller, explained the request was for approval of Contingency Funds in the amount of \$125,980 to fund the ARRA position that was placed in the Controller's office in August 2009. She recalled that the position was created with the understanding that it would continue to keep track of the stimulus funds until they were no longer available.

Senator Raggio asked how the position in the Controller's Office was working with the ARRA position in the Governor's Office.

Ms. Wallin replied the purpose of the position in her office was to provide checks and balances. As Controller, she had the statutory authority to audit all claims and money coming into the state to ensure they were accounted for properly. Some of the tasks performed by the position in the Controller's office were:

- Organize and coordinate the presentation reports for all the states for the federal government.
- Train agencies in the area of sub-recipient monitoring; 65 people were in attendance the previous week. This was a key to the ARRA money that the Inspector General would be reviewing.

- Work in conjunction with the Executive Branch auditors to help with implementation of additional internal controls required under the ARRA funding.
- Help in areas with a single audit issue, because the federal government was going to use the single audit for monitoring a large portion of the funds.
- Work on implementing the proper accounting and compliance with the Cash Management Improvement Act (CMIA), because several agencies were receiving grant money they had never received before, and they did not understand the spending patterns.
- Work on reconciliation of agency data to the Recovery.gov site and the state ARRA website and report errors to the Governor's office for correction.
- Establish policy and procedures for accounting for and tracking the ARRA funds.
- Work with the Public Works Board and Treasurer's office to make sure the Build America bonds were being accounted for properly and issued correctly.
- Meet with local governments which were found to not be reporting under the ARRA rules and help them because they did not have the resources or knowledge; they were now all in compliance.

Senator Raggio recalled there had been dissension and a long discussion originally as to whether the position should be established, since there was also a position in the Governor's office. He asked who had the responsibility for reporting to the federal government on ARRA funds.

Ms. Wallin replied Nevada actually did the right thing; it was decentralized, and each agency reported directly to the federal government. The Governor's office signed off on the agencies' reports, but the Controller's office position was performing functions not done in the Governor's office. Her office had just recently learned that there was great concern in other states because they were going to have a change in administration and might lose their knowledge base for the ARRA. Ms. Wallin noted the individual in the Governor's office had resigned and taken a new position effective July. The position in the Controller's office was a classified position that would be retained regardless of the outcome of the election.

Senator Raggio affirmed the \$125,980 was to fund the position for fiscal year 2011. He asked Mr. Clinger if the position was necessary or desirable to be funded.

Andrew Clinger, Director, Department of Administration, replied some of the tasks outlined by the Controller overlapped with positions in the Governor's office. The Governor's ARRA director was reconciling reporting to the federal government, and some training was being provided by the Governor's position. He was not sure if two positions were needed. He would prefer to see them working in the same office together.

Cochair Horsford remarked the Committee had labored on the issue for some time. After the initial disagreements on how to structure ARRA support, he believed the approach had been correct. Checks and balances were incredibly important; the Controller's Office had done a credible job of noting where there were discrepancies.

As a member of the IFC Stimulus Oversight Subcommittee, he was aware there were areas where improvements were needed, and having more than one set of eyes had improved that process. With the transition of the position in the Governor's office, some continuity would be provided in the Controller's office. He called for a motion.

ASSEMBLYWOMAN SMITH MOVED FOR APPROVAL OF ITEM K-1.

THE MOTION WAS SECONDED BY ASSEMBLYMAN DENIS.

Assemblyman Hardy asked if the \$125,980 was funded through a grant included in the ARRA and not the General Fund. Likewise, he asked how the Governor's office position was funded.

Ms. Wallin replied the Controller's Office position was funded through the Contingency Fund, i.e., General Fund. The Governor's office had included its position in the supplemental Statewide Cost Allocation Plan (SWCAP); the Controller's position was not included.

Assemblyman Hardy affirmed there were two General Fund positions not funded by the ARRA itself, but the criteria of the ARRA was being met, so the theory was the state would get reimbursed in some way.

Mr. Clinger explained funding of the Governor's ARRA office was split between a cost allocation and an administrative charge to all of the ARRA grants. There was some General Fund matching, because there were some grants that disallowed any administrative costs to be charged to them, so the state had to make up for those grants when it was unable to collect the administrative charge. He said as much of the ARRA funds as possible were being collected in the Governor's office administratively, with state money backfilling the balance of the uncollectible amounts.

Assemblyman Hardy asked if it was possible to incorporate the Controller's position into the Governor's position directly to maximize the leverage of collecting more ARRA grant funds for administrative costs.

Mr. Clinger replied both positions, as well as the operating costs in both offices, could be included in the cost allocation; it would be more advantageous to leverage funds.

Assemblyman Hardy asked how long the two positions were projected to be included in the state's budget. Mr. Clinger noted there was an upcoming item on the agenda asking for the state's portion of the position in the Governor's office, and as the Controller had stated, both positions would likely continue through the life of the ARRA funds. However, if the IFC approved the allocations for both offices, funding would be provided only through fiscal year 2011, and continued funding would have to be included in the Executive Budget.

Assemblyman Hardy asked if the state had an obligation to continue reporting after fiscal year 2011. Mr. Clinger replied it did.

Ms. Wallin added the ARRA funding would run out by 2014. She thought larger amounts would be spent this year and next year, but the positions might not be needed for the minor amount of funding that would exist after that time.

Assemblyman Hardy asked how much General Fund was going to the two positions this fiscal year and how much was projected to be saved by the decreased need in two years.

Mr. Clinger replied the question was difficult to answer. The combination of the two positions from a state-funding perspective was slightly over \$200,000 for fiscal year 2011. He noted the reporting requirements would not diminish, and in fact, the requirements would continue beyond ARRA funding. The transparency and reporting requirements would continue even after the ARRA funds were gone. Although he did not think it would mean two positions moving forward forever, as long as the reporting requirements continued, he did not know if one or both positions could be eliminated.

Assemblywoman Gansert asked if the Committee needed to approve the entire amount. She surmised there might be some potential ARRA grant funding available.

Cochair Horsford responded that the total amount would have to be approved and then any available reimbursement would be credited back.

Mr. Krmpotic added the Committee could fund the position up to \$125,980, with direction in the motion to revert any unused Contingency Fund allocation that might be generated through ARRA reimbursements.

Cochair Horsford asked the makers of the motion if they agreed to the suggestion; Assemblywoman Smith and Assemblyman Denis indicated they concurred with the recommendation.

THE MOTION CARRIED AS AMENDED.

Assemblymen Arberry and Atkinson were not present for the vote.

2. State Controller's Office – Request for an allocation of \$86,268 in FY 2011 to fund the Chief Accountant for Debt Collection. **WITHDRAWN JUNE 14, 2010.**
3. Nevada System of Higher Education – Trust Fund for the Education of Dependent Children – Request for an allocation of \$25,000 to cover the payment of educational expenses for eligible dependents of a police officer, firefighter, Nevada highway patrol officer, volunteer ambulance driver or attendant killed in the line of duty for FY 2011.

Cochair Horsford recommended Item K-3 be deferred until the next meeting; there were no objections from members of the Committee,

4. Department of Corrections – Request for an allocation of ~~\$3,401,708~~ **\$2,894,541** to support operating expenditures for FY 2010. **REVISED JUNE 14, 2010.**

Jeff Mohlenkamp, Deputy Director, Support Services, Department of Corrections, explained the department was seeking a Contingency Fund allocation of \$2,894,541; there were three driving forces for the request:

- Revenues were not coming in at the budgeted target amounts.
- Personnel expenditures were exceeding the budgeted amounts.
- Medical expenses had increased, as previously discussed in Agenda Item I.

Mr. Mohlenkamp said the department had the ability to move money between budget accounts in the form of budgetary transfers, which had previously been approved by the Committee, but after the adjustments and transfers were made, there would still be a gap in revenue. One factor was associated with a shortage at Casa Grande in the amount of \$394,565, which was caused by the lack of employment for the inmates due to the economy.

The second factor leading to the shortage in funds was \$735,000 in overtime costs. Mr. Mohlenkamp said while overtime costs had been reduced from \$5.4 million in fiscal year 2009 to an estimated \$2.2 million in fiscal year 2010, there was still significant overtime. The vacancy rates for fiscal year 2010 were somewhat lower than they had historically been. They had recently spiked upward, but the prior vacancy rates across the department were in the 4- to 6-percent range, which was lower than the historical averages. As a result, vacancy savings had not been realized, requiring additional funding for overtime costs. Mr. Mohlenkamp noted that despite the fact the current amount of \$2.2 million was essentially the lowest in the last five years, the department was budgeted for zero dollars in overtime,

Finally, as previously discussed, Mr. Mohlenkamp said increased medical expenditures were contributing to the department's budget shortfall; he would elaborate if necessary.

Cochair Horsford asked what other actions the department could take to fill the vacancies in lieu of overtime beyond what had already been done.

Mr. Mohlenkamp replied an academy was scheduled to begin in early July in the southern part of the state, and many of the vacancies could be filled upon completion of the academy. The department was following the justification to fill process required by the Department of Personnel, and as that process was moving forward, positions were being filled. He believed great strides were being made in recruitment and hiring. He added there had been some intentional withholding of filling vacancies in the north because of the plan to close to the Nevada State Prison and to avoid layoffs.

Mr. Mohlenkamp said the Ely State Prison had averaged 30 Correctional Officer vacancies over the past two years. He anticipated keeping all of the positions filled at Ely would always be a problem.

Senator Raggio noted that \$395,000 of the request was for the Casa Grande transitional housing. Mr. Mohlenkamp explained the request was to cover the remainder of the current fiscal year.

Senator Raggio understood Casa Grande provided for transition to re-entry into society, and he asked if more inmates were entering the program or if those in the program could not pay.

Mr. Skolnik replied via telephone that the reason was basically an employment and revenue-driven issue. The program was down to approximately 200 inmates, which was low, but the department had just received a grant that would allow more inmates to be brought into the program to receive training as opposed to employment. The grant would provide enough cash flow to pay the inmates' room and board, which would help the situation in fiscal year 2011. He said Casa Grande had never been able to attain the full amount of revenue that was originally proposed.

Assemblywoman Smith recalled that during the 26th Special Session, she had asked the department to work with the Department of Health and Human Services (DHHS) to find ways to lower the cost of medications, particularly HIV drugs. She said the director of the DHHS had indicated the departments could work together. She asked if progress had been made in that area.

Mr. Skolnik replied the new Department of Corrections Chief Pharmacist, Linda Fox, had been in discussions with the pharmacy staff at Health and Human Services, and she had already reduced pharmacy costs by an estimated \$600,000 to \$1 million. The department was waiting on a legal opinion as to whether it could purchase generic drugs out of the country, which would probably save another \$1 million in pharmacy costs. Mr. Skolnik added Ms. Fox had been doing an outstanding job.

SENATOR RAGGIO MOVED FOR APPROVAL.

THE MOTION WAS SECONDED BY SENATOR MCGINNESS.

THE MOTION CARRIED.

5. Office of the Military – National Guard Benefits – Request for an allocation of \$7,500 for projected tuition reimbursements for FY 2010.

Miles Celio, Administrative Services Officer, Office of the Military, explained Item K-5 was a request for \$7,500 from the Contingency Fund to fund summer school tuition costs for the Office of the Military. Eighty-six students had applied for summer school tuition, and with the tuition for the mini-session of summer school still due to be paid, it

was estimated there would be approximately 15 additional applications, which necessitated the need for additional funds.

SENATOR RAGGIO MOVED FOR APPROVAL.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblymen Ocegüera and Bobzien were not present for the vote.

6. Department of Cultural Affairs – Division of State Library and Archives – Request for an allocation of \$58,332 for FY 2011 to fund an Administrative Assistant II position currently being funded by the Nevada State Library Literacy Program. **RELATES TO ITEM I 47. RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 2, 2010. (REVISED JUNE 15, 2010.)**

Refer to testimony and motion for approval under Item I-47.

7. Department of Cultural Affairs – Division of Museums and History – Request for an allocation of \$25,790 for FY 2010 due to projected increase in utility costs. **RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 2, 2010.**

Michael Fischer, Director, Department of Cultural Affairs, explained item K-7 was a request on behalf of the Division of Museums and History to allocate \$25,790 for fiscal year 2010 due to a projected increase in utility costs at the Nevada State Museum in Carson City. He noted the building was initially constructed as the State Mint, and there had been two additions to the mint; the bank building was purchased, and the Dema Guinn concourse, a very large glass structure, was built in between.

Mr. Fischer said the agency had done its best to estimate what the utilities would be, but, he apologized, the estimates were low. There were four or five separate utility bills received because of the manner in which the structure was created, and due to the fact the building was a large-volume structure of glass and dark glass, it tended to lose heat in the winter and retain heat in the summer.

Assemblyman Ocegüera noted the building had been there for some time; it seemed there would be a history of the utility costs. He asked if the reduced number of operating hours should have reduced utility costs.

Mr. Fischer replied there were two considerations as far as reduced utility bills. Because the building housed a number of artifacts, which were temperature sensitive, there was not as much lenience to lower temperatures as there would be in a vacant building. He said the reduced use of the building had only been in effect since after the 2009 Legislative Session, so there was not a long history of costs; also, estimates were

problematic for the concourse building in the middle because it was a relatively new structure.

Assemblyman Denis asked if there were plans to create some efficiencies in the future to minimize the utility costs of the concourse.

Mr. Fischer replied the building was designed using low-E glass to try to minimize the problem, but there was heat loss in the winter and the darker color was problematic in the summer. He was not sure what could be done to mitigate the problem due to the design.

SENATOR RHOADS MOVED FOR APPROVAL.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED.

8. Department of Cultural Affairs – Administration – Request for an allocation of \$20,000 to provide funding for the Governor's portrait. **RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 11, 2010.**

Mr. Fischer explained \$20,000 was being requested for funding of the Governor's portrait. He noted this request was new for the department; until the 2007 Legislative Session, the Legislative Counsel Bureau was responsible for requesting funding for the Governor's portrait. The funding level was the same amount as allocated for Governor Miller and Governor Guinn.

SENATOR RAGGIO MOVED FOR APPROVAL.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED.

9. Office of the Governor – ARRA Director's Office – Request for an allocation of \$112,998 to cover a portion of the personnel and operating expenditures for the ARRA Director's Office. **RELATES TO ITEM I 251. RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 15, 2010.**

Evan Dale, Administrative Services, Department of Administration, explained Items I-251 and K-9 requested revenue and expenditure authority for the American Reinvestment and Recovery Act (ARRA) reporting office within the Office of the Governor for fiscal year 2011. The funding streams to support the operation included \$212,990 in assessments from certain ARRA grants and \$112,998 as a transfer from the Contingency Fund, for a total of \$325,988 for the full year.

SENATOR RAGGIO MOVED FOR APPROVAL.

THE MOTION WAS SECONDED BY ASSEMBLYMAN ATKINSON.

Cochair Horsford added approval of the \$325,988 was to include the same caveat as the previous motion under Item K-1, which was any unused Contingency Fund allocation that might be generated through ARRA reimbursements was to be reverted to the General Fund.

THE MOTION CARRIED AS AMENDED.

Assemblymen Oceguela and Bobzien were not present for the vote.

- *L. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY FUND PURSUANT TO A.B. 146, Section 45.5 (2009) – Office of the Secretary of State – Request for an allocation of \$4,552,339 to design and implement a state business portal to facilitate transactions between businesses and state agencies.

Refer to testimony and motion for approval under Item I-11.

- M. DEPARTMENT OF HEALTH AND HUMAN SERVICES – DIRECTOR'S OFFICE – Administration – Request for an extension of the reversion date of the Contingency Fund allocation made on August 3, 2009, for activities relating to the Health Information Technology (HIT) Blue Ribbon Panel.

Shawna Derosse, Chief Fiscal Officer for the Director's Office, Department of Health and Human Services, recalled that at the August 2009 IFC meeting, the department received an appropriation of \$234,000 to start the process for the Health Information Technology Blue Ribbon Taskforce. In February, the department received a grant, and the agency stopped using the Contingency Funds and started using grant funds. There was a match requirement for the grant beginning in October 2010, and the agency was asking that the \$165,000 remaining in Contingency Funds be allowed to balance forward in fiscal year 2011 to be used toward the match requirement, which would take the grant funds through June 30, 2012.

ASSEMBLYWOMAN SMITH MOVED FOR APPROVAL.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION CARRIED.

Assemblymen Oceguela and Bobzien were not present for the vote.

- N. DISASTER RELIEF ACCOUNT – City of Caliente – Request for an extension of the reversion date of grant funds allocated at the February 3, 2010, Interim Finance Committee meeting.

Patrice Lytle, City of Caliente, testified via telephone that the funding from the Disaster Relief Account was granted to the city of Caliente at the February 2010 IFC meeting. However, she said the particular project was under the Federal Emergency Management Agency (FEMA) timeframe, which required completion by July 31, 2010. Ms. Lytle said the project was on track to be completed by July 31, but would not be completed by June 30, 2010, which was the reversion date required in the IFC resolution. The city was therefore asking for an extension of the reversion date.

ASSEMBLYWOMAN MCCLAIN MOVED FOR APPROVAL.

THE MOTION WAS SECONDED BY ASSEMBLYMAN GOICOECHEA.

Mr. Krmpotic explained extending the reversion date would allow the Disaster Relief Account proceeds to be expended up until June 30, 2011.

Senator Raggio asked if there was any foreseeable reason the project could not be completed by June 30, 2011. Ms. Lytle replied absolutely not.

THE MOTION CARRIED.

Assemblyman Ocegüera and Bobzien were not present for the vote.

- O. ESTABLISHMENT OF THE SALARY FOR AN UNCLASSIFIED ADMINISTRATOR POSITION WITHIN THE DEPARTMENT OF AGRICULTURE – VETERINARY MEDICAL SERVICES – Senate Bill 433, Section 2, Subsection 1 (Chapter 399, 2009).

Cochair Horsford recalled the position of the unclassified administrator of the Department of Agriculture, Veterinary Medical Services, was established at the April IFC meeting. The Committee now needed to approve the salary for the position, which was recommended to be \$109,680.

SENATOR RHOADS MOVED FOR APPROVAL.

THE MOTION WAS SECONDED BY SENATOR MATHEWS.

THE MOTION CARRIED.

Assemblymen Ocegüera and Bobzien were not present for the vote.

- *P. NEVADA SYSTEM OF HIGHER EDUCATION – To offset, in whole or in part, General Fund budget reductions approved during the 26th Special Session, request pursuant to S.B. 431, Section 8 (2009) to reallocate:
1. Excess Student Registration Fees, Surcharges, Miscellaneous Fees and Nonresident Tuition revenues in FY 2010 at the University of Nevada, Las Vegas School of Dental Medicine approved for expenditure by the Interim Finance Committee on February 3, 2010.
 2. Excess Student Registration Fees at the College of Southern Nevada approved for expenditure by the Governor on November 20, 2009, for incremental instructional costs.

Mark Stevens, Interim Vice Chancellor for Finance, Nevada System of Higher Education (NSHE), explained that Section 8 of Senate Bill 431 of the 2009 Legislative Session authorized the Nevada System of Higher Education to expend additional registration fees collected from students for the purpose of meeting incremental instructional costs necessary as a result of registering additional students beyond enrollments approved in the legislatively-approved budget. He said that the NSHE may also expend additional non-resident student fees and additional in-state student fees not utilized for incremental costs, in addition to amounts authorized for fiscal years 2010 and 2011, with approval of the Interim Finance Committee.

Mr. Stevens explained that due to the budget reductions for the NSHE in fiscal year 2010, there were two instances that required additional authorization from the Interim Finance Committee in order to expend excess student fees in accordance with the budget reductions approved by the Board of Regents on April 16, 2010. The first was the UNLV Dental School. The Dental School received authorization from the IFC on February 2, 2010, to expend \$334,780 in excess student fees in fiscal year 2010. Mr. Stevens said due to the budget reductions required by A.B. 6 of the 26th Special Session, approval of \$168,524 of the amount previously authorized to support increased expenditures was requested to partially offset instructional expenditure reductions in fiscal year 2010.

Continuing, Mr. Stevens said the second item requiring additional authorization was a work program for the College of Southern Nevada (CSN) that was processed earlier in fiscal year 2010 to expend \$870,644 in excess student fees to support additional instructional costs, as allowed per S.B. 431. However, due to the budget reductions required pursuant to A.B. 6 of the 26th Special Session, CSN was requesting that \$870,644 previously authorized to support additional instructional costs be approved to partially offset General Fund support in fiscal year 2010.

Mr. Stevens offered to answer questions from the Committee; there were none.

SENATOR MATHEWS MOVED FOR APPROVAL.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED.

- *Q. DEPARTMENT OF WILDLIFE – Pursuant to a letter of intent from the 2009 Legislature, request for approval of a proposed plan for the separation of the Wildlife Administration account into separate budget accounts. **RELATES TO ITEMS I 233, 234, 238, and 239.**

Refer to testimony and motion for approval under Agenda Item I-239.

- *R. DEPARTMENT OF MOTOR VEHICLES – Pursuant to NRS 445B.830(8), request for approval of grants from the Pollution Control Account to:
1. Clark County Department of Air Quality and Environmental Management – \$564,270.
 2. Washoe County District Health Department – \$140,000.
- RELATES TO ITEM I 181.**

Refer to testimony and motion for approval under Agenda Item I-181.

- S. GIFTS AND GRANTS PURSUANT TO NRS 353.335 (2)(b) – INFORMATIONAL ONLY – Department of Health and Human Services – Health Division – Chronic Disease – Declared by the Governor to require expeditious action within 15 days for acceptance of \$136,583 in federal Comprehensive Cancer Program grant funds. **RELATES TO ITEM G 2.**

Refer to discussion under Agenda Item G-2.

- *T. GIFTS AND GRANTS PURSUANT TO NRS 353.335 (2)(c)– Department of Public Safety – State Fire Marshal Division – Request for approval to accept a fire simulator and trailer from Amerigas **or \$22,500 to have such built RECEIVED AFTER SUBMITTAL DEADLINE, JUNE 9, 2010. (REVISED JUNE 15, 2010.)**

Cochair Horsford indicated Agenda Item T had been withdrawn.

- U. INFORMATIONAL ITEMS – REPORTS ON LETTERS OF INTENT, COMMITTEE REQUESTS AND STATUTORY REQUIREMENTS.

6. DEPARTMENT OF HEALTH AND HUMAN SERVICES

d. Division of Child and Family Services

- (3) Juvenile Correctional Facility – Quarterly report on the status of the Summit View Youth Correctional Center for the period ending March 31, 2010 (letter of intent, 2003 Legislature).

Cochair Horsford asked Diane Comeaux, Director, Division of Child and Family Services, to provide an update on the informational item concerning the closure of the Summit View Youth Correctional Center.

Ms. Comeaux said since the Summit View facility was now closed, the division was requesting to be allowed to discontinue submitting reports to the IFC. She noted approval of that request would require a vote of the Committee.

Ms. Comeaux reported the facility was closed effective May 1, 2010; the 10 remaining youth were transferred out the end of April. The Nevada Youth Training Center (NYTC) in Elko had a capacity of 160, and the current population was 137; the Caliente Youth Training Center (CYTC) had a capacity of 140, and the current population was 112.

As far as the impact on the other facilities, Ms. Comeaux said the majority of the youth transferred from Summit View to the other facilities went to NYTC. Additional training had been provided to the staff, including training for the mental health counselors to handle drug abuse counseling. She said the transition had been difficult for the staff, but they were working through the issues as they arose.

Assemblywoman Smith asked Ms. Comeaux to discuss the status of the building at Summit View. Ms. Comeaux replied the division and the department met with representatives of the Treasurer's office, the Governor's staff, State Lands and bond counsel earlier in the week to get very clear parameters on what could or could not be done with the facility. Bond counsel had advised the division had three options for reuse of the facility:

- Sell the facility, with either an upfront payment or under installment payments. If there was an upfront payment sale, the facility could be sold to either a 501(c)(3) organization or for-profit organization, but it would require the state to put a certain amount of money into an escrow account in order to satisfy the outstanding certificates before title could be transferred. Ms. Comeaux said the amount would be \$9.8 million, \$7.9 million of which was principal and \$1.9 million interest.

Ms. Comeaux further explained the sale of the facility in installments would be allowable only to a 501(c)(3) organization; an installment payment to a for-profit entity was not possible because of the tax-exempt status that was used to fund the bonds.

- Lease the facility, but the lease would again be limited to a 501(c)(3) organization, and there were minor additional requirements. A direct lease of the facility to a for-profit organization was not a possibility.
- Enter into a management agreement for the operation of the facility, similar to what was done originally when the facility was built. It would be necessary to go through a request for proposal process, and the money would have to be available to enter into a contract.

Ms. Comeaux said State Lands had some additional requirements as part of the use of the facility. In order to offer any state land for sale or lease, two appraisals must be

obtained to determine fair market value. Once the appraisals were received, the property could either be sold or leased, but it would have to be done through a public offering process and must be at fair market value. In addition, any sale or lease of state lands required final approval of the Board of Examiners and the Interim Finance Committee.

Continuing, Ms. Comeaux said based on the information from bond counsel, State Lands was conducting an initial analysis to see if it could come up with a rough estimate of the property value, because if a sale price of at least \$9.8 million was not possible, the property could not be sold. State Lands indicated the actual appraisals would cost between \$10,000 and \$30,000, so it would be desirable to have a ballpark figure of the property's worth before paying the appraisal costs.

Cochair Horsford remarked that he would prefer to keep the letter of intent for reporting the status in force in order to monitor the final disposition of the facility. The process needed to be open and transparent due to the state's investment in the facility.

Ms. Comeaux asked if the reporting requirements could be changed from what was specifically outlined in the letter of intent to the current information required. Cochair Horsford was agreeable and asked Ms. Comeaux to work with Fiscal staff on amending the letter of intent.

10. Quarterly reports on taxes and fees for the period ending March 31, 2010, pursuant to A.B. 193 of the 2009 Legislature.
 - a. Department of Taxation

Assemblywoman Smith asked if the agency outstanding debt reporting form, as required by A.B. 87 of the 2009 Legislative Session, had been useful or needed to be improved upon. She had reviewed the report from Taxation and did not see any big issues. She noted there was a large outstanding amount of sales and use tax collections. Also, she questioned why \$72 million in old debt needed to be addressed.

Dino DiCianno, Director, Department of Taxation, said he had no qualms with respect to the reporting form whatsoever. He believed it was important that agencies provide the IFC with the information to allow the general public to understand the outstanding debt and what the department was doing to accomplish the debt collection.

Mr. DiCianno noted that the form used the term "failed to collect," and he remarked the statement was very ominous. The department had not failed to collect anything; in some cases, the taxpayer had failed to remit. He thought the statement might give the public the impression the department was not doing its job, and he stressed that every agency reporting was conducting and doing its job to the best of capabilities.

Mr. DiCianno acknowledged there was substantial outstanding debt, and the department was hoping the amnesty period that would begin July 1, 2010, would

encourage taxpayers to come forward and pay their debts. Penalties and interest would be forgiven.

With respect to A.B. 87, Mr. DiCianno said the Department of Taxation had been working with the Controller's office. The department had asked the Controller whether it could be allowed a waiver from the requirement to submit debt to the Controller as stipulated in A.B. 87. He said that did not mean the department would not transmit debt to the Controller; he would definitely like to transmit the old debt referred to by Assemblywoman Smith to the Controller's office for collection. Once the amnesty period was over, that debt would also be transmitted to the Controller.

Mr. DiCianno pointed out there was a regulation that had been drafted by the Legislative Counsel Bureau but not yet adopted that described the process for transmitting the debt. He had just received a letter from the Controller's office with respect to some technology enhancements to the accounts receivable systems, which would centralize and automate debt collection. The Department of Taxation would be a part of that process and could hopefully assist the Controller. There were still some mechanisms that needed to be put into place to make the project successful. Mr. DiCianno emphasized the Department of Taxation would do everything possible to collect outstanding debt. Once every tool was exhausted, the debt would be remitted to the Controller's office for collection. He reiterated he wanted to wait until after the amnesty period was over before beginning the project; the amnesty period would start July 1 and end September 30, 2010.

Assemblywoman Smith asked how the amnesty period was being advertised. Mr. DiCianno replied the information was on the department's website, and the Taxpayer's Association and various retail associations had been informed. He was hopeful the newspapers would advertise the amnesty period also.

Assemblywoman Smith asked if there was a way to know if a taxpayer seeking tax amnesty had also received a tax incentive or tax abatement. She had concerns about giving a taxpayer amnesty on one tax when a tax incentive or abatement had been granted on another tax.

Mr. DiCianno said the taxpayer had to apply for the amnesty, and the department would definitely crosscheck and verify the information.

V. PUBLIC COMMENT.

There was no public comment.

W. ADJOURNMENT.

ASSEMBLYMAN HARDY MOVED FOR ADJOURNMENT.

SENATOR MCGINNESS SECONDED THE MOTION.

THE MOTION CARRIED.

The meeting was adjourned at 1:57 p.m.

Senator Steven Horsford, Cochair
Interim Finance Committee

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

**EXHIBITS
INTERIM FINANCE COMMITTEE**

Exhibit	Witness/Agency	Description
A	Fiscal Analysis Division Legislative Counsel Bureau	Agenda
B	Fiscal Analysis Division Legislative Counsel Bureau	Guest List
C	Fiscal Analysis Division Legislative Counsel Bureau	June 24, 2010, Meeting Packet
D	Senator Bob Coffin Gus Nunez, Manager State Public Works Board	Agenda Item F - Report of the June 22, 2010 Meeting of the IFC's Subcommittee to Review Public Works Board Matters
E	Dr. Hatice Gecol, Nevada Energy Commissioner	Agenda Item H-1 – Scope of Work – Nevada Renewable Energy and Energy Efficiency Authority
F	Mark Winebarger, Chief Deputy Treasurer State Treasurer's Office	Agenda Item I-13 – Nevada Millennium Scholarship Revised 2010 Projections
G	Karen Duddlesten, Senior Deputy State Treasurer's Office	Agenda Item I-13 – Nevada Prepaid Tuition Program 10-Year Projections
H	Karen Duddlesten, Senior Deputy State Treasurer's Office	Agenda Item I-13 – Nevada College Savings Endowment Account – 2010 – 2013 Projections
I	Karen Duddlesten, Senior Deputy State Treasurer's Office	Agenda Item I-13 – Endowment Account Work Program/Proposed Plan