

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Seventy-Eighth Session  
February 13, 2015**

The Committee on Commerce and Labor was called to order by Chairman Randy Kirner at 1:03 p.m. on Friday, February 13, 2015, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/78th2015](http://www.leg.state.nv.us/App/NELIS/REL/78th2015). In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Randy Kirner, Chairman  
Assemblywoman Victoria Seaman, Vice Chair  
Assemblyman Paul Anderson  
Assemblywoman Irene Bustamante Adams  
Assemblywoman Maggie Carlton  
Assemblywoman Olivia Diaz  
Assemblyman John Ellison  
Assemblywoman Michele Fiore  
Assemblywoman Marilyn K. Kirkpatrick  
Assemblywoman Dina Neal  
Assemblyman Erven T. Nelson  
Assemblyman James Ohrenschall  
Assemblyman P.K. O'Neill  
Assemblyman Stephen H. Silberkraus

**COMMITTEE MEMBERS ABSENT:**

Assemblyman Ira Hansen (excused)

**GUEST LEGISLATORS PRESENT:**

None



**STAFF MEMBERS PRESENT:**

Kelly Richard, Committee Policy Analyst  
Matt Mundy, Committee Counsel  
Leslie Danihel, Committee Manager  
Earlene Miller, Committee Secretary  
Jennifer Russell, Committee Secretary

**OTHERS PRESENT:**

Steve Fisher, Administrator, Division of Welfare and Supportive Services,  
Department of Health and Human Services  
Lori Wilson, Chief, Employment and Support Services, Division of Welfare  
and Supportive Services, Department of Health and Human  
Services

**Chairman Kirner:**

[Roll was called.] I would like to begin the hearing on Assembly Bill 73.

**Assembly Bill 73: Revises provisions governing programs of energy assistance.  
(BDR 58-336)**

**Steve Fisher, Administrator, Division of Welfare and Supportive Services,  
Department of Health and Human Services**

Thank you for the opportunity to discuss Assembly Bill 73 today. As a summary of the bill, A.B. 73 is a minor modification to the Fund for Energy Assistance and Conservation. On June 30 of every year, we provide the Legislature with a report that is essentially a status of the balance in the Energy Assistance and Conservation Fund. If there are any unobligated funds left over at the time we submit that report, 30 percent of those unobligated funds can be diverted or redirected to the Weatherization Assistance Program within the Housing Division of the Department of Business and Industry.

What our Division would like to do is change the due date of the report from June 30 to January 5. This would give us an additional six months to expand and/or obligate the funds from that account. When the report is submitted on January 5, if there are unobligated funds, 30 percent of those funds could be redirected to the Weatherization Assistance Program.

Passage of this bill would provide us with flexibility to distribute funds. We have two funding sources within the program, and this would ensure that we use and distribute those funds to families who are eligible for the program. The Energy Assistance and Conservation Fund, or Universal Energy Charge (UEC), is the first source. We receive an allocation of those funds quarterly. The second fund is the Low Income Housing Energy Assistance Program

(LIHEAP) block grant. We receive that allocation from the federal government in November.

What happens is that every year around April we receive a quarterly allocation from the UEC Fund, and the program has a very short time to expend and obligate those funds between April and June 30, when the report is due. The program spends only the UEC funds for that three-month period to ensure that we use those funds. During that time, we are not spending the LIHEAP funds. Those LIHEAP funds have to be expended by the end of the federal fiscal year, which is September 30, so in July, August, and September the program tries to spend the LIHEAP dollars and move the funds to those individuals who are eligible for the program.

Changing the report date from June 30 to January 5 would help us tremendously in regard to utilizing both the UEC and LIHEAP funds simultaneously and distributing them throughout the year.

The date change helps with the period between September 30, when we have expended all of the LIHEAP dollars, and November, when we get the new allocation of LIHEAP funds. There is a gap there. These UEC funds would help us extend funds out and bridge that gap.

In addition, it would be very helpful because on January 5, when the report is submitted, we will know the number of LIHEAP dollars we have received from the federal government. If there are unobligated UEC funds in the account, and depending on the amount of LIHEAP funds we receive, it would help with the decision whether to transfer 30 percent to the Weatherization Assistance Program.

**Assemblywoman Carlton:**

The addition of the "and received by" language does not change the benefit that people may apply for or receive. Is this a housekeeping issue, to true up and make the best use of these funds?

**Steve Fisher:**

Yes, this is a housekeeping change. It does not change the benefit that the clients receive. It is housekeeping so that we can better utilize the funds throughout the year.

**Assemblywoman Carlton:**

It becomes effective July 1, 2015, and expires five years later. I am curious why we are putting an expiration date on energy assistance for the people who need it.

**Steve Fisher:**

I believe the five-year period is related to the expiration of this particular report; it is not the expiration of the Energy Assistance Program or the benefits that are distributed. It is just an expiration of this report, if I understand it correctly.

**Assemblywoman Carlton:**

Why would we not want a report on money that is being sent out?

**Steve Fisher:**

I believe that was existing language.

**Assemblywoman Kirkpatrick:**

The history on this bill is that there was a point where the UEC dollars were trickling off so we were not seeing an influx of them in 2007 and 2009. Then there was an influx of our dollars, which helped. I think we put the report in thinking that 2020 was a long way off, so we could know where the UEC dollars were and how many we had to work with. It was a requirement of the federal dollars. That is what I remember of the history.

**Steve Fisher:**

I will have Lori Wilson come to the table and answer the question on the history.

**Lori Wilson, Chief, Employment and Support Services, Division of Welfare and Supportive Services, Department of Health and Human Services:**

When the UEC charge was initiated, there was more revenue coming in than demand for service. We had built up a significant reserve of UEC dollars. There was real concern that those dollars be utilized for the purpose for which they were being collected. Just as we were beginning to dip into the reserves, there was a huge bump in the LIHEAP grant. It went from \$8 million to \$16 million, so we still had not used the reserves. This was an opportunity, if we did not need the funds in the Energy Assistance Program, to transfer those funds to the Weatherization Assistance Program, where they could be utilized.

**Assemblywoman Kirkpatrick:**

I remember this being a reason why we wanted to see where the dollars were and, back then, 2020 seemed far away.

**Chairman Kirner:**

I am trying to address one of the concerns you raised, Ms. Carlton. I have asked our attorney to make a comment on section 2.

**Matt Mundy, Committee Counsel:**

Ms. Carlton, to address your concern and any question from the Committee, a new provision was placed in the *Nevada Revised Statutes* (NRS) last session. It is NRS 218D.380 and relates to reporting requirements to the Legislature. The default provisions of that section expire by limitation. If it is the intent of the sponsor, and if the Committee would like to permit an amendment, we have language that can opt us out of that statute so that the reporting requirements and the provisions remain in perpetuity.

**Chairman Kirner:**

Would you care to comment?

**Steve Fisher:**

I will leave it up to you as to what you would like to do with that issue.

**Assemblyman Ellison:**

Are you saying that any excess funds will be diverted somewhere else? Where does that money go?

**Steve Fisher:**

If there are any unobligated or unexpended funds in the UEC account at the time of the report, 30 percent of those funds can be transferred to the Weatherization Assistance Program within the Housing Division. Secondly, with regards to the LIHEAP federal funds, 90 percent of those funds have to be expended by the end of the fiscal year. If we do not expend 90 percent of those funds—what is not obligated at that point in time—those funds are diverted back to the federal government, and they reallocate them to a different state.

**Assemblyman Ohrenschall:**

With the change in the timeline of the reports and the five-year sunset, is there any chance there is going to be a gap in reporting, a hole in coverage? Have you worked all of that out so everything will be on paper?

**Steve Fisher:**

The change we are making here is just when we report the funds in the UEC account. Rather than reporting it on June 30, we will report the funds as of December 31 on January 5, for the same time period.

**Chairman Kirner:**

Seeing no further questions, I will invite anybody who is in support of this bill to step forward to the table. [There was no one.] Is there anybody in opposition?

[There was no one.] Is there anybody who is neutral? [There was no one.]  
Seeing no further comments, we will close the hearing on A.B. 73.

**Chairman Kirner:**

Is there any public comment in Las Vegas or Carson City? [There was none.]  
This meeting is adjourned [at 1:18 p.m.].

RESPECTFULLY SUBMITTED:

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Jennifer A. Russell  
Committee Secretary

APPROVED BY:

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Assemblyman Randy Kirner, Chairman

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

**EXHIBITS**

**Committee Name:** Committee on Commerce and Labor

**Date:** February 13, 2015

**Time of Meeting:** 1:03 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster