

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Third Session
May 24, 2005**

The Committee on Ways and Means was called to order at 8:12 a.m., on Tuesday, May 24, 2005. Chairman Morse Arberry Jr. presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. Morse Arberry Jr., Chairman
Ms. Chris Giunchigliani, Vice Chairwoman
Mr. Mo Denis
Mrs. Heidi S. Gansert
Mr. Lynn Hettrick
Mr. Joseph M. Hogan
Mrs. Ellen Koivisto
Ms. Sheila Leslie
Mr. John Marvel
Ms. Kathy McClain
Mr. Richard Perkins
Mr. Bob Seale
Mrs. Debbie Smith

COMMITTEE MEMBERS ABSENT:

Ms. Valerie Weber (excused)

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Leslie Johnstone, Program Analyst
Susan Cherpeski, Committee Attaché
Lila Clark, Committee Attaché

Vice Chairwoman Giunchigliani called the meeting to order and indicated the Committee would hear the first item on the agenda.

Senate Bill 26 (1st Reprint): Revises provisions governing distribution of money in Pollution Control Account to local governmental agencies. (BDR 40-397)

Dennis Colling, Chief, Administrative Services Division, Department of Motor Vehicles (DMV), presented S.B. 26, which addressed a number of issues, particularly a change in the balance that must remain in the Pollution Control Account at the end of the year before local governments could receive grants of excess money. Mr. Colling indicated that the Department was requesting an additional \$500,000, thus bringing the amount required in the account to \$1 million.

Mr. Colling explained that the additional \$500,000 would be used as a "carry forward" for the Department to use during the first few months of the operation of Budget Account 4722, which provided support for the DMV, the Department of Conservation and Natural Resources, the Department of Agriculture, and the Tahoe Regional Planning Agency, as well as providing dedicated grant funds to the counties.

Mr. Colling noted that the second part of S.B. 26 was a change in how the Department handled the distribution of the dedicated money from the sale of certificates in Washoe and Clark Counties. He reminded the Committee that \$1 from each certificate was dedicated to Washoe and Clark Counties based upon the sale of certificates in the counties.

Vice Chairwoman Giunchigliani asked how many certificates were sold, and Mr. Colling said there were over 1 million certificates.

Mr. Colling continued and said that S.B. 26 would enable the Department to make the distribution as the money was collected. Currently, the Legislature approved the amount, and then the counties and the Department had to go to the Interim Finance Committee (IFC) for a second approval of the dollar amount. He said the Department had included an estimate in the budget of how many certificates would be sold during the upcoming biennium, and the Department was requesting permission to distribute that money, much like the way the Department distributed the Government Services Tax.

Mr. Colling noted that the bill also addressed the counties' situations and asked them to report to the IFC as to how the funding was used in each county during the year.

Vice Chairwoman Giunchigliani clarified that the distribution would be on a quarterly basis and the Department and the counties would not need to approach the IFC. She noted that the language in subsection 4 of S.B. 26 had changed in the first reprint of the bill. She commented that there had been a problem in Clark County with the way the pollution control had been handled. Credits had been given to businesses, but there had never been any accountability. She asked if the Pollution Control Account was the same fund.

Dan Musgrove, representing Clark County, responded to Vice Chairwoman Giunchigliani's inquiry and explained that the situation she had mentioned was related to the road maintenance and airborne pollution and had nothing to do with the smog check or the Pollution Control Account in S.B. 26.

Vice Chairwoman Giunchigliani noted that the program had been in the Health Division. Mr. Musgrove said that when the Governor had given the responsibility for air quality to Clark County, Clark County had eliminated the program. Clark County had finalized the audit of the program and there had been problems such as those referred to by Vice Chairwoman Giunchigliani. He emphasized that there were two different programs.

Vice Chairwoman Giunchigliani asked how the \$1 per certificate distributed to the counties by the Department was used. Mr. Musgrove said that the money was used for air quality programs directly related to carbon monoxide capital improvement programs, testing, and to help people repair their vehicles for smog checks. Vice Chairwoman Giunchigliani asked how that service was

publicized, and Mr. Musgrove indicated that he would have to get that information.

Vice Chairwoman Giunchigliani noted that one of the provisions was that the money had to be used in nonattainment or maintenance areas. She asked if anything besides the carbon monoxide programs was considered a maintenance area.

Mr. Musgrove said there was a great deal of testing and modeling that had to be done to remain in compliance, and he offered to provide a list of the various activities. He explained that the three nonattainment areas were ozone, particulate matter (PM-10), and carbon monoxide. Two of the state capital improvement programs had been approved for PM-10 and carbon monoxide programs, so Clark County was working to be in attainment in regard to those areas. Clark County was just designated to be in nonattainment for ozone, and the County had to go to the federal government to have the area more narrowly defined. He offered to provide further detail regarding how the money was spent.

Vice Chairwoman Giunchigliani informed the Committee that the key piece to consider in the bill was the change from the IFC approval to the quarterly accounting, similar to the GST administration.

Assemblywoman McClain asked if the issues in S.B. 26 had been raised during the budget hearings and resolved in a different manner. Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the process had not been changed during budget closings, but the Committee needed to decide whether to retain the current process and have the Department approach the IFC for the excess monies or whether the Department could distribute the funds. Mr. Stevens did not recall whether the budget had been closed with the additional \$500,000 requested in S.B. 26.

Mr. Colling said the budget had been closed with the additional \$500,000. Vice Chairwoman Giunchigliani asked if the problem was that the system was cumbersome or if there was an issue with receiving the funding in a timely manner.

Mr. Colling said the Department viewed the changes in S.B. 26 as an opportunity to ease the transition of the money from the state to the counties. It seemed to be a cumbersome process where the Legislature approved the \$1 per certificate in the budget.

Vice Chairwoman Giunchigliani asked if the Department performed any kind of audit to make sure the counties were spending the money in appropriate areas.

Clay Thomas, Deputy Director, Department of Motor Vehicles (DMV), said that the Department requested and received quarterly reports from both Washoe and Clark Counties, and then that information was given to the IFC. Mr. Thomas added that the current system required 12 steps from the time the money was requested by the counties until it was released. The bill would expedite the process.

Vice Chairwoman Giunchigliani asked how many of the 12 steps would be eliminated by the bill. Mr. Thomas indicated that most of the steps would be eliminated. Vice Chairwoman Giunchigliani noted that some of those steps were results of the Department's own bureaucracy and she wanted assurance that the Department would be eliminating some of the internal problems if it

was asking for the elimination of IFC oversight. Mr. Thomas pointed out that there would still be IFC oversight as the report regarding how the funds were spent would be reviewed by the Legislature. It was dedicated grant money that the counties were entitled to and it was a line item in the budget.

Vice Chairwoman Giunchigliani asked that the Department provide more detail regarding the 12-step process. Mr. Thomas agreed to provide that information.

Vice Chairwoman Giunchigliani closed the hearing on S.B. 26 and relinquished the chair to Chairman Arberry.

Chairman Arberry opened the hearing on S.B. 98.

Senate Bill 98 (1st Reprint): Revises provisions relating to per diem allowances and travel expenses for members of Task Force on Prostate Cancer. (BDR 40-1210)

Michael Willden, Director, Department of Human Resources, presented S.B. 98, which made an appropriation of \$50,000 to the Task Force on Prostate Cancer. Mr. Willden noted that it was included in The Executive Budget in the special and one-shot appropriations section.

Mr. Willden explained that the task force was created by legislation in 2001, and included 11 members who met at least 4 times per year. The members were not currently entitled to receive per diem allowances and travel expenses; however, he had worked with the Senate Committee on Finance to amend S.B. 98 to include the per diem and travel expenses for the task force members.

Mr. Willden referred the Committee to Exhibit B and explained that it was a tentative budget for FY2006 and FY2007 and included the current statutes related to the prostate cancer task force. There were a number of statutory duties. He pointed out that currently in the *Nevada Revised Statutes* (NRS) 457.340, the Director of the Department of Human Resources was required to provide the necessary administrative support to the task force. He stated that the passage of S.B. 98 would provide the task force with dedicated funding and greatly enhance their ability to meet the goals outlined in the statutes and to give them a more consistent funding process.

Ms. Giunchigliani remarked that there had been attempts to establish a policy that any task forces or specialized committees or commissions that were established by the Legislature have a sunset date. She said that if the Committee chose to pass the legislation, a sunset date should be included as some of those task forces or commissions did not need to be in place indefinitely. She asked if it was a departure to pay per diem.

Mr. Willden indicated that per diem was included in the legislation proposed for the Office of Disability Services. He noted that a number of task forces received per diem allowances. Ms. Giunchigliani noted that in the next session, the task forces and commissions should be streamlined.

Mr. Willden said he had been asked previously to provide a list of the number of committees, task forces, and commissions that advised the Department of Human Resources and it seemed that there were approximately 70. He offered to provide that information to the Committee. Ms. Giunchigliani commented that there needed to be some cleaning up.

Dan Musgrove, representing himself, addressed the Committee and spoke in support of S.B. 98. Mr. Musgrove explained that his father was a prostate cancer survivor and had been very involved in the community, starting Us TOO, a prostate cancer support group, and serving as chairman of the board for the National Us TOO Foundation. Mr. Musgrove said it was a good task force and it was very important to his father and to all survivors of prostate cancer.

Ms. Giunchigliani asked if there was a Nevada Men's Health Conference and a Nevada Women's Health Conference. Mr. Willden responded and said there was a Nevada Women's Health Conference held every October. There had not been an organized Nevada Men's Health Conference, but part of the funding would be used to create an annual conference.

Assemblywoman Koivisto questioned whether the task force had examined the possibility of teleconferencing rather than traveling to reduce the travel and per diem expenses. Mr. Willden said the task force currently teleconferenced; however, some business needed to be conducted in person. He said that the task force would probably teleconference for two of the meetings and meet together as a full committee for two of the meetings.

Buffy Gail Martin, Government Relations Director-Nevada, American Cancer Society, spoke in support of S.B. 98. Ms. Martin thanked the Committee for considering the funding of the Task Force on Prostate Cancer. Prostate cancer was the most common cancer among American men. It was anticipated that there would be 189,000 new cases in the current year with 30,200 dying of the disease. In Nevada, there would be approximately 2,000 new cases diagnosed in 2005. Prostate cancer would affect 1 in 6 men during their lifetime. Ms. Martin said that the funding of the task force would benefit Nevadans. Given that the cancer would affect 1 in 6 men, the \$50,000 request in S.B. 98 was a small amount of money. Ms. Martin stated that the American Cancer Society was committed to assisting the task force with any resources necessary, including information on detection, treatment, and services in regard to prostate cancer. She urged the Committee to pass S.B. 98.

Chairman Arberry asked if anyone else wished to speak for or in opposition to S.B. 98. There being no one, he declared the hearing on S.B. 98 closed and opened the hearing on S.B. 99.

Senate Bill 99: Makes appropriation to Department of Administration for litigation costs incurred by Interstate Commission for Adult Offender Supervision. (BDR S-1214)

Andrew Clinger, Deputy Director, Budget Division, Department of Administration, presented S.B. 99. Mr. Clinger explained that S.B. 99 provided a \$3,000 appropriation to the Department of Administration for litigation costs incurred by the Interstate Commission for Adult Offender Supervision. The litigation costs were a result of litigation between the Commission and the state of Pennsylvania, and to date, the Commission had incurred approximately \$50,000 for legal fees and anticipated spending another \$50,000 due to the litigation. As a result, the Commission had requested the states increase their assessment to the Commission.

As no one else wished to speak, Chairman Arberry declared the hearing on S.B. 99 closed and opened the hearing on S.B. 102.

Senate Bill 102 (1st Reprint): Makes appropriation to Office of Veterans' Services to pay for construction costs of shelter to protect state-owned vehicles. (BDR S-1219)

Charles W. "Chuck" Fulkerson, Executive Director, Office of Veterans' Services, presented S.B. 102 and provided Exhibit C to the Committee. Mr. Fulkerson said that S.B. 102 was a one-shot appropriation request to provide heat-reducing shelter for the Veterans' Home vehicles in Boulder City. The shelter would be constructed inside a secure, enclosed area. At the present time, the vehicles had to be run for more than 20 minutes with air conditioning on to cool the vehicle down before the veterans could be transported in the vehicle. The upper bodies of the vehicles were mostly fiberglass that deteriorated more quickly in the sun than metal vehicles did. The vehicles cost more than \$170,000 to purchase and the replacement costs were expected to exceed \$200,000.

Mr. Fulkerson explained that when he had put together the legislation, some vehicles had blisters and cracks in the roof and the roofs of all three vehicles leaked. The caulking that was used deteriorated in the sun as well. He said that the shelters would extend the life of the vehicles by 4 to 6 years, so it would match the life of the power trains and the running gear. The appropriation would provide a 30- by 72-foot shelter that would cover the vehicles.

Assemblyman Denis clarified that the shelter Mr. Fulkerson was referring to would be an overhead canopy shelter. Mr. Fulkerson indicated that was correct.

Chairman Arberry asked if there was any further testimony. There being none, he declared the hearing on S.B. 102 closed and opened the hearing on S.B. 104.

Senate Bill 104: Makes appropriation to Department of Corrections for purchase of replacement vehicles. (BDR S-1222)

Lorraine Bagwell, Administrative Services Officer IV, Department of Corrections, explained that S.B. 104 would provide \$1,012,482 to purchase 48 replacement vehicles.

Assemblyman Seale asked why the request had not been included in the budget. Ms. Bagwell indicated that the request had been placed in the budget as a one-shot appropriation, which required legislation.

As there was no further testimony, Chairman Arberry closed the hearing on S.B. 104 and called for a brief recess at 8:38 a.m.

Chairman Arberry called the meeting back to order at 8:48 a.m. and indicated that the Committee would hear S.B. 149.

Senate Bill 149 (1st Reprint): Revises provisions governing compensation for Board of Regents of University of Nevada. (BDR 34-774)

Senator John Lee, District 1, presented S.B. 149 and related a brief history of the university system's Board of Regents. Senator Lee explained that as the university system grew, the number of members on the Board of Regents grew as did their responsibilities and the number of meetings they had to attend. He said there were currently 13 members on the Board of Regents, and the Board

was responsible for 100,547 students; 16,580 class selections; 13,224 employees; 2,296 full-time faculty members; 2 universities; 1 state college; 4 community colleges, which consisted of 14 campuses; and the Desert Research Institute, which consisted of 3 campuses. Given those numbers, it was apparent that the Board of Regents had essentially grown into a major corporation.

Senator Lee noted that, despite the increased responsibilities, the regents had never received pay. He indicated that his goal was to ensure that the regents were paid for the work that they did. He pointed out that only people who did not need money were able to serve on the Board, which meant that it was a rather elitist organization, and there were many others who might want to serve and give back to the university system, but were unable to because they could not afford it. Senator Lee emphasized that his goal was to ensure that those other people who wished to serve on the Board might be able to do so.

Senator Lee added that the regents did receive some form of pay. There were investment accounts, and from those accounts host accounts were set up for the regents. He said the host accounts allowed the regents to receive money "under the table" by paying for football tickets and attendance at parties and dinners. Senator Lee indicated that his goal was to eliminate the host accounts, which created a corruptible situation, and pay the regents for the work they did, much like school board members were paid. The regents would go to work for at least four hours, fill out a form, and be paid for that time.

Senator Lee pointed out that the amount paid to the regents would be similar to the amount in the host accounts, but it would eliminate the appearance of "under the table" pay. He asserted that the members of the Board of Regents did a good job and benefited the community and the university system, and he wanted to ensure that others who wished to serve would be able to do so.

Ms. Giunchigliani noted that the Board was one of the few groups that did not receive compensation of some sort. She summarized that the intent of S.B. 149 was to eliminate the host accounts so that everything could be accounted for and everyone would know what exactly the regents were receiving.

Senator Lee indicated that was an accurate summation. He remarked that in the past, the regents had not had to fill out the same financial disclosure reports that other public officers did, but that had changed and the regents also submitted accounting information.

Ms. Giunchigliani asked if the regents had to disclose when they flew for free on people's private airplanes. Senator Lee assumed that the regents would have to disclose that gift just as a legislator would. Ms. Giunchigliani commented that she would have to review what the regents were disclosing. Senator Lee reiterated that the regents should be disclosing similar information to that disclosed by legislators, and Ms. Giunchigliani agreed since they were also public officials. Senator Lee emphasized that S.B. 149 was not a "get rich quick" bill; it would merely allow the regents to be paid for the work they did.

Assemblywoman Leslie asked if additional legislation would be required to eliminate host accounts or if that was merely a policy decision.

Senator Lee replied that the legislation would negate the need for the host accounts so the money in the host accounts could be placed back into the interest-bearing accounts.

Dan Klaich, Vice Chancellor for Legal Affairs, University and Community College System of Nevada (UCCSN), addressed the Committee and said he did not see the connection between the host accounts and pay for the regents. He said that regents' pay was regents' pay, but the host account was entirely separate. Mr. Klaich indicated that detailed reports of the regents' expenditures had been requested by a legislator and had been provided to the Legislative Counsel Bureau (LCB).

Chairman Arberry asked if each regent had his or her own host account. Mr. Klaich explained that every regent had a \$2,500 host account that they could spend to advance the interests of the university system. The regents incurred expenditures, submitted receipts with documentation for the purpose of the expense, and if those expenses were deemed to be valid hosting expenditures, the regents were reimbursed for those costs up to \$2,500.

Mr. Klaich added that the chairman of the Board of Regents had a host account of \$5,000 because he or she was expected to be involved in more hosting activities.

Ms. Leslie opined that at minimum per diem should be provided to the regents. She requested clarification regarding Senator Lee's assumption that the host account and the pay were connected. She questioned whether the funding source of the host accounts was foundation gifts. Mr. Klaich said that Senator Lee had correctly characterized the source of funds. He added that the university system received private gifts that were endowed, and there was an investment committee that had a spending policy that had been developed over the past 20 years. There were managers who invested the money from the endowment and a certain amount of the income was spent to protect the corpus of the endowment and then funds were given to the universities in proportion to their ownership of the endowment.

Ms. Leslie asked if the cost of football tickets was reimbursed. Mr. Klaich said that he did not want to comment on any specific expenditures, but he had provided information to the LCB regarding all host account expenditures for the previous five years, and he offered to provide that information to the Committee. He asserted that host accounts were "absolutely valid." Ms. Leslie remarked that she did not necessarily agree that the host accounts were valid.

Chairman Arberry requested clarification as to how the host accounts were connected to the provisions in S.B. 149. He commented that if the regents were not receiving salaries from the host accounts, he did not see a connection between the host accounts and the \$80 per meeting specified in the bill.

Senator Lee clarified that the \$80 per meeting was a salary for attending meetings and working. The host account, on the other hand, allowed the regents to take money from the host account whenever they wanted to use it for activities to benefit the university system. He said that his goal was to provide a salary and eliminate the host accounts so that all the pay and expenditures would be "out in the sunlight." The regents would then know what they would receive for pay when they ran for the position, and they would know what to expect.

Chairman Arberry asked if the regents were allowed to use money from the host account for any purpose and if they could use host account monies to pay themselves a salary. Mr. Klaich said that was absolutely not allowed. He explained that if S.B. 149 were passed, the regents would receive \$80 for a day

of work, and they could use that \$80 however they wanted. The host account was a separate account of \$2,500. The regents incurred expenses and submitted receipts. If the expenditures were deemed proper university expenditures, the regents were reimbursed. He said he understood what Senator Lee's intentions were, but the connection between the host accounts and salaries was tenuous.

Assemblyman Seale asked if S.B. 149 would use the pay of \$80 per day to supplant the host accounts. Senator Lee explained that he wanted to pay the regents for their day's labor, but he did not think that there should be a host account that could be used for activities such as playing golf. He asserted that the regents should be paid for going to meetings and paid to do the work of the university system, but they should not be able to use the host account for parties and golf.

Mr. Seale asked how much a regent would receive on an annual basis under the provisions in S.B. 149. Senator Lee indicated that there were 8 regularly scheduled board meetings; however, there were subcommittees that met and there were meetings with other boards, so he assumed the regents would receive approximately \$2,500. Mr. Seale noted that the pay and the host accounts were equal. Senator Lee said it was a matter of changing the source of the funding.

Ms. Giunchigliani said that she had been the legislator who had requested the host account information. She opined that the records had been somewhat sanitized because she was aware of a party in Reno that had not shown up on the host account records. She said there were constantly tickets given for various events that were not reported, but those were gifts that should be properly reported.

Ms. Giunchigliani added that in processing the bill, it should be made clear what the intent was. The regents should be paid for the work they did, but the perquisites they received should either be eliminated by eliminating the host accounts or they needed to be properly reported. She indicated that she was looking at campaign reports, and the host accounts should be listed, but they were not, which was a financial disclosure issue.

Mr. Klaich said he appreciated the discussion and he assured the Committee that all the issues that had been raised would be taken to the Board of Regents for discussion. He stated that he could not allow Ms. Giunchigliani's comments to stand on the record regarding the "sanitization" of financial information. He said that was not the case, and all information had been provided. He said the Board had tried to scrupulously and honestly answer every question posed by the Legislature, and would continue to do so. He agreed that there had been good discussion regarding the public trust and credibility of the Board, and there was a credibility issue if the regents claimed to be serving for free and yet were receiving gifts and other perquisites. Mr. Klaich stated that public trust and credibility and fairness and openness in accounting was a critical issue for every public body, and regardless of the decision made on S.B. 149, he would discuss the issues raised with the Board of Regents. He pointed out that the "champion of anti-host accounts" was Chancellor Jim Rogers, who refused to use the host account for anything. Mr. Klaich reiterated that the issues would be discussed with the Board and he would report back to the Legislature regarding the outcome of the discussion.

Assemblyman Denis asked if the regents were currently reimbursed for travel expenses. Mr. Klaich said that the regents were reimbursed for travel expenses and emphasized that the host accounts were not used for those expenses.

Jim Richardson, Nevada Faculty Alliance, stated for the record that he was in favor of S.B. 149. Mr. Richardson said it was a short bill but made an important point.

Chairman Arberry asked if there was any further testimony or comment. There being none, Chairman Arberry closed the hearing on S.B. 149 and called for a brief recess.

Chairman Arberry called the meeting back to order and opened the hearing on S.B. 311.

Senate Bill 311: Revises provisions relating to reimbursement for legislators for travel and other expenses during legislative session. (BDR 17-742)

Senator Dennis Nolan, District 9, presented S.B. 311 and distributed Exhibit D. Senator Nolan explained that S.B. 311 was a modification in the way the Legislative Counsel Bureau would reimburse legislators for their travel expenses. He pointed out that in the previous year, airfare had almost tripled as there was no longer a state negotiated rate with Southwest Airlines. That negotiated state rate had been \$89 round-trip, but the airfare now was \$220 and seemed to be increasing. The cost of gas, general housing, and furniture rental had all increased.

Senator Nolan directed the Committee's attention to Exhibit D, which included figures that indicated 8 legislators had already exceeded their \$6,800 travel cap and there were another 24 legislators who would most likely exceed that cap by the end of the session. Exhibit D also included a fiscal note developed by Senator Nolan.

Senator Nolan explained that his fiscal note assumed airfare costs to and from Las Vegas, but the airfare costs would be somewhat higher for those who had to travel to Elko and automobile expenses for those who drove would be more as well. He said that including the round-trip airfare costs, the housing allowance, the furniture rental allowance, and car rental costs, the total was almost \$10,000, without including moving expenses. He pointed out that the good news was that all legislators were allocated \$6,800, and those legislators who lived within a 50-mile radius of the Legislative Building did not use those monies, so there was some flexibility within the LCB budget.

Senator Nolan explained that, as the bill was written, the Legislative Commission would determine the allocation for travel expenses prior to each legislative session. He explained that S.B. 311 would be effective upon passage and approval, and then the chairman of the Legislative Commission would call for a meeting of the Commission to establish a new cap for the current session. He emphasized that legislators should not have to pay \$4,000 out-of-pocket for travel expenses.

Ms. Giunchigliani thanked Senator Nolan for bringing the legislation forward. She pointed out that the change in airfare alone necessitated an increase, and she felt that the amount in the bill should have been a much higher number so that legislators were not paying out-of-pocket for travel and housing expenses.

Senator Nolan agreed and pointed out that the housing allowance was indexed by the Fair Standards Housing Act for a one-bedroom apartment in the Carson City area, so it was actually capped at \$616, which was below the poverty level.

Assemblyman Marvel asked if the reimbursement would be retroactive for the current session. Senator Nolan indicated that was correct and said that as long as the Legislative Commission was able to meet, the cap could be established for the current legislative session, but the meeting would have to take place before the end of the 2005 Session. Many of the legislators would then be reimbursed for their out-of-pocket expenses.

Mr. Marvel asked if a supplemental appropriation would be required. Mr. Stevens indicated that he would speak with the Director of the Legislative Counsel Bureau (LCB) to determine whether a supplemental appropriation was needed.

Ms. Leslie questioned language on page 5 of the bill which said that the Director of the LCB made a decision as to whether a legislator had an "extraordinary circumstance" and needed additional funds. She expressed concern that the provision would place the LCB Director in a difficult position and perhaps should be done differently.

Senator Nolan said that the intent was to take into account those legislators who had extraordinary circumstances, such as medical conditions that required them to have regular treatment, or family emergencies, which would require them to travel back and forth more often, thereby increasing travel expenses. Under those circumstances, the Director, rather than convening the whole Commission to review the situation, would make that decision.

Ms. Leslie appreciated the intent, but she was troubled by the possibility of questions arising with only one person making the decisions. She remarked that there might be a better way to do that. She added that those legislators who lived within 50 miles of the Legislative Building were not eligible for the allowances, but there were Washoe County legislators who lived on the far side of Washoe County, very near the 50-mile limit, and were not eligible, despite the fact that many of them rented apartments in Carson City. She asked if there had been any discussion regarding those legislators' circumstances.

Senator Nolan said those situations had been discussed, but the 30-mile limit was a federal provision established through the Internal Revenue Service. He agreed that there should be changes, but that would require changes to federal laws.

Ms. Giunchigliani asked if that limit was federally required. Senator Nolan said his understanding was that it was a 50-mile federal cap and the state was required to comply. Senator Nolan said that cap applied to all expenses, with the exception of mileage and airfare to Clark County if a meeting was being held in the south.

Chairman Arberry thanked Senator Nolan and asked if anyone else wished to testify. There being no one, he declared the hearing on S.B. 311 closed and indicated the Committee would close budgets.

BUDGET CLOSINGS

DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION EQUAL RIGHTS COMMISSION (101-2580) – BUDGET PAGE DETR-22

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), explained that there had been an issue with A.B. 189 and the federal funding included in The Executive Budget from the U.S. Department of Housing and Urban Development (HUD) for the Equal Rights Commission to begin work on housing discrimination complaints. Those issues had to be addressed to close the budget.

Mr. Stevens pointed out that A.B. 189 had been processed and implemented, but the bill had withheld authority for the Equal Rights Commission to enter into the housing discrimination complaint arena.

Mr. Stevens indicated that there were options for the Committee to consider. There was federal HUD money built into the budget, but it did not appear that the money would be received. That money could be replaced with federal Equal Employment Opportunity Commission (EEOC) funds, and the budget could be left otherwise intact.

Mr. Stevens noted that it was not guaranteed that the Equal Rights Commission would receive all the federal EEOC money during the upcoming biennium, but including it in the budget would provide authority to receive the money if the Commission was able to process the required number of cases to earn that money from the federal EEOC. Mr. Stevens stressed that, based on the passage of A.B. 189, the Equal Rights Commission would not be receiving any federal HUD money in the upcoming biennium.

Ms. Giunchigliani said that since A.B. 189 had been amended, the budget should be closed by eliminating the HUD funding but allowing the Equal Rights Commission to continue with the federal funding from the EEOC in the budget.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO ACCEPT THE
SUBCOMMITTEE REPORT ON BA 101-2580 WITH THE REMOVAL
OF THE HUD FUNDING AND REPLACING THAT FUNDING WITH
THE EEOC FUNDING.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

MOTION CARRIED. (Mr. Perkins and Ms. Weber were not present
for the vote.)

BUDGET CLOSED.

DEPARTMENT OF PUBLIC SAFETY NARCOTICS CONTROL (101-3744) – BUDGET PAGE PS-106

Mr. Stevens explained that the major issue in BA 101-3744 was the projection that federal funds that previously had funded narcotics task forces, mainly in the rural areas, would not be available, and the question was whether that funding should be provided with state funds. He pointed out that the Joint

Subcommittee on Public Safety/Natural Resources/Transportation had replaced the federal funds with state funding, so there was an addition of \$1.4 million in General Fund monies in the first year of the biennium and \$1.9 million in the second year. The amount was lower in the first year of the biennium because there was partial federal funding available in the first year of the biennium.

Mr. Marvel said he was in favor of continuing the task force, even if the federal funds had to be replaced with state funds. He asked if there was a possibility that some federal funds would be available.

Mr. Stevens said there was a chance that federal funds would be received, and the Subcommittee had included in the closing document a statement that if the federal funds were received, state funds would revert.

ASSEMBLYMAN MARVEL MOVED TO APPROVE THE
SUBCOMMITTEE'S REPORT.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

Ms Giunchigliani explained that she had requested the budget be reviewed due to the General Fund impact, but she agreed that the task force needed to continue. She added that the policy had been that if a grant was no longer available, the program should be eliminated, so she asked that the task force return with a plan to fund the program without federal funds and with an attempt to lessen the impact on the General Fund.

Ms. McClain interjected that the Subcommittee had indicated that in the budget closing. Ms. Giunchigliani claimed that the Subcommittee report had not included a requirement that the task force provide a funding plan to lessen the impact on the General Fund.

Ms. McClain said that a Letter of Intent could be included. She commented that the problem was that many different budgets were losing federal funding, and, while the policy Ms. Giunchigliani mentioned was important, the state could not afford to lose some of the programs.

MOTION CARRIED. (Mr. Perkins, Mrs. Smith, and Ms. Weber were
not present for the vote.)

BUDGET CLOSED.

Chairman Arberry called for a recess at 9:31 a.m. The meeting was called back to order at 10:49 a.m. Chairman Arberry indicated the Committee would consider A.B. 411.

Assembly Bill 411 (1st Reprint): Requires appropriate safety restraints in school buses. (BDR 34-260)

Mrs. Smith expressed concern regarding the new language on page 4 that said "in addition to the equipment required by subsection 1, each school bus that is purchased within the money appropriated on or after...." She asked if that meant that if the money was not appropriated, the school districts did not have to abide by the legislation.

Rose McKinney-James, Clark County School District, explained that the language, as the District had interpreted it, suggested that the appropriation was an appropriation from the state, not from the district.

Chairman Arberry added that if the Legislature appropriated funding for FY2007, then the districts would have to purchase buses with seat belts.

Mrs. Smith clarified that the bill did not say the state would appropriate the money, it just said that if the money was appropriated, the districts would be required to abide by the legislation.

ASSEMBLYWOMAN MCCLAIN MOVED TO AMEND AND DO PASS
A.B. 411.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

MOTION CARRIED WITH ASSEMBLYMAN MARVEL AND
ASSEMBLYMAN SEALE VOTING NO. (Mr. Perkins, Ms. Weber, and
Ms. Giunchigliani were not present for the vote.)

Chairman Arberry indicated that the Committee would consider A.B. 222 and its amendments at a later date. The meeting was adjourned at 10:55 a.m.

RESPECTFULLY SUBMITTED:

Susan Cherpeski
Committee Attaché

APPROVED BY:

Assemblyman Morse Arberry Jr., Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: May 24, 2005

Time of Meeting: 8:00 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
SB 98	B	Michael Willden/DHR	Prostate Cancer Task Force Packet (3 pages)
SB 102	C	Chuck Fulkerson/Veterans Services	Testimony and Information (1 page)
SB 311	D	Senator Dennis Nolan	Travel Expenses Handout (2 pages)