

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-third Session  
May 23, 2005**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 9:38 a.m. on Monday, May 23, 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

**STAFF MEMBERS PRESENT:**

Gary L. Ghiggeri, Senate Fiscal Analyst  
Bob Guernsey, Principal Deputy Fiscal Analyst  
Mark Krmpotic, Senior Program Analyst  
Larry L. Peri, Senior Program Analyst  
Anne Vorderbruggen, Committee Secretary

**OTHERS PRESENT:**

Michael D. Hillerby, Chief of Staff, Office of the Governor  
Daniel J. Klaich, Vice Chancellor of Legal Affairs, University and Community College System of Nevada  
Pete Ernaut, R&R Partners  
Harvey Whittemore, Whittemore Family Foundation  
Gerald R. Crum  
Anita K. Patton  
John A. McDonald, M.D., Ph.D., Dean, School of Medicine, University of Nevada, Reno  
Natalie Whittemore  
Charles Duarte, Administrator, Division of Health Care Financing and Policy, Department of Human Resources  
Lorraine T. Hunt, Lieutenant Governor, Office of the Lieutenant Governor  
Jim Litchfield, Wood Rodgers, Inc.  
Jeff Beckelman, President and CEO, Reno-Sparks Convention & Visitors Authority  
John Slaughter, Strategic Planning Manager, Washoe County  
Nicole J. Lambole, City of Reno  
K. Neena Laxalt, City of Sparks  
John P. Comeaux, Director, Department of Administration

CHAIR RAGGIO:

On this morning's agenda we have five bills to be heard and budget closings. Please be mindful of the Committee's time limits today and do not be repetitious. We want everyone to be heard but please be as considerate as you can of the Committee's time.

We will take the items on the First Revised Agenda in order. At this time, we will open the hearing on Senate Bill (S.B.) 105.

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

MICHAEL D. HILLERBY (Chief of Staff, Office of the Governor):

Some months before the 2005 Legislation Session began, the Governor met with representatives of the Nevada Cancer Institute and the University of Nevada School of Medicine. The Governor was excited about the promise of this partnership and decided to include a \$10 million appropriation in the budget to be used for this joint building. The Governor also included in his budget some enhancements for residencies for the School of Medicine and staffing for the Lou Ruvo Center for Alzheimer's Disease and Brain Aging. What impressed the Governor about this partnership were the various entities coming to the table. This brings a lot of private-sector support and enables us to add some badly-needed infrastructure to the School of Medicine. It also helps get a more statewide footing for the Nevada Cancer Institute and the project Mr. Harvey Whittemore will be talking about. The Nevada Cancer Institute has already opened an office in northern Nevada.

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

I would like to address a specific aspect of this partnership about which we are extremely excited. You will hear more about it from Mr. Whittemore and Mr. Ernaut. There are synergies between various capital requests before the Legislature. On the list of capital improvement projects recommended by the Governor ([Exhibit C](#)) there is a biotechnology/genomics teaching and research facility. It is recommended for planning but with no funds. There is an overall plan with respect to this facility that involves S.B. 105.

CHAIR RAGGIO:

Is there a drawing or schematic plan of this building?

PETE ERNAUT (R&R Partners):

In the packet we provided for you there is a copy of the University and Community College System of Nevada, Capital Improvement Projects, 2005-2007 Biennium, ([Exhibit C](#)), a detailed budget titled NVC/Center of Excellence UNSOM ([Exhibit D](#)) and conceptual plans for the building ([Exhibit E](#), original is on file at the Research Library).

CHAIR RAGGIO:

Have you tied the biotechnology/genomics teaching and research facility in with the School of Medicine project?

MR. KLAICH:

Yes, we have. We see that facility being built in the best possible way for the State of Nevada without coming back to you asking for a large amount of capital improvement funds. The funding for this project is proposed to be through the retention of the remaining 25 percent of the indirect cost recovery (ICR). We can roll the S.B. 105 building into the biotechnology/genomics building which will be funded through the ICR. In that situation, we would not come back to the Legislature for additional capital funds to build the facility. We will be able to establish, on the university campus, a world-class laboratory facility that will house not only the Nevada Cancer Institute and its faculty, with whom we have an affiliation agreement, but it will involve programs funded through the Whittemore Family Foundation and the School of Medicine. We think it is an extraordinary partnership with some creative funding for a huge facility.

CHAIR RAGGIO:

In S.B. 105, we are talking about what is included on the university's capital improvement project's list as the Center of Excellence building and the biotechnology/genomics teaching and research facility.

MR. KLAICH:

We go through an exhaustive prioritization of capital projects between Legislative sessions. We already had the biotechnology/genomics teaching and research facility on the project list when we were approached by representatives of the Nevada Cancer Institute and the Whittemore Family Foundation with an enhancement to that building. What appears to be two projects is a single project funded in the manner I have indicated to the Committee this morning.

HARVEY WHITTEMORE (Whittemore Family Foundation):

With me today is my daughter Andrea, her friend Mark Johnson, my daughter Natalie and my niece, Carlie West. I will read the prepared Statement of Annette and Harvey Whittemore in Support of SB 105 ([Exhibit F](#)) which addresses my daughter Andrea's experience with Chronic Fatigue Syndrome and the Whittemore Family Foundation's financial commitment to the project.

A report titled "Assessment & Implications of Viruses in Debilitating Fatigue in CFS & MS Patients" ([Exhibit G, original is on file at the Research Library](#)) contains the results of the HHV-6 Foundation's studies which were delivered at the International Conference on Fatigue Science in Japan in February 2005. You have also been provided copies of brochures setting forth the activities of the HHV-6 Foundation ([Exhibit H](#)), a brochure about Chronic Fatigue Syndrome by RedLabs USA, Inc. ([Exhibit I](#)), a report titled "New and Reemerging Infectious Diseases" from the American Society for Microbiology ([Exhibit J](#)) and a report titled "Microbial Triggers of Chronic Human Illness" from the American Society for Microbiology ([Exhibit K, original is on file at the Research Library](#)).

SENATOR CEGAVSKE:

Did it take a long time to diagnose your daughter's illness? How much is known about this in the United States and what has been the time line for everything?

MR. WHITTEMORE:

Andrea has been suffering from Chronic Fatigue Syndrome for over ten years. Her growing-up years consisted of going to doctor after doctor and clinic after

clinic, trying to find a diagnosis. Dr. Daniel Peterson, who is one of five experts in the world, was recommended to us. He is in Incline Village, Nevada. We were able to get in to see Dr. Peterson and ultimately Andrea was allowed to join a study involving the administration of an FDA-sponsored trial drug called Ampligen. We discovered that Andrea's illness falls into a subset of Chronic Fatigue Syndrome patients who have activated HHV-6A. Roseola in infants is generally caused by HHV-6. Quite a few infants go to emergency centers after suffering from roseola with various degrees of difficulty and then it goes into a nonactive state. When this virus is reactivated, it has significant impacts to transplant and Alzheimer's patients and a number of other illnesses including multiple sclerosis (MS). When the virus reactivates, it allows those viruses to impact the body in a more significant way. Scientists from all over the world are going to come to the University of Nevada, engage in research and prove that particular antivirals and immune modulators can kill HHV-6A. Chronic Fatigue Syndrome affects over 800,000 Americans which is higher than the incidence of MS.

SENATOR CEGAVSKE:

I want to thank you and your daughter for sharing your story. There is another bill containing an appropriation to the Nevada Cancer Institute. What is the amount in S.B. 370?

**SENATE BILL 370**: Makes appropriation to Nevada Cancer Institute for certain research, educational and outreach expenses. (BDR S-1390)

MR. ERNAUT:

The appropriation for the Nevada Cancer Institute operating money is contained within S.B. 370. The amount of that is \$20 million. It is \$10 million each year of the biennium.

SENATOR CEGAVSKE:

Is this one also \$10 million?

MR. ERNAUT:

One appropriation is for bricks and mortar and one is for operations.

SENATOR CEGAVSKE:

Is the amount in S.B. 105 a one-shot appropriation and the other amount ongoing?

MR. ERNAUT:

They are both one-shots. The major difference is one is contained wholly within the *Executive Budget* and the other is not.

SENATOR BEERS:

Is it the same facility?

MR. ERNAUT:

The Nevada Cancer Institute has raised over \$90 million in the last three years. This summer, they will be opening the doors of their new state-of-the-art cancer research facility in Las Vegas. We have an appropriation request for operations to fund research fellowships that would be ongoing over the next five years. The first two years of that five-year request are contained within S.B. 370. We understand that one Legislature cannot bind the next.

The building referred to in [S.B. 105](#) is a bricks and mortar request. It is a building that will house the School of Medicine, the Center of Excellence and the Nevada Cancer Institute. The Nevada Cancer Institute strives to be a statewide facility. We now have a small office in Reno, but part of the affiliation agreement with the University of Nevada School of Medicine would have to be a footprint at the School of Medicine.

CHAIR RAGGIO:

Has the agreement between the Nevada Cancer Institute and the University of Nevada School of Medicine been executed?

MR. ERNAUT:

Yes, it has.

SENATOR MATHEWS:

Mr. Whittemore mentioned that his daughter was in clinical trials. There is a bill, [S.B. 29](#), that would require health insurance policies to add Phase 1 clinical trials to the existing clinical trials covered in the policies.

[SENATE BILL 29 \(1st Reprint\)](#): Requires policies of health insurance to provide coverage for certain treatments for cancer. (BDR 57-265)

MR. ERNAUT:

This project creates a great synergy between the study of immune disorders and cancer research and the School of Medicine. These laboratory facilities are sorely needed. It is devastating when any of our friends or family are afflicted with one of these insidious diseases and have to seek care outside of the state. [Exhibit E](#) is a drawing of the building that was first proposed for the Nevada Cancer Institute and the School of Medicine. The detailed budget, [Exhibit D](#), estimates the cost of the project to be \$18.5 million. One thing you may have missed in Mr. Whittemore's testimony is that the Whittemore Family Foundation is pledging \$2 million personally toward this project. They are also committing to raise another \$2 million privately. We are looking at expanding this project with private dollars and creating a biotechnology and genomics teaching research facility that includes multiple disciplines.

Your packet also includes a site map of the University of Nevada, Reno, campus where this building is likely to be sited ([Exhibit L](#)). We urge your support of [S.B. 105](#) and appreciate the Committee's time.

MR. WHITTEMORE:

There were two other individuals who provided testimony that we included in your packets: a personal statement of Lee B. Meisel, M.D., J.D., M.P.H. ([Exhibit M](#)), and Mr. Robert Miller who provided his testimony in an e-mail message to Senator Randolph Townsend dated May 20, 2005 ([Exhibit N](#)).

CHAIR RAGGIO:

Your commitment to fund this project is appreciated. I am aware of many things the Whittemore family does that never gets recognition.

GERALD R. CRUM:

I am testifying in support of [S.B. 105](#), representing myself. I was diagnosed with Chronic Fatigue Syndrome in 1985. Complications associated with this

poorly-understood disease nearly killed me. I will read from my prepared text, Testimony in Support of Senate Bill 105 ([Exhibit O](#)).

ANITA K. PATTON:

I am present to support S.B. 105 and will read from my prepared testimony regarding my experience with Chronic Fatigue Syndrome ([Exhibit P](#)).

CHAIR RAGGIO:

We appreciate your sharing your experience with us. Whatever you are doing, keep doing it because you have more vitality than anyone who has appeared before this Committee in a long time.

SENATOR RHOADS:

When my daughter was a junior in high school, she got sick and we had to take her out of school. She slept 20 hours a day and hurt all over. We finally went to Dr. Peterson and he got her signed up as an experimental person at the National Institutes of Health in Bethesda, Maryland. After a couple of years, they came out with 500 ccs of clear medicine of some type that was experimental. It cost us \$5,000 every time we gave her this shot. Over a two-year period she has gotten better, but she is still under Dr. Peterson's care. It is painful to watch someone hurt as badly as they do with Chronic Fatigue Syndrome. I applaud Mr. Whittemore and everyone else who has worked on this project.

SENATOR MATHEWS:

I want to thank all of you who came forward with your stories. I was impressed. Were any of you who have had experience with Chronic Fatigue Syndrome sent to a psychiatrist? If so, I would like the School of Medicine to let us know if that is going to be a part of the team that deals with Chronic Fatigue Syndrome.

JOHN A. McDONALD, M.D., Ph.D. (Dean, School of Medicine, University of Nevada, Reno):

It is hard to say anything compelling after this wonderful testimony we have heard. I want to thank all of you who came and testified. The School of Medicine is delighted to be the potential recipient of this wonderful public and private partnership. It will enable us, for the first time in 22 years, to build a new basic science and clinical building on the University of Nevada School of Medicine campus. We are pledged to the support of these programs.

With respect to Senator Mathews' specific question about psychiatry, there are others who are probably better able to answer that because of their familiarity with Dr. Peterson's practice style. Should that become necessary, psychiatry is one of our strongest statewide departments and I do not think there would be any issue with the psychiatric evaluation component.

CHAIR RAGGIO:

Dr. Peterson, of course, is internationally known for his work in this area. His wife, Mary Peterson, served very ably as the state's Superintendent of Public Instruction for a long time.

NATALIE WHITTEMORE:

I am speaking for myself and for my sister Andrea. Some patients do find themselves in depressive states because of what they are going through. Unfortunately, when you talk about psychiatrists and people going to them, it

often has a negative undertone. When they could not be properly diagnosed by their doctors, they were often told by their doctors that they were suffering from mental disease. My sister was told she hated her parents and she hated school. They tried to help her with something that was going on in her mind rather than in her body. I hope the Center of Excellence will help people get properly diagnosed rather than just sent off to the next person they think may be able to help them.

CHAIR RAGGIO:

I am told by staff that if this bill is processed, it is in the *Executive Budget* but there would possibly have to be a change in the reversion date. What is that?

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

Staff suggests that if this legislation is processed, the reversion date be extended to 2009 instead of 2007. The Committee may want to add language to indicate it would be the Nevada Cancer Institute and the Center of Excellence.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED  
SENATE BILL 105.

SENATOR MATHEWS SECONDED THE MOTION.

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

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CHAIR RAGGIO:

At this time we will open the hearing on S.B. 512.

**SENATE BILL 512**: Makes supplemental appropriation to Department of Human Resources for support of Nevada Medicaid Health Care Financing and Policy and Nevada Check-Up Program. (BDR S-1467)

CHARLES DUARTE (Administrator, Division of Health Care Financing and Policy, Department of Human Resources):

We support S.B. 512. It requests an appropriation for FY 2005 in General Funds in the amount of \$22,770,000 for Medicaid and \$773,000 for Nevada Check-Up. The reason these funds are needed is because we are currently in a negative cash position. While we anticipate sufficient revenues to cover two weekly payment runs, we will not have sufficient funds to continue paying claims to the end of the fiscal year. We urge the prompt passage of this bill and appreciate your support. I have provided additional testimony regarding this request ([Exhibit Q](#)).

SENATOR BEERS:

Did you say you are having a cash flow problem and expect to get receipts to cover it but just not in time?

Mr. Duarte:

No. We are anticipating enough revenue to cover this week's and next week's claims payments.

CHAIR RAGGIO:

When the Joint Subcommittee heard about this, the amounts we were looking at were potentially even higher than this request. I would defer to Senator Cegavske who chaired the Subcommittee.

SENATOR CEGAUSKE:

Is any of this state or federal dollars that are used to solicit clients?

MR. GHIGGERI:

I do not recall any testimony that any money in this is being used to solicit clients. The only place there could remotely be use of funding to solicit clients would be in the Nevada CheckUp program and I would have to defer to Mr. Duarte on that.

SENATOR CEGAUSKE:

Is it in this bill?

MR. DUARTE:

No, it is not. The \$773,000 being requested for Nevada CheckUp is to cover medical payments.

SENATOR CEGAUSKE:

That is what I recall from the Subcommittee meeting.

CHAIR RAGGIO:

The issue is quite clear. Without this, we would have to stop paying the providers for the rest of this year. We do not have a choice.

SENATOR BEERS:

Do you attribute this to a higher caseload than anticipated or higher costs than anticipated per caseload ?

MR. DUARTE:

There are a couple of factors. One is faster claims payment. The other is claims payment catch-up. In FY 2004, we had significant problems with claims payment. A third factor is higher costs, particularly for the aged, blind and disabled. It is not a caseload-driven issue.

SENATOR BEERS:

It sounds like part of this is that we paid some stale claims with our current year funding.

MR. DUARTE:

Yes, that is part of it.

CHAIR RAGGIO:

Under the old system, they were falling behind. They were way behind on a lot of claims. This catch-up has been ongoing.

MR. DUARTE:

That is correct.



SENATOR BEERS:

How close are you to having fully reconciled the period in which we just made payments? We were going to go back and reconcile those to the actual claims.

MR. DUARTE:

We are fairly complete with those kinds of transactions with two notable exceptions. Both of the exceptions involve sister state agencies in the Department. They are the Division of Child and Family Services and the Division of Mental Health and Developmental Services. We are working closely with their staff to reconcile their claims, particularly the claims from FY 2004. We are not anticipating reconciliation of these claims in time for closing this fiscal year and will have to continue that work into the summer.

SENATOR MATHEWS MOVED TO DO PASS S.B. 512.

SENATOR COFFIN SECONDED THE MOTION.

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

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CHAIR RAGGIO:

At this time I will open the hearing on S.B. 513.

**SENATE BILL 513**: Makes contingent appropriation to Interim Finance Committee for allocation to Reno Sparks Convention and Visitors Authority to implement Truckee River Recreational Master Plan. (BDR S-1435)

SENATOR MAURICE E. WASHINGTON (Washoe County Senatorial District No. 2):  
I support S.B. 513. The Truckee Meadows stands to benefit greatly from the improvements on the Truckee River. Hopefully, it will generate enthusiasm and excitement about the Truckee River that has been lost for some time.

LORRAINE T. HUNT (Lieutenant Governor, Office of the Lieutenant Governor):  
I chair the Truckee River Whitewater Steering Committee. I am here this morning to support the funding of the Truckee River Recreational Master Plan. As we debate the process to review many worthy projects that could be given consideration as onetime expenditures of our unexpected high revenues, I believe it is critical that we analyze the potential return on investment of each proposal. Then, we should prioritize and select projects that are valuable investments for the future. These valuable investments will help us provide stable services and benefits to our citizens in all areas of our responsibility, including education and public health and safety.

In a May 21, 2005, editorial in the *Reno Gazette-Journal*, it states: "The Truckee River Whitewater Park in downtown Reno has been one of the great success stories in recent years." It has been proven that the present investment in the Truckee River Whitewater Park and Kayak Course is already paying dividends. A whole new market of sports enthusiasts who may never have visited Reno are now fueling the tourism economy in downtown Reno. Our first investment is paying off. I believe it is time to set course for even more. You will hear statistics from Mr. Jeff Beckelman about the huge numbers of people

who come to Reno for the Reno River Festival and the stunning numbers of visitors who plan to return next year because of the Truckee River Waterpark. One outfitter, five kayak schools and one kayak shop are new businesses directly tied to the waterpark. Those are direct payoffs from the original investment.

There are dozens of other businesses, large and small, in downtown Reno happy to see new visitors and customers in their area. As we beautify the river, do not forget about the number of condominiums and other private developments around the Truckee River. The state will not simply hand over millions of dollars to the Reno-Sparks Convention & Visitors Authority (RSCVA). The RSCVA, the City of Reno and the City of Sparks have committed to match any funding provided by the state. As we deal with our unexpectedly high state revenues, this type of investment for Reno and Sparks is ideal. It will be money spent to spur the local economy and will generate new public and private revenue for all entities involved. Competition for tourists is fierce, especially in northern Nevada. We need to invest in activities and programs that will make our state stand above the pack. It is not just about tourists. Some of the funds and projects will help protect fish and other aquatic habitats as well as improve the quality of the Truckee River water. In closing, I would like to stress that by moving forward with further investments in this plan, we will be paddling in a prosperous and proper direction.

SENATOR COFFIN:

Have you talked to the Governor about the bill and has he indicated he will sign the bill?

LIEUTENANT GOVERNOR HUNT:

I have not had a personal conversation with the Governor regarding this bill.

JIM LITCHFIELD (Wood Rodgers, Inc.):

I am a hydrologist with the consulting firm of Wood Rodgers, Inc. of Reno, Nevada. I have had the opportunity to work through the planning, design and construction phases of the Truckee River Recreational Master Plan as well as the development of the Wingfield Park site. We appreciate the opportunity for your consideration of four additional elements identified in the Truckee River Recreational Master Plan that will further enhance recreational enjoyment, public health and safety, and viable fish passage for the endangered species indigenous to the Truckee River. These four projects are identified in the report titled "Truckee River Recreation Plan" ([Exhibit R](#)). On the first page of [Exhibit R](#), there is a photograph of the Truckee Meadows. We evaluated a 24-mile reach of the Truckee River as it flows through our communities. The proposed project would be implemented in a logical format from downstream to upstream. The Rock Park would be constructed specifically for public events, public access and improvements to an existing blighted urban park. The Pioneer Diversion Dam would be a modification to an existing and operational irrigation diversion structure that is a complete impediment for viable fish passage, as well as public health and safety and recreational passage. Idlewild Park is an important park in the City of Reno and our region. The contiguous Truckee River, which flows along the northern boundary, is completely separated from the park experience today. We hope to enhance that to improve access to and from the Truckee River as well as to improve the safety for children and members of our community to enjoy the park. The Ambrose Park is an existing Washoe County

park that has an abandoned irrigation structure which poses a significant threat to recreational enjoyment, recreational passage and public health and safety.

Through the planning and design construction process, these projects have been proven to have a very successful public stakeholder and public involvement process. We are implementing the Rock Park project immediately. Each of the elements will be tailored specifically for the sponsor's intended usage of the site.

SENATOR COFFIN:

When the project is constructed, people will be accustomed to coming here for annual or biennial events which require water. There will be years when we do not have much water. Will an additional reservoir be built to guarantee water for those times when it is needed?

MR. LITCHFIELD:

The design process and the design team have the experience to work with a run-of-the-river approach. We will design the project to utilize the river as it is flowing through the Truckee Meadows. There is no intention at this point or in the foreseeable future that a whitewater park in our community would ever make additional demand on water rights. Our approach has always been and will be in the future to be in compliance with all of the existing operating agreements, specifically the Truckee River Operating Agreement. It will be in specific concert with the regional flood control master program that is currently being implemented on the Truckee Meadows. With the development of Wingfield Park, the project has already undergone a rigorous public involvement and agency review process. All of the future projects will be held to that same standard.

SENATOR COFFIN:

How would these investments be protected in a flood year? Who will be responsible for the maintenance and restoration if the improvements get wiped out in a flood?

MR. LITCHFIELD:

We are careful in the design and construction of these facilities. We intend to make them able to withstand the highest anticipated flood. We recently received a significant spring runoff and there has been no change in the facility.

SENATOR COFFIN:

In any event, it would be a local obligation.

MR. LITCHFIELD:

Operation and maintenance for each one of these facilities will fall within the parks and recreation departments of each of the sponsoring municipalities, which would be the City of Reno, City of Sparks and/or Washoe County.

SENATOR MATHEWS:

This project is in my district, Washoe County Senatorial District No. 1. It will enhance the whole area.

JEFF BECKELMAN (President and CEO, Reno-Sparks Convention & Visitors Authority):

The Board of Directors of the Reno-Sparks Convention & Visitors Authority and the hospitality industry in general are supportive of this project. We just concluded the second annual Reno River Festival in downtown Reno a couple of weeks ago. The Committee may be interested in some of the economic impact statistics. A third-party firm that we brought in to do this analysis verified that almost 20,000 people came to the second annual Reno River Festival. In response to the question—"Are you a local or a visitor?"—35.2 percent were classified as visitors. Of the visitors that came to the festival from outside our region, 94.5 percent were from over 100 miles away and 36.3 percent were from over 500 miles away. In response to a question about how long they were staying in the region, 80.2 percent stayed over 2 nights, and 28.7 percent stayed over 4 nights. Of those surveyed, 74.4 percent were in hotels and motels. Of the visitors we interviewed, 41.4 percent paid between \$80 and \$120 a night for their accommodations. This is much higher than the average daily rate we see in our region which is normally around \$60 a night. When asked if they specifically came to Reno for the Reno River Festival, 47.3 percent said they did. Nearly 70 percent of the respondents came to the Reno River Festival for the first time and 93.6 percent said they would return next year.

We estimate the Reno River Festival, in its second year, produced about 10,000 room nights and generated in the neighborhood of \$1 million to \$1.5 million of economic impact. We call ourselves "Reno-Tahoe, America's Adventure Place" and the Truckee River is important to us to deliver on that promise.

A couple of amendments to this bill have been proposed by the Truckee River Steering Committee members ([Exhibit S](#)). They will clarify the bill's intent and the procedure that will be followed if the funds to make these parks happen are granted. The amendments are agreeable to everyone involved in this process.

CHAIR RAGGIO:

What will the amendments change?

MR. BECKELMAN:

The amendments clarify the bill's intent in the procedure that will be followed to ensure that the public process is followed in constructing the parks. That includes community involvement and the involvement of various entities.

CHAIR RAGGIO:

I note, in the proposed amendment, that one of the provisions is all projects shall conform to the Truckee River Flood Control Project parameters and the Truckee River Operating Agreement. How were the amounts being requested developed? I notice the proposed amendment removes the individual amounts for the respective projects.

MR. LITCHFIELD:

A conceptual cost was identified for each individual project for planning, design, permitting and construction through the original publication of the Truckee River Recreational Plan. In the proposed amendment, we have removed those specific line items. This was done with sensitivity to the current construction industry climate in northern Nevada. We intend to look for opportunities to partner projects. With the reversion date, that is included in the legislation, we would

need to develop the projects as quickly as possible and we wanted to have flexibility if there were an opportunity for partnering at one site as opposed to another.

CHAIR RAGGIO:

Is the request contingent upon matching funds being identified? The bill states "... committed to expend an equal amount of money on the project."

MR. LITCHFIELD:

That is correct. The three municipalities have made that commitment on Truckee River-related projects.

CHAIR RAGGIO:

Could the project be done altogether or in phases?

MR. LITCHFIELD:

A more appropriate term would be elements. They are not necessarily contingent upon each other. They can stand alone if opportunities arise for partnering with private partners or other public agencies.

MR. BECKELMAN:

The entire community has come together in support of this bill. In the audience today are Ms. Nicole Lambolely from the City of Reno, Mr. John Slaughter from Washoe County, Mr. Harry York, the Executive Director of the Reno-Sparks Chamber of Commerce, Ms. Neenah Laxalt of the City of Sparks and Ms. Mindy Elliott of Wells Fargo Bank. A letter dated May 23, 2005, from Mr. Harry L. York, Chief Executive Officer, Reno-Sparks Chamber of Commerce ([Exhibit T](#)) has been provided to the Committee.

CHAIR RAGGIO:

Do you represent that, if the bill were processed, the entities identified in the bill, the Reno-Sparks Convention & Visitors Authority, Washoe County, City of Reno and City of Sparks, have committed the funding for the equal amount of money on the project?

MR. LITCHFIELD:

I cannot specifically speak on their behalf.

CHAIR RAGGIO:

The bill provides that whatever money is provided there will be a commitment to expend an equal amount. That needs to be understood. Do any of the people from these agencies want to say they do or do not commit to this? We do not want someone to say this is an unfunded mandate if we pass it.

JOHN SLAUGHTER (Strategic Planning Manager, Washoe County):

We have reviewed this and made that commitment. The proposed amendment addresses that Washoe County will find the matching funds for improvement projects related to the Truckee River.

NICOLE J. LAMBOLEY (City of Reno):

Likewise.

CHAIR RAGGIO:

That is right?

MS. LAMBOLEY:  
Yes.

K. NEENAH LAXALT (City of Sparks):  
Same.

CHAIR RAGGIO:  
And what about RSCVA?

MR. BECKELMAN:  
We have already committed some dollars to this project. We are currently in the design phase for Rock Park in Sparks and we are paying for that.

CHAIR RAGGIO:  
The Committee could at least consider adopting the amendment. We will have to hold the bill until we find out if there is some tourism funding available.

MR. GHIGGERI:  
If the Committee adopts the amendment, I would suggest we strike the language that indicates it is a contingent appropriation.

CHAIR RAGGIO:  
We will hold S.B. 513 at this time. If the bill is processed, we will look at from where the proposed funding would come.

I will open the hearing on S.B. 514.

**SENATE BILL 514**: Revises provisions governing annual assessment of hospitals for support of Bureau for Hospital Patients within Office for Consumer Health Assistance. (BDR 18-1463)

JOHN P. COMEAUX (Director, Department of Administration):  
Senate Bill 514 adds flexibility for the Bureau for Hospital Patients in setting the amount of their assessment against hospitals for support of their operations. Under existing law, they are required to assess \$100,000 a year against the hospitals. Their reserves are building and they would like to have the flexibility to be able to assess a lesser amount. This bill simply adds three words to make the law read that for a fiscal year the total amount assessed must not be more than \$100,000.

A letter dated May 20, 2005, from the Bureau for Hospital Patients, Consumer Health Assistance, in support of S.B. 514 ([Exhibit U](#)) was provided to the Committee.

CHAIR RAGGIO:  
The current law provides they have to assess the hospitals \$100,000 adjusted for inflation. This change would provide that it does not have to be \$100,000 and could be less than that, adjusted for inflation. It is my understanding the Bureau for Hospital Patients has reserve funds sufficient to maintain the agency so they do not have to assess the full \$100,000.

MR. COMEAUX:  
That is correct.

SENATOR BEERS MOVED TO DO PASS S.B. 514.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

Senator Titus, do you want to be recorded on the vote on either S.B. 105 or S.B. 512 which were recommended for passage?

SENATOR TITUS:

I appreciate that. I vote favorable on both those bills.

CHAIR RAGGIO:

Please indicate Senator Titus voting favorable on S.B. 105 and S.B. 512.

This Committee will have to meet for a brief time after the Senate Floor session to close some budgets. This Committee is in recess at 11 a.m. until immediately following the Senate Floor session.

The Committee will please come back to order at 1:42 p.m. At this time we will consider the Joint Subcommittee on K-12/Human Resources Closing Report for the Department of Human Resources, Welfare Division (Exhibit V, original is on file at the Research Library).

MARK KRMPOTIC (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee for Human Resources/K-12 has completed its review of the budgets for the Welfare Division and developed the following recommendations. The Subcommittee's closing actions resulted in an overall decrease in General Funds of approximately \$3.6 million over the biennium.

HR, Welfare Administration — Budget Page WELFARE-1 (Volume II)  
Budget Account 101-3228

The Medicare Modernization Act of 2003 established a prescription drug benefit that will begin January 2006. The Welfare Division is required to establish and determine eligibility for two new categories of Medicare Part D. The Subcommittee supported the Governor's recommendation to add one new position to establish policy and state plan provisions and manage these categories on an ongoing basis.

In response to a federal requirement under the Improper Payments Information Act of 2002 which requires Medicaid agencies to perform reviews of Medicaid claims, services and eligibility beginning October 1, 2005, the Governor recommended two new positions for the Welfare Division to perform Medicaid eligibility reviews. The Division indicated during testimony that upon the release of final regulations in August 2005, as many as 30 positions may be required to comply with the mandate. The Subcommittee supports the Governor's recommendation to add two positions to comply with the mandate but was concerned over the potential to add 30 new positions during the interim. The Subcommittee approved a Letter of Intent to express that implementation of the

mandate should be limited to resources approved in the Welfare Administration budget during the 2005-2007 biennium.

To assist with meeting the requirements of the Health Insurance Flexibility and Accountability (HIFA) waiver beginning July 2006, the Subcommittee concurs with the Governor's recommendation to increase funding by \$425,039 in fiscal year (FY) 2006 and \$37,634 in FY 2007 to provide for master service agreement programming and support costs to make the required system changes.

CHAIR RAGGIO:

The backup for this budget account begins on page 6 of [Exhibit V](#).

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3228 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HR, Welfare Field Services — Budget Page WELFARE-17 (Volume II)  
Budget Account 101-3233

Under the HIFA waiver, the Division will be responsible for determining eligibility for expanded Medicaid coverage to pregnant women and children and for determining eligibility for health insurance for employees of small employers. The Governor's recommendation included 11 new positions for eligibility work associated with this expansion. Based on Subcommittee action to delay implementation of HIFA until July 2006, the Agency determined that three positions could be reduced from the total recommended by the Governor. The Subcommittee was concerned whether the requirements of HIFA warranted all of the recommended positions, given significantly reduced Temporary Assistance for Needy Families (TANF) caseloads experienced by the Division. The Subcommittee reduced the Governor's recommendation by eight positions and approved three positions to support eligibility determinations for health insurance for employees of small employers.

The Subcommittee supported the Governor's recommendations to relocate the Charleston and Henderson offices in Las Vegas. However, the Subcommittee did not support the addition of new modular furniture, totaling \$160,000, for the Henderson office.

The Subcommittee supported a budget amendment to withdraw 11 positions recommended by the Governor to address requirements of the Medicare Modernization Act. Based on a review of regulations released in January, the Division determined the impact on its field operations would not be as significant as originally anticipated.



SENATOR BEERS:

Is this the account where we added the 140 caseworkers last session? Did we eliminate any of those? That was based on a projected increased caseload and the caseload did not increase.

MR. KRMPOTIC:

None of the positions approved by the 2003 Legislature were eliminated. The Agency has indicated that TANF caseloads have decreased substantially; however, Medicaid and food stamp cases have increased and that is evidenced in the realignment of the cost allocation of funding sources supporting this account and the Administration budget.

SENATOR BEERS:

Is there a benefit to performing food stamp and Medicaid work in the Welfare Division?

MR. KRMPOTIC:

The Welfare Division performs eligibility for food stamps, Medicaid and TANF on a "seamless" basis. If an individual enters a Welfare Office and does not know exactly what they are eligible for, Welfare has the advantage of determining eligibility for any of those three benefits at the same time. They are able to administer those benefits as well as other programs.

CHAIR RAGGIO:

The Joint Subcommittee took away all the positions except those that were for the small employer program.

MR. KRMPOTIC:

That is correct.

SENATOR CEGAVSKE:

My vote was not to have any of those positions in that I felt we had enough existing positions.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3233 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE, WITH THE EXCEPTION THAT THE THREE POSITIONS RECOMMENDED FOR THE SMALL EMPLOYER PROGRAM BE ELIMINATED.

SENATOR BEERS SECONDED THE MOTION.

SENATOR TITUS:

I oppose the motion. This is a new program. We have heard repeatedly that Nevada is high on the list of numbers of uninsured people. This program has been set up to help small businesses provide health insurance for their employees. It sets up a system that requires responsibility from the employer, the employee and the state. Repeatedly in these hearings, people have come forward and said this is a good program, but no one uses it. We do not spend the money and people do not know about it. If you want this to succeed, you have to invest something in it and staff is needed to get it started so it has a chance to work.

SENATOR CEGAVSKE:

My argument was that there is existing staff that can do the work. That was the reason I did not vote for the positions.

SENATOR MATHEWS:

I remember the discussion in the Subcommittee. Senator Cegavske did say she was for the program, but she thought they could do it within the existing staff without three additional positions. I voted for the additional three positions, so I will be voting for that today, also.

THE MOTION FAILED. (SENATORS MATHEWS, TITUS, RHOADS AND COFFIN VOTED NO.)

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SENATOR TITUS MOVED TO CLOSE BUDGET ACCOUNT 101-3233 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HR, Welfare/TANF — Budget Page WELFARE-28 (Volume II)  
Budget Account 101-3230

MR. KRMPOTIC:

The 2003 Legislature approved additional General Funds in excess of the maintenance of effort requirements of \$8.3 million in FY 2004 and \$23.2 million in FY 2005 to assist with meeting increases in TANF cases projected over the 2003-2005 biennium. As a result of reduced TANF caseloads, the Division was able to revert its FY 2004 General Fund appropriation in excess of the maintenance of effort and carry a \$12 million TANF reserve into FY 2005. Based on revised caseload projections, the Division now estimates an approximate \$10.2 million TANF reserve to be carried forward into the 2005-2007 biennium and reversion of \$21.2 million in General Funds at the end of FY 2005. Based on closing actions taken by the Subcommittee with respect to caseload revisions, and the impact from the Division's revised cost allocation, the Division estimates an \$11 million TANF reserve to exist at the end of the 2005-2007 biennium.

The Subcommittee supports revised TANF caseload projections prepared by the Division with review from staff. A total of 21,006 cases are recommended in FY 2006, a decrease from 24,244 recommended by the Governor. In FY 2007, 21,770 cases are recommended, a decrease from 25,770 cases recommended by the Governor. The dollar impact of caseload projections results in a savings of approximately \$4.2 million in FY 2006 consisting of federal TANF funding and approximately \$4.6 million in FY 2007 representing \$2.8 million in General Funds and \$1.8 million in federal TANF funding.

The Subcommittee approved a Letter of Intent for the Division to report back to the IFC on performance indicators reflecting the effectiveness of funding provided in the budget for vocational skills development services recommended by the Governor.

The Assembly members of the Subcommittee support a Letter of Intent to express the Committee's desire for the Welfare Division to pass a regulation to allow battered immigrant spouses, who have established their eligibility through a self-petition process under the Violence Against Women Act, to qualify for temporary assistance from the Welfare Division, regardless of the date of entry. This potentially gives them the means to survive independently from their abuser.

CHAIR RAGGIO:  
I do not recall that.

MR. GHIGGERI:  
That was a motion made by Assemblywoman Giunchigliani in the Subcommittee. The Senate Subcommittee members did not concur with that.

SENATOR CEGAVSKE:  
That was something that was added at the last minute and we did not concur with it. I recommend that the Committee not concur with the Letter of Intent.

SENATOR BEERS:  
Does the Letter of Intent the Assembly asked for presume that some of the battered immigrant spouses have not established citizenship?

SENATOR CEGAVSKE:  
Yes.

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT 101-3230 AS RECOMMENDED BY THE JOINT SUBCOMMITTEE WITH THE EXCEPTION OF THE LETTER OF INTENT REGARDING BATTERED IMMIGRANT SPOUSES.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HR, Child Support Enforcement Program — Budget Page WELFARE-33  
(Volume II)  
Budget Account 101-3238

MR. KRMPOTIC:  
The Subcommittee concurred with the Governor's recommended budget with minor technical adjustments for budget account 101-3238.

CHAIR RAGGIO:  
This budget account is on pages 18 and 19 of [Exhibit V](#).

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3238 AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS, AS RECOMMENDED BY THE SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HR, Child Support Federal Reimbursement — Budget Page WELFARE-40  
(Volume II)  
Budget Account 101-3239

MR. KRMPOTIC:

The Subcommittee approved the Child Support Federal Reimbursement Account as recommended by the Governor.

CHAIR RAGGIO:

This budget account is on page 20 of [Exhibit V](#).

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3239 AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS, AS RECOMMENDED BY THE SUBCOMMITTEE.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HR, Child Assistance and Development — Budget Page WELFARE-44 (Volume II)  
Budget Account 101-3267

MR. KRMPOTIC:

The Subcommittee concurs with the Governor's recommendation to fund the development and implementation of the Nevada Child Care System to replace the private child care management system currently used by program contractors and would centralize management and control functions.

The Subcommittee approved the consolidation of categories as recommended by the Governor with the exception of the quality assurance category.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3267 WITH TECHNICAL ADJUSTMENTS, AS RECOMMENDED BY THE SUBCOMMITTEE.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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MR. KRMPOTIC:

The Subcommittee will note that proposed changes in the Division's cost allocation combined with revised TANF caseload projections result in a decrease in General Funds of approximately \$3.6 million over the biennium. Decisions made by the Subcommittee and revised cost-allocation adjustments have not been reflected in the closing sheets. Staff requests authority from the Committee to make adjustments reflecting committee actions and changes in the Division's cost allocation.

CHAIR RAGGIO:

Without objection from the Committee, staff will have that authority.

MR. KRMPOTIC:

The Senate Subcommittee did not act on the assistance to aged and blind or the energy assistance accounts. Assistance to Aged and Blind begins on page 24 of [Exhibit V](#).

HR, Assistance to Aged and Blind — Budget Page WELFARE-42 (Volume II)  
Budget Account 101-3232

CHAIR RAGGIO:

What were the major issues in this budget account?

MR. KRMPOTIC:

The major issues were the caseload increase which staff has adjusted based on revised projections from the Division. In addition to acting on the changes with respect to the caseload increase, the Assembly Subcommittee approved a rate increase for the adult group care facilities.

CHAIR RAGGIO:

We need to close this budget account in some manner. If we have a difference, we can discuss it when we go to joint meetings.

MR. KRMPOTIC:

Staff has made adjustments to decrease General Funds by approximately \$100,000 each year, based on revised caseload projections. The Assembly Subcommittee also approved a rate increase for adult group-care facilities totaling approximately \$84,000 each year. The Division calculated this increase based on annual CPI increases as compared to the state rate that is paid to those facilities. The rate increase was not recommended by the Governor.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3232 AS RECOMMENDED BY THE GOVERNOR, ADJUSTING THE CASELOAD INCREASE BY \$94,176 IN FY 2006 AND \$97,662 IN FY 2007.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HR, Energy Assistance – Welfare — Budget Page WELFARE-51 (Volume II)  
Budget Account 101-4862

CHAIR RAGGIO:

What is the issue with budget account 101-4862, the energy assistance budget?

MR. KRMPOTIC:

The Senate Subcommittee held this account.

CHAIR RAGGIO:

What is the status of S.B. 123?

**SENATE BILL 123 (1st Reprint)**: Revises provisions governing energy assistance.  
(BDR 58-238)

MR. KRMPOTIC:

Senate Bill 123 is legislation that represented the Administration's request to increase the administrative cap. In addition to modifying the administrative cap, the bill made some other changes to the program. The proposed changes included reducing the mill assessment rate, prohibiting purchase of advertising printed in electronic media on customer outreach and reducing, from 75 percent to 50 percent, distributions to the Welfare Division from the fund for energy assistance and conservation.

CHAIR RAGGIO:

Since there was some division over the bill, the Committee may want to close this budget account with the adjustments recommended by staff and direct the Division to come to the IFC depending upon the outcome of S.B. 123.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-4862 WITH ADJUSTMENTS RECOMMENDED BY STAFF AND DIRECT THE DIVISION TO COME TO THE IFC DEPENDING UPON THE OUTCOME OF S.B. 123.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS TITUS, COFFIN AND MATHEWS VOTED NO.)

BUDGET CLOSED.

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MR. KRMPOTIC:

That completes the Welfare Division.

CHAIR RAGGIO:

The next budget accounts are in the Division of Child and Family Services.

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LARRY L. PERI (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

There are four budget accounts in the Division of Child and Family Services that were held by the Senate. The first one is the Caliente Youth Center budget which begins on page 2 of Senate Committee on Finance Closing List No. 9 ([Exhibit W](#), original is on file at the Research Library).

HR, Caliente Youth Center — Budget Page DCFS-92 (Volume II)  
Budget Account 101-3179

CHAIR RAGGIO:

What are the issues in this budget account?

MR. PERI:

The primary issue is the Governor's recommendation to add 12 new staff members to enrich the direct care staff-to-client ratio from 1:10 during waking hours to 1:8. The Memorandum of Understanding that has been executed between the State and the U.S. Department of Justice requires a 1:10 ratio which is currently in effect, and preferably a 1:8 ratio. The Governor recommended the 1:8 ratio. That ratio was accepted by the Assembly Subcommittee and the Senate Subcommittee held on that issue.

CHAIR RAGGIO:

Is that also an issue in some of the other budgets?

MR. PERI:

That is the primary issue in the next account, the Nevada Youth Training Center.

CHAIR RAGGIO:

Is that the only other issue in these budget accounts?

MR. PERI:

In the account we are looking at now, the Caliente Youth Center, on page 3 of [Exhibit W](#), under Other Closing Items No. 1, there is some uncertainty on the issue of the superintendent's residence. The statute currently allows for a perquisite which provides a home for the superintendent. The home in Caliente is uninhabitable and the Division has been providing a stipend to the superintendent. The Assembly Subcommittee approved a bill draft request which would authorize a stipend in lieu of a home. There is also money in the budget to continue the stipend, but it depends on how the bill draft request is approved in its final form. It also is contingent on the salary levels that are set for the various superintendents. The Department of Human Resources prefers the superintendent at this facility, the Elko facility and the Summit View facility all be set at the same salary and the stipend or housing allowance be eliminated. There are a couple of variables that are not yet determined. Staff has asked for approval of the budget account depending upon the outcome of the final unclassified salaries and the bill that has not yet been introduced before we can take final action on the amounts built into the budget for the stipend.

CHAIR RAGGIO:

The Division indicated they did not want to be in the housing business.

MR. PERI:  
That is correct.

CHAIR RAGGIO:  
Is the house utilized now?

MR. PERI:  
No, it is uninhabitable. It is still standing, but it has many defects.

SENATOR CEGAVSKE:  
I did not see the justification for the 1:10 ratio. There is no mandate for a 1:8 ratio and we are doing fine with the 1:10 ratio.

CHAIR RAGGIO:  
We are required to have the 1:10 ratio.

SENATOR CEGAVSKE:  
I understand that. But I did not see a need for us to go to the 1:8 ratio. There was no discussion about a 1:9 ratio. I do not support increasing the numbers.

SENATOR COFFIN:  
The reason for the lower ratios in these facilities is that the youngsters are older and harder to restrain. The staff do not have weapons like prison guards have. These youngsters are big and can be feisty. The staff have hand-to-hand contact with them and have to restrain the clients without injuring them.

CHAIR RAGGIO:  
How many positions would be required to take the staffing ratio at Caliente from 1:10 to 1:8?

MR. PERI:  
The itemization of 12 new positions includes 10 group supervisor II positions, so 10 positions are direct care staff. A training officer position and a clerical position are also recommended.

CHAIR RAGGIO:  
Is there an alternative? Are the positions contracted?

MR. PERI:  
State staff operate the facility.

CHAIR RAGGIO:  
The only issue in budget account 101-3179, the Caliente Youth Center, is whether to approve the staffing ratio of 1:8. What does the Governor's budget recommend?

SENATOR CEGAVSKE:  
The Governor's budget recommends 1:8.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3179, STAYING WITH THE CURRENT STAFF-TO-CLIENT RATIO OF 1:10 AND ADOPT THE REMAINDER OF THE GOVERNOR'S RECOMMENDATION WITH STAFF TECHNICAL ADJUSTMENTS.



SENATOR BEERS SECONDED THE MOTION.

SENATOR COFFIN:

Is the 1:10 ratio during waking hours or overall? Overall, 1:10 would be acceptable, but 1:8 is the best during waking hours. I cannot stress enough the effort that has to be exerted by our staff in slowing down some of these youngsters. With fewer staff, they will be required to exert extra force.

CHAIR RAGGIO:

The ratio of 1:10 is during waking hours and it is 1:16 during sleeping hours.

THE MOTION FAILED. (SENATORS TITUS, RHOADS, COFFIN AND MATHEWS VOTED NO.)

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SENATOR MATHEWS MOVED TO CLOSE BUDGET ACCOUNT 101-3179 AS RECOMMENDED BY THE GOVERNOR WHICH INCLUDES DECREASING THE STAFF-TO-CLIENT RATIO FROM 1:10 TO 1:8 DURING WAKING HOURS, WITH STAFF TECHNICAL ADJUSTMENTS.

SENATOR COFFIN SECONDED THE MOTION.

SENATOR TITUS:

It is the Governor's recommendation to change the ratio to 1:8, is that correct?

CHAIR RAGGIO:

That is correct.

THE MOTION CARRIED. (SENATORS CEGAVSKE AND BEERS VOTED NO.)

BUDGET CLOSED.

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HR, Nevada Youth Training Center — Budget Page DCFS-98 (Volume II)  
Budget Account 101-3259

CHAIR RAGGIO:

This budget account has the same issue as the Caliente Youth Center.

MR. PERI:

That is correct.

CHAIR RAGGIO:

Is that the only issue?

MR. PERI:

Yes, that is the issue.

SENATOR MATHEWS MOVED TO CLOSE BUDGET ACCOUNT 101-3259 AS RECOMMENDED BY THE GOVERNOR WHICH INCLUDES

DECREASING THE STAFF-TO-CLIENT RATIO FROM 1:10 TO 1:8 DURING WAKING HOURS, WITH STAFF TECHNICAL ADJUSTMENTS.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS CEGAVSKE AND BEERS VOTED NO.)

BUDGET CLOSED.

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HR, Northern Nevada Child and Adolescent Services — Budget Page DCFS-112  
(Volume II)  
Budget Account 101-3281

HR, Southern Nevada Child and Adolescent Services — Budget Page DCFS-123  
(Volume II)  
Budget Account 101-3646

MR. PERI:

Budget account 101-3281 is on page 7 of [Exhibit W](#). One of the primary issues in this budget account is the first item under Other Closing Items on page 8 of [Exhibit W](#). The Governor has recommended transferring \$1,540,102 into this budget each year in funding for the Wraparound in Nevada (WIN) program from the Clark County integration budget, as part of the Division's budget realignment process. These funds would provide for contract services for treatment for severely emotionally disturbed children in foster care. The Assembly Subcommittee voted to convert this program from a contract program to a state employee program. Beginning on page 10 of [Exhibit W](#) is a memorandum from the Division of Child and Family Services responding to a request for information on the turnover being experienced by the contract staff.

CHAIR RAGGIO:

This is also the issue in budget account 101-3646, the Southern Nevada Child and Adolescent Services. You have explained this quite well. At the present time they are operating this program with contract positions.

MR. PERI:

That is right.

CHAIR RAGGIO:

What is the difference in cost?

MR. PERI:

In the Northern Nevada Child and Adolescent Services budget account, it results in an additional General Fund need of \$475,518 over the biennium. In the Southern Nevada Child and Adolescent Services budget account, it results in an additional General Fund need of \$54,923. This is a total of \$530,441 in additional General Fund support for both accounts over the biennium.

CHAIR RAGGIO:

I do not think the case was made for changing this from contract positions to much more costly state employees.

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SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-3281 AND BUDGET ACCOUNT 101-3646 AS RECOMMENDED BY THE GOVERNOR, KEEPING THE WIN PROGRAM WITH CONTRACTED STAFF, AND TO AUTHORIZE STAFF TECHNICAL ADJUSTMENTS.

CHAIR RAGGIO:  
Is that the Governor's recommendation?

MR. PERI:  
That is correct.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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CHAIR RAGGIO:  
I want to remind the members that if anyone on the Committee intends to change a vote, please advise the Chair before we vote on the Senate Floor. That is part of the rules of this Committee.

There being no further business to come before the Committee, the meeting is adjourned at 2:26 p.m.

RESPECTFULLY SUBMITTED:

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Anne Vorderbruggen,  
Committee Secretary

APPROVED BY:

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Senator William J. Raggio, Chair

DATE: \_\_\_\_\_