

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-third Session
May 12, 2005**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 5:23 p.m. on Thursday, May 12, 2005, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator William J. Raggio, Chair
Senator Bob Beers, Vice Chair
Senator Dean A. Rhoads
Senator Barbara K. Cegavske
Senator Bob Coffin
Senator Dina Titus
Senator Bernice Mathews

GUEST LEGISLATORS PRESENT:

Senator Maurice E. Washington, Washoe County Senatorial District No. 2
Assemblywoman Sheila Leslie, Washoe County Assembly District No. 27

STAFF MEMBERS PRESENT:

Mindy Braun, Education Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Bob Guernsey, Principal Deputy Fiscal Analyst
Marshellah D. Lyons, Senior Research Analyst
Michael Archer, Committee Secretary

OTHERS PRESENT:

Douglas C. Thunder, Deputy Superintendent of Administrative and Fiscal Services, Department of Education
Ricci Rodriguez-Elkins, Center for Charter School Development
Craig Kadlub, Ph.D., Clark County School District
David K. Schumann, Independent American Party and Nevada Committee for Full Statehood
Lynn P. Chapman, Home Educators of Faith
Janine Hansen, Nevada Eagle Forum
Bob Davidson, Davidson Institute for Talent Development
Jan Davidson, Davidson Institute for Talent Development
Daniel J. Klaich, Vice Chancellor of Legal Affairs, System Administration Office, University and Community College System of Nevada
Dan Bowen, Attorney, Lionel Sawyer and Collins
Tim Crowley, The McGraw Hill Grow Network,
Dan Musgrove, Clark County
Robert Roshak, Las Vegas Metropolitan Police Department
Sabra Smith-Newby, City of Las Vegas
Dave McTeer, Information Systems Manager, Division of Information Technology Improvement, Department of Administration

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Ron W. Sparks II, Director, Western Interstate Commission for Higher Education,
University and Community College System of Nevada
Don Henderson, Director, State Department of Agriculture
Pamela B. Wilcox, Administrator and State Land Registrar, Division of State
Land, State Department of Conservation and Natural Resources
Jim Walker, Program Manager, Nevada State Office of Energy, Office of the
Governor
John P. Comeaux, Director, Department of Administration

CHAIR RAGGIO:

We will open the meeting with a bill draft request (BDR).

DOUGLAS C. THUNDER: (Deputy Superintendent of Administrative and Fiscal
Services, Department of Education):

We discovered the Department of Education underestimated the necessary
budget funding for new teachers' signing bonuses. We would like to ask for a
supplemental appropriation in the amount of \$436,000 to cover that shortfall
for fiscal year (FY) 2005. Please refer to my handout ([Exhibit C](#)) for more
information on this supplemental appropriation request.

CHAIR RAGGIO:

I thought these bonuses had already been paid.

MR. THUNDER:

Many school districts delayed sending us the applications for these bonuses.
Not having that information at the time we built the budget is what accounted
for this shortfall.

SENATOR BEERS MOVED TO INTRODUCE A BDR FOR THE
APPROPRIATION OF \$436,000 TO PAY SIGNING BONUSES FOR NEW
TEACHERS.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE
VOTE.)

CHAIR RAGGIO:

We will now hear Senate Bill (S.B.) 107.

SENATE BILL 107 (1st Reprint): Requires state and local governments to report
certain information concerning capital improvements. (BDR 27-31)

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative
Counsel Bureau):

Senate Bill 107 was amended by the Committee to delete a section relating to
leased office space. The Legislative Counsel Bureau, Legal Division, suggested
the wording be changed from "leased office space" to "lease-purchase
agreement." This change would eliminate the fiscal note. I have discussed this
with the sponsor, Senator Titus, and she is in agreement with this change.

SENATOR CEGAVSKE MOVED TO AMEND AND DO PASS S.B. 107 .

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

CHAIR RAGGIO:

We will close the hearing on S.B. 107 and open the hearing on S.B. 56.

SENATE BILL 56 (1st Reprint): Makes various changes concerning charter schools and distance education programs. (BDR 34-18)

SENATOR MAURICE E. WASHINGTON (Washoe County Senatorial District No. 2):
Please refer to my handout, S.B. 56 — Charter School Reform, Summary of Key Provisions ([Exhibit D](#)), for details on why I support S.B. 56.

MARSHEILAH D. LYONS (Senior Research Analyst, Research Division, Legislative Counsel Bureau):

Mr. Thunder can best speak about the fiscal note.

MR.THUNDER:

There have been some amendments made since the fiscal note dated February 25, 2005, and I do not believe we have addressed all of them. There would be some funding from the charter schools. I do not have the amount of the fiscal notes and will provide that tomorrow.

CHAIR RAGGIO:

We need to review section 1 of the amendment that removes the requirement for a school district to report on charter schools. We also need a revised fiscal note.

SENATOR WASHINGTON:

That is correct. Only charter schools sponsored by the state require a fiscal note. The February 25, 2005, fiscal note is outdated.

CHAIR RAGGIO:

We will wait until we get the fiscal note before acting on this bill.

RICCI RODRIGUEZ-ELKINS (Center for Charter School Development):

Please refer to my handout ([Exhibit E](#)). I am here to express concern about the fiscal impact of S.B. 56 on charter schools, as described on page 20, section 11, of the bill. By withholding an additional 0.25 percent to support activities associated with the sponsorship and oversight of charter schools by the Board of Education, charter schools would face a \$12,000 per year reduction in funding. This money would otherwise go to pay for instructional materials, nutrition programs, utilities costs and other necessary functions. We ask that you withdraw that provision from this bill.

SENATOR WASHINGTON:

The 0.25-percent withholding is designed to reimburse the school districts for administrative services they provide to the charter schools. I feel it is a fair amount for the cost of those services.

CHAIR RAGGIO:

Was this issue discussed in your committee?

SENATOR WASHINGTON:

Yes, it was discussed in our committee. We have notified all the charter schools about this.

CRAIG KADLUB, PH.D. (Clark County School District);

Please review my handout titled SB 56 — Fiscal Impact Only (Senate Finance, 5/12/05) ([Exhibit F](#)) for our position on this bill.

CHAIR RAGGIO:

Was this information provided to the policy committee?

DR. KADLUB:

Yes, it was.

SENATOR WASHINGTON:

We feel it is important for the 0.25-percent withholding provision to stay in the bill. There are certain services that must be provided to charter schools by the school districts. There are also some services that are not required. The charter schools have the option of waiving the non-mandated services.

DR. KADLUB:

There is a separate provision in NRS Chapter 386 of S.B. 56 which deals with the opportunity for a charter school to contract for unique services from a district. This provision is important for providing administrative oversight.

CHAIR RAGGIO:

Is this reimbursement based on the actual services rendered?

DR. KADLUB:

No, it is a flat rate.

SENATOR WASHINGTON:

Since there is not a specific list of reimbursable services described in the bill, most charter schools do not know for what services they are paying.

SENATOR TITUS:

Could you explain the revolving Distributive School Account (DSA) allotment?

SENATOR WASHINGTON:

The bill requires that 0.25 percent of each quarterly apportionment be deposited in the Fund for Charter Schools to help those charter schools that are experiencing financial difficulties.

SENATOR TITUS:

Does every charter school contribute to that fund?

SENATOR WASHINGTON:
Yes, every charter school contributes.

SENATOR COFFIN:
Is there a limit to the number of members on a board?

SENATOR WASHINGTON:
The bill does not limit the number of board members. I would agree with a limitation to the number of members if the Committee chooses to do that.

SENATOR COFFIN:
I am surprised they are asking for compensation for acting as a board member for only one school. Do members have to travel great distances to attend board meetings?

SENATOR WASHINGTON:
Some members have extensive travel.

MS. RODRIGUEZ-ELKINS:
Because charter school boards are small, they basically operate as an entire school district without the ancillary staff. Charter school board members provide as much service to their schools as equivalent school district board members. Some charter schools cannot afford to pay board members, and that is why we have asked for this provision in the bill.

CHAIR RAGGIO:
We will close the hearing on S.B. 56 and open the hearing on S.B. 223.

[SENATE BILL 223 \(1st Reprint\)](#): Revises provisions governing education.
(BDR 34-73)

SENATOR WASHINGTON:
My handout, titled S.B. 223 — School Choice Programs, Summary of Key Provisions ([Exhibit G](#)), provides detailed information on why I support S.B. 223. Please refer to the letter from the Legislative Counsel Bureau Legal Advisor, Ms. Brenda Erdoes, ([Exhibit H](#)) regarding the constitutionality of provisions in S.B. 223.

MR. THUNDER:
The amount in the fiscal note, dated March 27, 2005, is correct. We anticipate approximately \$285,000 for FY 2006-2007, and, in future biennia, about \$585,000 per year. Most would be recouped by administrative fees.

CHAIR RAGGIO:
What is the reason for that cost?

MR. THUNDER:
The Department of Education is responsible for processing the vouchers.

CHAIR RAGGIO:
Is this voucher process applicable only if the child has been attending a school that has been designated as needing improvement for one year or more?

SENATOR WASHINGTON:

That is the purpose of the bill. It would allow the student to transfer to the private school of their choice. There is a stipend for those students being schooled at home.

SENATOR CEGAVSKE:

We have several students in the school district who attend other schools because their school cannot provide for their needs. I think this an important bill. However, I question why we would need four positions and do not fully understand the need for the administrative fees.

MR. THUNDER:

We need that additional staff to process quarterly payments and make eligibility determinations.

SENATOR CEGAVSKE:

Please give us a better estimate of what these services will actually cost.

CHAIR RAGGIO:

We will need this revision on the fiscal note quickly.

SENATOR WASHINGTON:

The stipend for home-schooled students is \$500 to \$1,000 per student.

CHAIR RAGGIO:

Why does this bill include a provision to allow the Legislature to appoint the superintendent of public education?

SENATOR WASHINGTON:

We felt it is important that the superintendent of public education be confirmed by the Legislature because we provide so much of their funding.

MR. THUNDER:

The Board of Education is opposed to that provision.

DR. KADLUB:

Please see my handout titled SB 223 — Fiscal Impact Only (for Senate Finance 5/12/05) ([Exhibit I](#)) for reasons why we oppose this legislation.

SENATOR MATHEWS:

How can a home-schooled student receive this voucher money which is designed for transfer?

DR. KADLUB:

If the legislation passes, a home-schooling parent would get \$500 for an elementary school child and \$1,000 for a secondary student.

DAVID K. SCHUMANN (Independent American Party):

I have provided a handout titled School Choice is an Absolute Necessity, Testimony of David Schumann before The Senate Finance Committee, May 12, 2005, ([Exhibit J](#), original is on file at the Research Library). This handout explains the potential savings to this state by adopting a policy of "school choice."

SENATOR COFFIN:

Do we have enough data about charter schools in Nevada to determine whether their students are getting better test results than students in other schools?

MR. SCHUMANN:

There is not enough data in Nevada at this time; however, in other states charter school students score higher than students in non-charter schools.

SENATOR COFFIN:

Are charter school students given proficiency tests as are students in non-charter schools? Do we have an objective gauge to compare these two groups academically?

SENATOR WASHINGTON:

Charter school students are given proficiency tests at the end of each school year just like all other students. I do not believe the Department of Education has made any comparisons.

LYNN P. CHAPMAN (Chairman, Home Educators of Faith):

Most parents who home school will probably not want this voucher money because they do not want to deal with government rules to obtain it.

JANINE HANSEN (State President, Nevada Eagle Forum):

We support S.B. 223 and feel it will reduce the cost of education. It will give parents an alternative to government schools. Tuition in a private school is invariably less than the amount funded per child in a government school. Please refer to my handout titled Education Reporter ([Exhibit K](#)).

CHAIR RAGGIO:

We will close the hearing on S.B. 223 and open the hearing on S.B. 461.

SENATE BILL 461 (1st Reprint): Revises provisions regarding education.
(BDR 34-1323)

SENATOR WASHINGTON:

Please refer to my handout titled S.B. 461 — Public School Reform, Summary of Key Provisions ([Exhibit L](#)) for the reasons I support this legislation. Also, refer to my handout in the form of a letter from Mr. Ray Bacon of the Nevada Manufacturers Association, dated May 12, 2005, in support of S.B. 461 ([Exhibit M](#)).

MS. LYONS:

The measure changing the language in the bill from “public school money” to “money for the system of public education” is needed to include the Special Needs Scholarship Program and the University School for Profoundly Gifted Pupils.

SENATOR WASHINGTON:

I will now refer to my handout, titled Proposed Amendment to Senate Bill 461 First Reprint, Proposed by Senator Washington, May 12, 2005, ([Exhibit N](#)). This amendment will provide funding for The Grow Network, a Web-based data and instructional tools program, used to improve the performance of students on statewide examinations.

SENATOR RAGGIO:

The Grow Network is in the existing budget.

MINDY BRAUN (Education Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Grow Network has implemented its services statewide in the past biennium. Money for The Grow Network was approved in a one-shot appropriation last session. There is a bill currently in the Assembly Committee on Ways and Means for another one-shot appropriation.

CHAIR RAGGIO:

Are the amounts in the Assembly bill the same as those in your proposed amendment to S.B. 461?

SENATOR WASHINGTON:

Yes, they are the same amounts. I do not have the name of the bill but will provide it to you.

SENATOR CEGAVSKE:

My concern is that the Department of Education is not getting information to The Grow Network in time to help students. I do not want to spend the money unless we can get some assurance the information will be provided in a timely fashion.

SENATOR COFFIN:

I now have online access to my son's progress in high school. Is this the same program?

SENATOR CEGAVSKE:

That is a different system.

DR. KADLUB:

We would like to have that system in all schools. The Grow Network chiefly provides test scores. Our position on this bill is covered in my handout titled SB 461 – Fiscal Impact Only (Senate Finance, 5/12/05) ([Exhibit O](#)).

CHAIR RAGGIO:

Is the potential fiscal impact still \$20.9 million in FY 2006 and \$23 million in FY 2007?

DR. KADLUB:

Those amounts were applicable to the first version of the bill, but they are not applicable now. We do not yet have a revised fiscal note; however, it would be limited to the amount of the vouchers and the cost of the mandated mentoring.

SENATOR BEERS:

Have you quantified what your fixed costs versus your variable costs will be for the vouchers? It appears that the fixed and variable costs of the dollars we give you per student are not synchronized.

DR. KADLUB:

As indicated in the fiscal note on S.B. 223, the staff costs would represent about 75 percent of the money we would lose. The remaining 25 percent would be the costs we could not recoup, but would still incur, because we are not

closing any schools as a result of this. The building program funds are completely separate from the operating budget.

SENATOR BEERS:

We need to know how many dollars per student that leaves under a voucher plan. We could then determine the fiscal impact by projecting how many students would go on a voucher program.

DR. KADLUB:

I will ask our accountants to determine a more accurate accounting of the fixed versus variable costs on a per-student basis.

MS. HANSEN:

I support the provision in the bill for profoundly gifted students. The success of these children will have a positive fiscal impact over time. I also support the provisions in the bill that encourage educational progress in Nevada not tied to the federal government. Please refer to my handout titled The Phyllis Schlafly Report, Phonics vs. Whole Language ([Exhibit P](#)) regarding the importance of teaching phonics. In addition, refer to my handout titled Is Ritalin Raising Kids to be Drug Addicts? ([Exhibit Q](#)). If we want to reduce the social costs of drug addiction, we should stop having Ritalin so freely prescribed to our children.

BOB DAVIDSON (Davidson Institute for Talent Development):

My handout titled University School for Profoundly Gifted Pupils, Testimony for the Senate Committee on Finance, Nevada Legislature, May 12, 2005, ([Exhibit R](#)) provides a review of our proposal. In addition, please see my handout folder titled the Davidson Institute for Talent Development ([Exhibit S, original is on file at the Research Library](#)) to learn about our Institute. I am also providing the Committee with a copy of a book we have written titled *Genius Denied* ([Exhibit T, original is on file at the Research Library](#)), which helps explain our philosophy. We will fund all the Institute's programs and believe the needs of these students will be better met if they are challenged in an environment like this.

JAN DAVIDSON (Davidson Institute for Talent Development):

We are committing between \$10 and \$20 million in the first 10 years of the program. We are only asking the state to provide whatever they would normally pay per student for regular educational needs.

CHAIR RAGGIO:

How would this work within the University and Community College System of Nevada (UCCSN)?

DANIEL J. KLAICH (Vice Chancellor of Legal Affairs, System Administration Office, University and Community College System of Nevada):

There would be little fiscal impact to the UCCSN budget as a result of adopting this program because we are talking about a small number of students. We will be sharing a limited amount of space at the University of Nevada, Reno (UNR).

CHAIR RAGGIO:

Would these students be attending both high school and UNR?

MS. DAVIDSON:

Both middle school and high school students would be given individualized programs as needed to accelerate them through high school and into university course work. The important thing is to give them support until they are ready for life at a university level. The professors will come to the student location on campus and work with them.

MR. DAVIDSON:

We will fund the space for these pupils.

CHAIR RAGGIO:

What is it you need from us to accommodate this project?

MR. KLAICH:

Senate Bill 105 would fund a building on the UNR campus which would be utilized in connection with the University School for the Profoundly Gifted Pupil.

SENATE BILL 105: Makes appropriation to University of Nevada School of Medicine for support of partnership with Nevada Cancer Institute and Center of Excellence. (BDR S-1225)

SENATOR TITUS:

Can you do this as a charter school under the existing rules?

MR. DAVIDSON:

Most charter schools do not want to deal with the dual-enrollment issues. Also, charter schools are not prepared to deal with pupils like these.

SENATOR TITUS:

Are there other schools like this around the country?

MR. DAVIDSON:

No, although there is a one-year transition school in the state of Washington.

SENATOR TITUS:

Would these pupils be in the same classes with regular UNR students?

MR. DAVIDSON:

Sometimes they will be taking classes with regular college students.

SENATOR TITUS:

Who will teach these children? Do the teachers require special talents for dealing with these students?

MR. DAVIDSON:

We will use a combination of teachers and professors.

MR. KLAICH:

The per-pupil DSA amount would follow the pupil.

DAN BOWEN (Attorney, Lionel Sawyer and Collins):

We have submitted proposed amendments to this bill in response to concerns by the Washoe County School District. These changes will be mostly cosmetic.

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CHAIR RAGGIO:

We have those proposed amendments and will consider them.

TIM CROWLEY (The McGraw Hill Grow Network):

I will answer any questions you have on the Grow Network.

CHAIR RAGGIO:

Since those issues are now being considered by the Assembly Committee on Ways and Means, we will not discuss this now. We will close the hearing on S.B. 461 and open the hearing on Assembly Bill (A.B.) 40.

ASSEMBLY BILL 40 (1st Reprint): Makes various changes concerning community triage centers. (BDR 40-905)

ASSEMBLYWOMAN SHEILA LESLIE (Washoe County Assembly District No. 27):

I am here in support of A.B. 40. This bill will create a new licensing category for community triage centers. The funding request has been reduced to \$370,000 for this year to help the Clark County triage center stay open.

DAN MUSGROVE (Clark County):

The current cost is anticipated to be \$2.7 million for the next fiscal year. The emergency triage centers are vital in getting the mentally ill, or those dually-diagnosed with both mental illness and drug abuse or chronic inebriation problems, off the streets, out of the jails and into treatment centers. This appropriation gives financial relief to hospitals and local governments.

SENATOR MATHEWS:

Do you just stabilize patients in the triage centers and then move them elsewhere?

MR. MUSGROVE:

Yes. The triage centers try to get the patient stabilized and then referred to community organizations. The patients may remain in triage for several days until they are ready to be moved.

SENATOR BEERS:

Is "chronic inebriation" a mental illness?

MR. MUSGROVE:

It is not a mental illness in itself, but is often part of a dual diagnosis. A mentally ill person will often try to self-medicate by using alcohol or drugs.

ASSEMBLYWOMAN LESLIE:

Chronic inebriation is not a mental illness. The problem is when the police arrest an inebriate, it is often difficult to tell whether the person is also mentally ill. The triage center allows health professionals to determine this and send the patient to the appropriate treatment facility.

SENATOR BEERS:

Is there any requirement in the bill to audit the centers?

ASSEMBLYWOMAN LESLIE:

The current operator is WestCare, a major nonprofit organization in Nevada. I am sure they are subject to regular audits because they get federal funds.

MR. MUSGROVE:

Clark County has plans to audit the operator of this triage center.

SENATOR BEERS:

Please provide us with WestCare's most recent financial statement.

MR. MUSGROVE:

I will provide you with that information.

CHAIR RAGGIO:

Funding of the triage centers was initially intended to be a shared responsibility with the state paying one-third. Is that still the situation?

MR. MUSGROVE:

No, it has changed. Even with the approval of \$370,000, the state would not have lived up to its one-third share for this year. In future years, that one-third rule would apply.

CHAIR RAGGIO:

Is the \$370,000 adequate to carry them through to the end of this fiscal year?

MR. MUSGROVE:

Yes, it is.

CHAIR RAGGIO:

Why is this item not in the *Executive Budget*?

ASSEMBLYWOMAN LESLIE:

Despite this gap in the budget, the Governor is in favor of this additional funding. In A.B. 175 we have added a clause for this ongoing money for operation of the community triage center. There is a similar clause in S.B. 405. Both these bills also include money for the Washoe County community triage center.

ASSEMBLY BILL 175: Makes appropriations for various improvements to mental health services, mental health courts and community triage centers.
(BDR S-1359)

SENATE BILL 405: Makes various changes concerning mental health.
(BDR 38-1322)

CHAIR RAGGIO:

If these bills are processed with the existing appropriation request of about \$900,000 per year, is that strictly for the Clark County community triage center? Will this constitute the state's one-third share?

MR. MUSGROVE:

Yes, it is strictly for the Clark County community triage center and it will constitute the state's one-third share.

CHAIR RAGGIO:

Is there a need for this kind of triage center in other than Clark County?

ASSEMBLYWOMAN LESLIE:

There is a great need for a community triage center in Washoe County. Assembly Bill 40 only deals with the supplemental appropriation for this current year. Washoe County's triage center is being built at this time. In A.B. 175 we have included funding for that facility on an ongoing basis.

ROBERT ROSHAK (Las Vegas Metropolitan Police Department):
We support A.B. 40.

SABRA SMITH-NEWBY (City of Las Vegas):
We support A.B. 40.

CHAIR RAGGIO:
We will close the hearing on A.B. 40 and open the hearing on A.B. 104.

ASSEMBLY BILL 104: Makes appropriation to Western Interstate Commission for Higher Education for upgrades in information technology for accounting system. (BDR S-1221)

DAVE McTEER (Information Systems Manager, Division of Information Technology Improvement, Department of Administration):

The system used by Western Interstate Commission for Higher Education (WICHE) for accounting of student loans is unreliable because it is on an obsolete software platform. In addition, it is run on a peer-to-peer server that has serious security issues for the agency as well as the network to which it is attached. Assembly Bill 104 proposes an appropriation of \$67,900 to remedy this.

CHAIR RAGGIO:
An audit of WICHE indicates that it missed opportunities to collect the full amount owed on about \$600,000 in delinquent loans. Is that correct?

RON W. SPARKS II (Director, Western Interstate Commission for Higher Education, University and Community College System of Nevada):

The audit was correct. However, since that time we have put new policies and procedures in place to ensure those debts will be collected, either through the Office of the Attorney General or through a contracted collection agency.

SENATOR BEERS:
How many users will be on your proposed system? What kind of system is it?

MR. SPARKS:
There will be three users. It is actually a tracking system that is used as an accounting system. It was built for us by Department of Information Technology programmers. We are requesting an upgrade of our existing program from a DOS-based operating platform to Windows.

MR. McTEER:
The appropriation request is for a new server and the time it will take our technicians to install the program.

SENATOR BEERS:
Do you actually write checks to schools on behalf of the students?

MR. SPARKS:

No, it goes through our regional WICHE office. They give us a list of everyone who gets checks.

SENATOR BEERS:

You would probably save money by buying an off-the-shelf commercial accounts receivable package.

MR. MCTEER:

We have not considered purchasing a commercial program so I cannot comment on that at this time.

SENATOR BEERS:

Do you send statements to these former students? Do they send checks directly to you?

MR. SPARKS:

Yes, we send them statements each quarter and they send us checks. However, since there is a certain amount the former students are not required to pay back, we write off a certain percentage of the funds. This is because part of the money given to them is a grant and part is a loan. Our current system allows us to track this dual function.

SENATOR MATHEWS:

I had no problem repaying my own student loans, the loan agency always knew where to find me. Why do you not know where the people who have outstanding debts can be located? Most of these people are professionals and highly visible in the community and their delinquency should not be written off as a bad debt.

MR. SPARKS:

We have problems with some of these older cases because, in the past, they were not required to make regular payments to WICHE. They were only required to have the entire debt paid by a certain date. We are now improving our methods of finding them.

CHAIR RAGGIO:

Please furnish this Committee a list of those who are delinquent. I request Senator Beers discuss the details of the computer system with Mr. McTeer after this meeting is adjourned and report back to this Committee. We will close the hearing on A.B. 104 and open the hearing on A.B. 105.

ASSEMBLY BILL 105: Makes appropriation to State Department of Agriculture for acquisition of equipment for State Sealer of Weights and Measures. (BDR S-1223)

DON HENDERSON (Director, State Department of Agriculture):

Please refer to my handout titled Assembly Bill No. 105 — Committee on Ways and Means ([Exhibit U](#)) for the specific reasons we support this legislation.

CHAIR RAGGIO:

We will close the hearing on A.B. 105 and open the hearing on A.B. 458.

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ASSEMBLY BILL 458: Authorizes issuance of general obligation bonds to carry out Environmental Improvement Program in Lake Tahoe Basin. (BDR S-308)

PAMELA B. WILCOX (Administrator and State Land Registrar, Division of State Land, State Department of Conservation and Natural Resources):

Please refer to my handout titled Lake Tahoe Environmental Improvement Program, 2005 Senate Committee on Finance, May 12, 2005 ([Exhibit V](#)). For the purposes of this Committee, the most relevant information may be found on page 3 which contains a chart showing the amount of bonding authority approved by the legislature over the last 10 years and the likely amount of our future requests.

CHAIR RAGGIO:

How much was the federal commitment to this program? Are any of the partners delinquent in paying their share of the funding? Will approval of this bill end our commitment?

Ms. WILCOX:

The federal portion was to be \$297.2 million. All of the partners in this program, as shown on page 1 of [Exhibit V](#), are meeting their obligations. This legislation does not end the commitment; we still have \$10.3 million to request in the future. On pages 9 and 10 of [Exhibit V](#) are two amendments requested by the Assembly. The first is to allow the extension of the Tahoe Environmental Improvement program through the year 2010 at no additional cost to the state. The second amendment adds language to make it clear that both statutes are authorized to be interest-bearing accounts that do not lapse.

CHAIR RAGGIO:

Is this true of all the other funding that goes into this program?

Ms. WILCOX:

Yes, it is.

CHAIR RAGGIO:

We will close the hearing on [A.B. 468](#) and open the hearing on [A.B. 532](#).

ASSEMBLY BILL 532: Extends date for reversion of portion of appropriation made by 2003 Legislature for digital microwave project. (BDR S-1039)

MR. McTEER:

This bill requests the date for the reversion be extended until September 2007. It is now scheduled for June 30, 2005.

SENATOR MATHEWS:

Does this bill have something to do with the highway patrol radios?

MR. McTEER:

No, it does not.

CHAIR RAGGIO:

We will now close the hearing on [A.B. 532](#). We will now discuss [S.B. 22](#) which was heard by this Committee on March 9, 2005.

SENATE BILL 22 (1st Reprint):: Makes various changes concerning certain programs and services for persons with disabilities. (BDR 38-689)

MR. GHIGGERI:

The amendment removes much of the earlier fiscal note appropriation; and now requests funding of approximately \$25,909 in FY 2006 and \$26,254 in FY 2007. If this amendment were adopted by the Committee, we would need to revise the language to include the General Fund appropriation.

CHAIR RAGGIO:

This is in the range of nominal funding.

SENATOR CEGAVSKE MOVED TO AMEND AND DO PASS S.B. 22 TO INCLUDE THE PROPER AMOUNT OF GENERAL FUND APPROPRIATION.

SENATOR TITUS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

We will now close discussion on S.B. 22 and open discussion on S.B. 96.

SENATE BILL 96: Makes appropriation to Office of Governor for contractor to update State's Energy Assurance Plan. (BDR S-1206)

JIM WALKER (Program Manager, Nevada State Office of Energy, Office of the Governor):

This bill would provide a \$125,000 onetime appropriation for the update of our Energy Assurance Plan to bring it into conformity with the guidelines set by the Department of Energy. We request that the bill be amended to reduce the amount of our funding request from \$125,000 to \$31,250.

CHAIR RAGGIO:

Would this be to hire a contractor to update the state's energy assurance plan? Would this be the amount of match needed if other funding becomes available?

MR. WALKER:

At this point, we do not feel we have the expertise to do vulnerability assessments of our energy system. This would be the amount of matching funds needed if federal funding becomes available.

SENATOR RHOADS MOVED TO AMEND AND DO PASS S.B. 96 TO CHANGE THE AMOUNT OF GENERAL FUND APPROPRIATION FROM \$125,000 TO \$31,250.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will close S.B. 96 and open discussion on A.B. 40.

SENATOR CEGAVSKE MOVED TO DO PASS A.B. 40 .

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY

CHAIR RAGGIO:

We will close A.B. 40 and open discussion on A.B. 104.

SENATOR BEERS MOVED TO DO PASS A.B. 104.

SENATOR COFFIN SECONDED THE MOTION.

SENATOR MATHEWS:

I would like to remind Senator Beers to please report his finding on WICHE's proposed tracking and accounting system back to this Committee.

CHAIR RAGGIO:

Your request is noted.

THE MOTION CARRIED UNANIMOUSLY

CHAIR RAGGIO:

We will now close A.B. 104 and open discussion on A.B. 105.

SENATOR RHOADS MOVED TO DO PASS A.B. 105.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

We will now close A.B. 105 and open discussion on A.B. 458.

SENATOR RHOADS MOVED TO AMEND AND DO PASS A.B. 458.

SENATOR MATHEWS SECONDED THE MOTION.

SENATOR BEERS:

Does California sell two-thirds of the bond commitments as well as Nevada?

MR. GHIGGERI:

The 1997 Presidential Forum at Lake Tahoe established a ten-year environmental improvement program with an estimated total cost of \$908 million. The cost is split among the program participants and includes

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\$297 million from the federal government, \$275 million from California, \$101 million from local governments, \$152.7 million from private entities and \$82 million from Nevada.

CHAIR RAGGIO:

Ms. Wilcox testified earlier that all other participants were current in their payments. Is it true we have paid all but \$10 million of our commitment?

MR. GHIGGERI:

With the passage of this legislation, that is correct.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

We will now close A.B. 458 and open discussion on A.B. 532.

SENATOR BEERS:

Do any of the amounts, on which we are now considering an extension of the scheduled reversion dates, have an impact on the budget we are now deliberating?

JOHN P. COMEAUX (Director, Department of Administration):

Not in the Governor's planning.

MR. GHIGGERI:

While this is not specifically identified as a source of revenue, it is Highway Fund money and would not affect the General Fund.

MR. MCTEER:

That is correct. It is 100-percent Highway Fund money.

CHAIR RAGGIO:

The reversion figure is just an estimate.

MR. MCTEER:

That is correct. The work is ongoing and it is hard to judge exactly what the final amount will be.

SENATOR BEERS:

During a recent Committee discussion of Budget Account 101-1325, we changed the mix of funding for this project to better reflect the long-term target. Will this decision affect that calculation?

ADMINISTRATION

Information Technology Projects — Budget page ADMINISTRATION-34
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Budget Account 101-1325

MR. GHIGGERI:

No, it does not.

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SENATOR RHOADS MOVED TO DO PASS A.B. 532.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR RAGGIO:

There being no further business before this Committee, we are adjourned at 7:42 p.m.

RESPECTFULLY SUBMITTED:

Michael Archer,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____