MINUTES OF THE JOINT MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND THE
SENATE COMMITTEE ON FINANCE

Seventy-Eighth Session
May 2, 2015

The joint meeting of the Assembly Committee on Ways and Means and the Senate Committee on Finance was called to order by Chair Paul Anderson at 9:08 a.m. on Saturday, May 2, 2015, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 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: 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; telephone: 775-684-6835).

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblyman Paul Anderson, Chair
Assemblyman John Hambrick, Vice Chair
Assemblyman Derek Armstrong
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Irene Bustamante Adams
Assemblywoman Maggie Carlton
Assemblywoman Jill Dickman
Assemblyman Chris Edwards
Assemblyman Pat Hickey
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Randy Kirner
Assemblyman Michael C. Sprinkle
Assemblywoman Heidi Swank
Assemblywoman Robin L. Titus

Minutes ID: 1050

SENATE COMMITTEE MEMBERS PRESENT:

Senator Ben Kieckhefer, Chair
Senator Michael Roberson, Vice Chair
Senator Pete Goicoechea
Senator Mark A. Lipparelli
Senator David R. Parks
Senator Joyce Woodhouse
Senator Debbie Smith

COMMITTEE MEMBERS EXCUSED:

Assemblyman James Oscarson

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
Stephanie Day, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Joi Davis, Senior Program Analyst
Leanndra Copeland, Program Analyst
Mandi Davis, Program Analyst
Kristen Kolbe, Program Analyst
Brody Leiser, Program Analyst
Anne Bowen, Committee Secretary
Cynthia Wyett, Committee Assistant

Chair Anderson opened the meeting for public comment and, hearing none, closed public comment.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented statewide decision units.

Ms. Jones said this meeting was held every legislative session to close the statewide decision units. Throughout the budget hearings there had been decision units that were reflected across state government.

The first one to be discussed was statewide inflation, decision unit Maintenance (M) 100. Ms. Jones said most accounts included in The Executive Budget included decision unit M-100, which adjusted expenditures for the revised cost of internal services. Internal services and corresponding rates for agencies, other than the Division of Enterprise Information Technology Services (EITS), Department of Administration, were set forth in the chart on page 1 of Exhibit C, "Statewide Decision Units."

Ms. Jones said that as Exhibit C was reviewed, she would note areas within the various rates for which the Committees might appreciate additional information. The first area she discussed began on page 2 of Exhibit C, state-owned building rent.

The rental rate charged by the Buildings and Grounds section (B&G), State Public Works Division, Department of Administration, for state-owned office space was recommended to increase to $.957 a square foot per month for fiscal year (FY) 2016 compared to $.95 a square foot per month approved for the 2013-2015 biennium. In FY 2017, the rate was again recommended to increase to $.996 a square foot per month.

Ms. Jones stated the rental rates were determined by taking the total estimated operational costs of B&G divided by the total occupied square footage of the state-owned buildings to generate revenue to support B&G operations. The recommended rental increases in FY 2017 were primarily a result of a decrease of state-owned occupied building space. Ms. Jones said there was a decision unit across the Department of Business and Industry budget accounts to centralize the Department. If that decision unit was approved by the full Committees, the square footage used to calculate the B&G rental rate would be reduced by 37,619 square feet. She noted that to offset the revenue reduction from that decrease, the rental rate would increase in FY 2017.

Fiscal Analysis Division staff had determined that the rates for the other internal services included in the table on page 1 of Exhibit C, as recommended in The Executive Budget, were reasonable. Ms. Jones said there were two decisions for the Committees to make, and the first was whether the Committees wished to approve the increase in building rent rates for office space for state agencies. The rate increase in FY 2017 would be contingent upon the approval by the full Committees of the recommendation of the Subcommittees on General Government on April 23, 2015, to approve the relocation of the Department of Business and Industry to a nonstate-owned facility in 2017.

The second question was whether the Committees wished to approve the use of the assessments and rates included in the table on page 1 of Exhibit C for internal services as recommended by the Governor for the 2015-2017 biennium and authorize Fiscal Analysis Division staff to make technical adjustments to the rates to reflect closing actions in other accounts.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE DECISION UNIT MAINTENANCE (M) 100 TO INCREASE BUILDING RENT RATES OF STATE AGENCIES AND THE USE OF THE ASSESSMENTS AND RATES FOR INTERNAL SERVICES AS RECOMMENDED BY THE GOVERNOR, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS TO THE RATES TO REFLECT CLOSING ACTIONS IN OTHER ACCOUNTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Edwards voted no. Assemblymen Kirkpatrick and Oscarson were not present for the vote.)

Ms. Jones said the next section to be discussed was the Division of Enterprise Information Technology Services (EITS) rates. The rates for services provided by EITS were recommended by the Governor in the 2015-2017 biennium as set forth in Attachment A on page 7 of Exhibit C. In closing the EITS budgets on April 30, 2015, the Subcommittees on General Government noted that the EITS rates and assessments included in The Executive Budget did not accurately reflect the cost of providing services to the Department of Public Safety because of the consolidation that started during the current biennium. The Subcommittees on General Government noted that technical adjustments would be necessary to ensure costs were in alignment with the services provided in the various cost pools, as well as to update usage information based on the closings of other accounts.

Fiscal Analysis Division staff requested authority to further adjust the rates as recommended in Attachment A of Exhibit C based on actions of the finance committees in closing the EITS budgets, as well as other budgets, and requested authority for Fiscal Analysis Division staff to make technical adjustments as necessary to align the costs associated with providing EITS services with the paying agencies' budgets.

SENATOR GOICOECHEA MOVED TO APPROVE THE RATES FOR SERVICES PROVIDED BY THE ENTERPRISE INFORMATION TECHNOLOGY SERVICES IN DECISION UNIT MAINTENANCE (M) 100 AS RECOMMENDED BY THE GOVERNOR, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS TO ALIGN COSTS WITH SERVICES.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Edwards voted no. Assemblyman Oscarson was not present for the vote.)

Ms. Jones referred to page 3 of Exhibit C and said the next items were the Statewide Cost Allocation Plan (SWCAP) and the Attorney General Cost Allocation Plan (AGCAP). Each biennium, the Fiscal Analysis Division determined whether adjustments were required to the amounts budgeted for various agencies for the SWCAP assessment and the AGCAP assessment.

Ms. Jones said the assessments were made to state agencies to recover costs associated with providing central services to reimburse the State General Fund from other revenue sources for agencies that received services from central agencies.

Technical adjustments to SWCAP were provided by the Department of Administration on February 20, 2015, and again on March 11, 2015. The revised SWCAP, based on the technical adjustments submitted by the Budget Division, Department of Administration, would decrease the amount of SWCAP assessment recoveries recommended to be collected from eligible state agencies by $82,352 in FY 2016 and $93,223 in FY 2017. Statewide Cost Allocation Plan assessments were deposited in the State General Fund to recover costs associated with providing those central services to state agencies. The revised SWCAP assessments for FY 2015 and FY 2016, as recommended by the Governor, with technical adjustments, appeared to be reasonable.

Fiscal Analysis Division staff had also reviewed the Attorney General Cost Allocation Plan as included in The Executive Budget and it appeared reasonable.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE THE STATEWIDE COST ALLOCATION PLAN WITH TECHNICAL ADJUSTMENTS SUBMITTED BY THE DEPARTMENT OF ADMINISTRATION AND THE ATTORNEY GENERAL COST ALLOCATION PLAN AS RECOMMENDED BY THE GOVERNOR, AND TO AUTHORIZE THE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Oscarson was not present for the vote.)

Ms. Jones said the next item for discussion was the purchasing assessment. Operating costs of the Purchasing Division, State Department of Administration, were currently allocated among state agencies based on the total dollar amount spent with vendors. The amounts each budget account spent with vendors determined the cost allocation for the Purchasing Division for those accounts and was currently calculated using a four-year moving average.

According to Ms. Jones, the purchasing assessment recommended by the Governor for the 2015-2017 biennium used a different methodology than used in prior biennia. The new methodology allocated Purchasing Division costs through three cost pools instead of one, including (1) services purchasing, (2) Master Services Agreement contract purchasing, and (3) commodities purchasing. The cost pools were then allocated back to the state agencies based on the volume in each of the three pools. The new allocation method was included in the Governor's recommended budget; Fiscal Analysis Division staff reviewed the new allocation model, and the methodology appeared reasonable. Fiscal Analysis Division staff recommended approval of the purchasing assessment.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE THE PURCHASING ASSESSMENT AS RECOMMENDED BY THE GOVERNOR, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Oscarson was not present for the vote.)

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented decision unit Maintenance (M) 300, fringe benefit rate adjustments.

Mr. Krmpotic stated that accounts in The Executive Budget (with positions) included decision unit M-300 to adjust expenditures for the revised cost of fringe benefits for employees. The various fringe benefit rates appeared in the table on page 3 of Exhibit C.

Mr. Krmpotic explained that there were revised rates under the Public Employees' Retirement System (PERS) for employees in the Employee-Employer Paid Retirement plan and the Employer Paid Retirement plan. Mr. Krmpotic noted that there were no changes for employees under the Police/Fire Retirement plan.

This information had been covered with the Committees early in session, but Mr. Krmpotic recapped the information for the members. For regular members under the Employer Paid Retirement plan, the rate increased from 25.75 percent to 28 percent, for an increase in the rate of 2.25 percent. For members under the Employee/Employer Paid Retirement plan, that rate went from 13.25 percent to 14.50 percent, for an increase of 1.25 percent. The rate adjustments were based on an actuarial valuation that was approved on June 30, 2014.

With respect to unemployment compensation based on analysis of funding levels and reserves in the Unemployment Compensation budget, Fiscal Analysis Division staff suggested the unemployment compensation assessment rate be revised to 0.07 percent, which was a decrease from the recommended rate of 0.13 percent for each year of the biennium. Fiscal Analysis Division staff estimated the revised assessment would provide the Unemployment Compensation budget with a reserve balance reflecting 143 days of expenditure activity. The Department of Administration concurred with the revised unemployment compensation rate. The rates included in The Executive Budget for other fringe benefits were displayed in the table on pages 3 and 4 in Exhibit C.

Assemblywoman Titus requested information regarding the rates in FY 2013-2014.

In response to Assemblywoman Titus's question, Mr. Krmpotic referred to the table on page 3 of Exhibit C and pointed out that for Medicare, the rate of 1.45 percent was unchanged from the current biennium. The Payroll Assessment rate decreased from 0.16 percent to 0.14 percent, as recommended by the Governor. The Personnel Assessment rate of 0.61 percent remained unchanged in FY 2016 from FY 2015, and as the table indicated, that rate would decrease to 0.60 percent in FY 2017. Mr. Krmpotic had previously reviewed the PERS rates. Referring to unemployment compensation, the rate for FY 2015 was 0.15 percent and, as recommended by Fiscal Analysis Division staff, would decrease to 0.07 percent. The Workers' Compensation rate for the current biennium was 2.88 percent and would decrease to 2.37 percent.

Senator Lipparelli referred to unemployment compensation and asked whether there was a target associated with dropping the assessment rate to 0.07 percent.

Mr. Krmpotic replied that the rate was based on the review of the reserve and revenues that had been received in the program. He reminded the Committees that for FY 2015, there was a decrease in unemployment compensation that was executed to address the State General Fund shortfall in FY 2015. The rates had been readjusted based on estimates of what a reasonable reserve should be for the upcoming biennium—there was no specific target.

Senator Lipparelli said the note on page 4 of Exhibit C was pegged to 143 days of expenditure activity, and he wondered whether there was any historical anchor as a target.

Mr. Krmpotic stated the recommendation for the rate was based, historically, on the reserve. It was also based on trying to set the rate at an even rate: rather than set it at .0699 percent, try to set it at something like .07 percent that did not go out to more decimal places. He said 143 days was about four months' worth of reserve, and that was based on historical practice according to a Fiscal Analysis Division staff review.

Assemblywoman Carlton said she wanted to be certain that it was clear on the record that under the new retirement rate, employees would be paying another 1.25 percent, which was another decrease to employees' paychecks.

ASSEMBLYMAN KIRNER MOVED TO APPROVE DECISION UNIT MAINTENANCE (M) 300, FRINGE BENEFIT RATE ADJUSTMENTS, AND APPROVE THE REVISED UNEMPLOYMENT COMPENSATION ASSESSMENT RATE OF 0.07 PERCENT FOR THE 2015-2017 BIENNIUM AS RECOMMENDED BY FISCAL ANALYSIS DIVISION STAFF.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Oscarson was not present for the vote.)

Alex Haartz, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented the Public Employees' Benefits Program (PEBP). Mr. Haartz referred to page 4 of Exhibit C, which contained information pertaining to the rates recommended by the Governor and as amended by two budget amendments received on April 24, 2015.

Mr. Haartz said the Active Employees Group Insurance (AEGIS) rates, as well as the Retired Employee Group Health Insurance (REGI) rates, were presented to the Subcommittees on General Government on April 30, 2015, where the rates were reviewed and recommended. Fiscal Analysis Division staff noted that this information would come back to the full Committees on May 8, 2015, for final closing of these particular budgets.

As shown on page 4 of Exhibit C, the rates were as included in the Governor's recommended budget. For FY 2016, the AEGIS contribution was $719.66, and for FY 2017, the contribution was $694.20. The REGI assessment was 2.22 percent of gross salaries recommended in FY 2016 and 2.26 percent in FY 2017.

Mr. Haartz remarked that page 5 of Exhibit C provided information regarding the budget amendments that were received and reviewed by the Subcommittees. The table in the middle of page 5 reflected historical information, as well as the effect of the amendment for the AEGIS contribution, otherwise referred to as the state subsidy. Because of the budget amendment submitted by the Budget Division, the amended rate in FY 2016 would drop to $701.73 and be further reduced in FY 2017 to $699.25. Fiscal Analysis Division staff noted the decrease in the AEGIS rate was primarily the result of two changes, and those were as follows:

- A $4 million reduction, from $8.6 million to $4.6 million, in the projected "repayment" associated with the two months of FY 2015 AEGIS assessments recommended to be redirected to support the FY 2015 ending General Fund balance through Senate Bill (S.B.) 505. The two-month AEGIS assessment holiday created a FY 2016 deficit by redirecting $34.2 million, which represented two months of assessment funding, against the available assessment revenue contained in the AEGIS budget, which was $29.5 million.

- Approximately $8.1 million in FY 2016 savings from elimination of the wellness program's administrative, biometric screening, and incentive payments that were included in the original AEGIS rate calculation.

Mr. Haartz directed the Committees' attention to Attachment 1 (Exhibit D), a one-page attachment that provided information for the Committee members who were not on the Subcommittees on General Government. Exhibit D was prepared by the PEBP program at the request of Fiscal Analysis Division staff to demonstrate the effect of eliminating the wellness program in addition to the reduction overall in the $4 million savings of the FY 2016 repayment. Each of the tables in Exhibit D provided the same information for active and retired employees. Retired employees were shown on the bottom half of the page. Mr. Haartz said, for example, if the Committees looked at table 1, the employee-only tier for the PPO, it showed that the state would contribute $581.59 for a participant only and the participant would contribute $43.78. On the HMO plan, a participant would have paid $170.13 per month and the state would have contributed $603.20. As a result of the removal of the approximately $8.1 million in wellness expenditures and a reduction of the repayment from $8.6 million to $4.6 million, as shown on table 3, an employee on the HMO plan received a premium savings of $5.52 per month and the state contribution was reduced by $19.60 per month. A PPO participant, because of the reductions, saved $1.87 per month on premium costs, and the state received savings of $24.81 per month.

The bottom of page 5 of Exhibit C summarized the same calculations for retirees. Fiscal Analysis Division pointed out for the Committees that the distribution of the savings was tied directly to the subsidy percentages, which were included in the plan design. For an employee-only participant on the state PPO under the current plan design for FY 2015, the state would already contribute 93 percent of the monthly premium cost, and for the HMO employee only participant, the state would contribute 78 percent of the monthly premium cost. Those figures accounted for the difference in savings throughout the table for either the PPO or the HMO, and they directly tied to the existing subsidy rates. Mr. Haartz said the higher the subsidy, more of the benefit accrued to the state, and the lower the subsidy, the benefit was more evenly distributed between the state and the participant.

As shown in the table on page 5 of Exhibit C, and as amended by Budget Amendment A150841390, the AEGIS rate would reduce to $701.73 and $699.25 in terms of what the state would be required to contribute on a monthly basis per participant. As Fiscal Analysis Division staff noted, the amounts were composite amounts based upon the various plan and tier designs.

Regarding the REGI rates, Mr. Haartz said that page 6 of Exhibit C had a table that provided a comparison between the rates as recommended by the Governor and the rates as amended by Budget Amendment A150832368. In FY 2016, the REGI rate on a per-month contribution basis for state non-Medicare retirees with the base 15 years of service was originally recommended at $426.14, and for FY 2017, the REGI rate was recommended at $424.94. Because of the budget amendment, the per-member per-month state contribution would decrease to $425.57 in FY 2016 and increase to $451.15 in FY 2017. As with AEGIS, these were also composite rates based upon plan and tier.

As previously shown on page 4, once gross salaries were calculated and more accurately known, Fiscal Analysis Division staff would convert the $425.57 and the $451.15 to the percentage assessments that would be applied against gross salaries.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE PUBLIC EMPLOYEES' BENEFITS PROGRAM SUBSIDY RATES AS AMENDED BY THE GOVERNOR, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Carlton voted no. Assemblyman Oscarson was not present for the vote.)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, referred to decision unit Enhancement (E) 672 in the middle of page 6 of Exhibit C. Decision unit E-672 addressed the elimination of longevity payments across all budget accounts in state government that had state employees. The Executive Budget recommended permanent elimination of longevity payments to state employees, including university classified employees. The suspension of longevity payments was approved by the 2009 Legislature and had continued through the current biennium. Ms. Jones explained that state employees had previously been entitled to longevity payments to encourage retention of those employees with eight or more years of continuous service with the state. Longevity payments began in the eighth year of state service at $150 per year and reached a maximum of $2,350 per year with 30 or more years of service. State General Fund savings, by the permanent elimination of longevity payments, would be $3.2 million in FY 2016 and $3.6 million in FY 2017.

Ms. Jones noted that decision unit E-672 would be contingent upon approval of Assembly Bill (A.B.) 436, which was heard by the Assembly Committee on Ways and Means on April 14, 2015.

Senator Kieckhefer remarked that decision unit E-672 was a piece of the bigger puzzle that affected state employees. For example, the elimination of furloughs was not a decision unit that was built into the base—it was a 2.3 percent increase or restoration of base salary that was previously reduced by the furloughs. He said the same was true in the reinstatement of merit increases, and he supported decision unit E-672 as a piece of the puzzle. While Senator Kieckhefer did not believe longevity pay was the best way to reward success, he wanted to be clear that he did not want to end conversations during this session about how state employees should be rewarded. He said he wanted to consider including some type of cost-of-living adjustment (COLA) into the budget to compensate state employees.

Assemblyman Sprinkle said he appreciated the Senator's comments and understood the necessity for eliminating longevity pay. While some characterized longevity payments as being of minimal benefit to state employees, Assemblyman Sprinkle said it would be difficult to incentivize people to work for the state when benefits were being eliminated.

Senator Goicoechea remarked that he would support decision unit E-672, but he did not believe this should be the final package, and he was on record as supporting state employees.

Assemblywoman Titus said she would not be supporting decision unit E-672. She said she had heard repeatedly in budget hearings how state employees were not being retained. The state continued to train employees, and as soon as possible, those employees found a job with better pay and benefits and moved on. Assemblywoman Titus said she had been contacted by multiple constituents who believed that the elimination of longevity pay was yet another insult to state employees.

Assemblywoman Kirkpatrick stated that $7 million was painful to take away from the employees who had been receiving longevity pay, and she was not planning to go home unless state employees could eventually be rewarded. She said she hoped the state employee survey results were available to determine what state employees wanted, but something had to be done to ensure state employees were going to be around for the long term.

Assemblywoman Kirkpatrick said there were many state employees who had remained with the state through thick and thin, and it was high time they were rewarded.

Senator Smith said she agreed with her colleagues that it was time to talk about a pay increase for state employees.

Assemblywoman Benitez-Thompson requested that state employee survey information be presented before the vote.

Michael J. Willden, Chief of Staff, Office of the Governor, said the survey results were available, and he would review the results for the Committees. He explained that two weeks prior, the Office of the Governor was asked to compile a quick survey of state employees concerning benefit priorities. The survey was put together using the SurveyMonkey website and sent to all state employees. The results appeared in Exhibit E, "Division of Human Resource Management, Employee Benefits Survey, May 2, 2015."

Mr. Willden explained that approximately 9,800 state employees responded to the survey. In the less than grade 30 category, about 2,700 employees responded; in the grade 30 to grade 39 category, a little over 5,300 employees responded; and in grade 40 and above, a little over 1,000 employees responded. In the unclassified/nonclassified area, a little over 800 employees responded: of those respondents, about 68 percent classified themselves as nonsupervisory, or what Mr. Willden called "frontline staff." About 19 percent classified themselves as "frontline supervisors," about 8 percent as "managers," and about 5 percent as "leadership."

Mr. Willden said employees were requested to rank ten things in priority order regarding the benefit package. The benefit list was in no specific order: additional leave; bonuses; COLA [cost-of-living adjustment] or base pay increases; deferred compensation matches; furloughs; health-care benefits; longevity pay; merit salary increases or steps; the retirement plan; and training and educational stipends.

Mr. Willden said the overall responses from the approximately 9,800 employees showed that the number one priority was COLAs or base pay increases. The other benefits were in the following order: (2) health-care benefits, (3) merit salary increases or additional steps, (4) retirement plan benefits, (5) additional leave, (6) elimination of furloughs, (7) longevity pay, (8) deferred compensation match, (9) bonuses, and (10) training/education stipend.

Mr. Willden said the above were the overall responses, but the responses were stated a number of different ways. There were different responses from different groups, such as managers, supervisors, or how long employees had worked for the state. He said in the under grade 30 category, the grade 30 to grade 39 group, and the grade 40 and above group, longevity pay still remained seventh on the list; however, for the unclassified/nonclassified respondents, longevity moved to ninth on the list.

For state employees with less than 10 years of service, longevity was ranked as eighth, but for the 10-to-20 years of service employees, longevity was ranked sixth. Mr. Willden said in every category, COLAs and base pay was the number one priority. For employees with 20 years or more of service, longevity became more important and ranked fourth. In the nonsupervisory category, longevity still ranked seventh, and almost universally, longevity was ranked seventh in the overall survey.

Chair Anderson said he was pleased that so many employees responded to the survey.

Assemblywoman Benitez-Thompson thanked Mr. Willden and his staff and said she knew they worked very hard to prepare the survey for this meeting. She said it was important for her to have the information for the record.

Assemblywoman Carlton said she could not support decision unit E-672 because it was not just a suspension of longevity pay, but an elimination of it. She said she understood COLAs were the employees' first priority, but currently there were employees taking demotions to get into a different division to increase chances for a raise. The state employees had taken furloughs for so long they had become culturally ingrained. Assemblywoman Carlton said she was not comfortable voting for elimination of a program for the most senior employees.

Assemblywoman Dickman said the survey did not surprise her, and she had realized that pay increases were probably more important to state employees, but she was still not in favor of eliminating longevity pay.

Chair Anderson stated that decision unit E-672 was contingent upon the passage of A.B. 436, so the Committees would be making a decision that would have no effect unless A.B. 436 made it through the Assembly, the Senate, and to the Governor's desk.

> SENATOR KIECKHEFER MOVED TO PERMANENTLY ELIMINATE LONGEVITY PAYMENTS TO STATE EMPLOYEES BEGINNING WITH THE 2015-2017 BIENNIUM, CONTINGENT UPON THE APPROVAL OF ASSEMBLY BILL 436, AS RECOMMENDED BY THE GOVERNOR.
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> ASSEMBLYMAN HICKEY SECONDED THE MOTION.

Senator Smith wondered, because elimination of furloughs stayed at number six, whether the Office of the Governor reconsidered what decision it was making for state employees.

Mr. Willden said the Governor still believed the elimination of furloughs was appropriate, and the survey did not change that decision. The Governor viewed the elimination of furloughs as an aid to increase base pay, and that was the primary goal.

> THE MOTION CARRIED. (Assemblywomen Carlton, Dickman, and Titus, and Senators Parks, Smith, and Woodhouse voted no. Assemblyman Oscarson was not present for the vote.)

Chair Anderson reminded the Committees that the budgets being heard next were reports from the Subcommittees. There were many decision units built into the reports, and while Chair Anderson welcomed any clarification, comments, or questions, he trusted that the Subcommittees, along with Fiscal Analysis Division staff, had performed the work properly.

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account 1522, Tourism Development Fund.
Ms. Davis read the following statement into the record:

> The Subcommittees on General Government had completed their review of the budgets for the Department of Tourism and Cultural Affairs (DTCA). The closing actions taken by the members of the Subcommittees had resulted in a decrease in State General Fund appropriations of $151,887 in fiscal year (FY) 2016 and $152,240 in FY 2017 when compared to the Governor's recommended budget.
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> **Tourism Development Fund (225-1522) TOURISM-14:** The Subcommittees recommended approval of increased advertising expenditures in key feeder markets near Nevada and in cities where large airlines were based. In addition, the Subcommittees concurred with the Governor's recommendation for one new IT technician to provide support to the Department's southern Nevada offices. The Subcommittees also recommended approval of the Governor's recommendation to establish a contracted representative in India to promote Nevada as a tourist destination. Finally, the Subcommittees recommended approving the Governor's recommendation to transfer approximately $9.7 million in room tax revenues to other agencies to support programs within and outside of the Department that contribute to tourism in Nevada. The Subcommittees recommended approving the remainder of the budget as recommended by the Governor with technical adjustments.
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> **Stewart Indian School Living Legacy (101-2601) TOURISM-12:** The Subcommittees recommended approving the Governor's recommendation to establish a new Stewart Indian School Living Legacy budget, along with two new positions, including a museum director and a curator position, to develop and oversee the planning stages of restoring two existing buildings on the Stewart Indian School campus to facilitate a new Cultural Center, as well as a Welcome and Information Center. With a nominal technical adjustment, the State General Fund appropriation to support the recommendation totaled $121,824 in FY 2017.

<u>Nevada Magazine (530-1530) TOURISM-25</u>: The Subcommittees recommended not approving the Governor's recommendation to transfer room tax revenues of $50,000 in each year of the 2015-2017 biennium to fund a direct marketing campaign for the Nevada Magazine budget account. Alternatively, the Subcommittees recommended transferring room tax revenues of $50,000 in FY 2016 only and to increase renewal subscription revenue authority by $49,000 in FY 2017 to fund direct marketing mail campaigns. The Subcommittees recommended closing all other items as recommended by the Governor, with technical adjustments.

<u>Nevada Historical Society (101-2870) TOURISM-54</u>: The Subcommittees concurred with the Governor's recommendation for a new museum director position in order for the Nevada Historical Society to maintain its accreditation with the American Alliance of Museums. In addition, the Subcommittees recommended eliminating a vacant administrative assistant position funded with Division of Museums and History Dedicated Trust Funds due to a lack of available funding and directed the agency to seek approval from the Interim Finance Committee to reestablish this position if the Board of Museums and History determined there was adequate funding to support the position during the 2015-2017 biennium. The Subcommittees recommended closing all other items as recommended by the Governor.

<u>Nevada State Museum, Las Vegas (101-2943) TOURISM-67</u>: The Subcommittees recommended approving the Governor's recommendation for a new museum attendant position to allow the museum to open one additional day per week. In addition, the Subcommittees recommended approving the Governor's recommendation to retain a vacant retail storekeeper position funded with Division of Museums and History Dedicated Trust Funds and allow the Board of Museums and History to determine whether there was adequate funding to support the position during the 2015-2017 biennium. The Subcommittees recommended approval of all other items as recommended by the Governor.

Nevada Arts Council (101-2979) TOURISM-84: The Subcommittees recommended not approving the Governor's recommendation to provide an additional $150,000 in State General Fund appropriations in each year of the 2015-2017 biennium for arts grant awards. Instead, the Subcommittees recommended approval to transfer room tax revenue of $175,000 in each year of the 2015-2017 biennium from the Tourism Development Fund to support an increase in arts grant awards, with the additional $25,000 to be used for rural outreach. The Subcommittees recommended approval of all other closing items with technical adjustments.

The Subcommittees recommended closing the following Department of Tourism and Cultural Affairs budgets as recommended in The Executive Budget with minor or technical adjustments.

- Indian Commission (101-2600) TOURISM—31
- Museums and History (101-2941) TOURISM—44

Senator Kieckhefer referred to the new tourism representative in India and asked whether there was a recommendation for additional funding for new promotional and advertising efforts. He further wondered whether any of those funds were included in the Governor's recommended budget and not approved, or whether it was approved as proposed.

Ms. Davis said the recommendation for the contracted representative in India was for $70,000 in each year of the biennium. The agency indicated this amount would cover the human resources and contracting costs. The campaigns' expenditures would be included in its base budget, which could absorb the costs needed for that office.

Senator Kieckhefer referred to the Stewart Indian School budget account and said it seemed that all of the other budget accounts were funded in a split role between General Funds and agency funds. He asked whether there was any reason split funding was not used for the positions in the Stewart Indian School budget.

Ms. Davis said the Division of Museums and History was currently funded with 50 percent State General Fund appropriations and 50 percent room tax revenue transfers. The funding split included all expenditures that admission revenues and Division of Museums and History Dedicated Trust Funds did not cover. The Subcommittees' recommended approval of the Governor's recommendation for the Stewart Indian School Living Legacy budget account to be funded with General Fund appropriations.

Senator Kieckhefer asked whether there was a discussion about using a split revenue stream to fund the Stewart Indian School Living Legacy budget account, consistent with other state museums.

Senator Goicoechea responded to the question and said there had been some thought about split revenue stream funding, but the Subcommittees had decided Governor-recommended was the best, and the total budget package showed $152,000 in State General Fund savings. He said other items were shifted to the room tax, and the bottom line was that the Subcommittees thought although the Stewart Indian School Living Legacy budget account was a negative to the General Fund, it was probably a good closing.

Assemblywoman Carlton said there was one position in the Nevada State Museum in Las Vegas, and she wondered how many days the museum would be open with the new position.

Ms. Davis said with the new position, the Nevada State Museum in Las Vegas would be open six days a week, and it was currently open five days a week.

> ASSEMBLYMAN HICKEY MOVED TO APPROVE THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEES ON GENERAL GOVERNMENT AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS.
>
> SENATOR WOODHOUSE SECONDED THE MOTION
>
> THE MOTION CARRIED. (Assemblyman Oscarson was not present for the vote.)

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the Subcommittees on Human Services closing report into the record:

> The Subcommittees on Human Services had completed the review of the Department of Health and Human Services Director's Office budgets and had made the following recommendations for the 2015-2017 biennium budget. The closing recommendations of the Subcommittees resulted in State General Fund savings of $6,434 in FY 2016 and $5,673 in FY 2017. The following comments described the more significant recommendations by the Subcommittees.
>
> **Administration (101-3150 DHHS DIRECTOR-13:** The Subcommittees recommended approval of the Governor's recommendation for a new information technology position to serve the main office in Carson City and six satellite offices. The Subcommittees recommended approving the Governor's recommendation to change the funding for the tribal liaison position from federal Public Health Emergency Preparedness grant funds to State General Fund appropriations totaling $165,976 over the 2015-2017 biennium, based on the realignment of the duties of the position.
>
> The Subcommittees also recommended the Budget Division, Department of Administration, and the agency explore cost-allocation methods to support departmentwide services provided by the Director's Office and include those methods in the agency's 2017-2019 budget submittal. The Subcommittees recommended approving the remainder of the Administration budget as recommended by the Governor.
>
> **Grants Management Unit (101-3195) DHHS DIRECTOR-25:** The Subcommittees recommended approving $17.4 million in tobacco settlement funds for allocation to subgrantees by the Grants Management Unit in accordance with the DHHS Director's spending plan and as recommended by the Governor. Specifically, the approved plan allocated tobacco settlement funds for the Grants Management Unit over the 2015-2017 biennium as follows:

- $800,000 for suicide prevention
- $4.6 million for food security
- $700,000 for immunization
- $1.4 million for the Nevada 2-1-1 system
- $2.8 million for differential response
- $2.9 million for family resource centers
- $3.2 million for disability grants
- $970,525 for administrative costs

The Subcommittees also recommended approval of the Governor's recommendation for a part-time social services program specialist position to serve as the statewide Nevada 2-1-1 coordinator. Position and operating costs totaled $103,284 over the biennium, which would be supported with tobacco settlement funds. The Subcommittees recommended approving the remainder of the Grants Management Unit budget as recommended by the Governor.

Consumer Health Assistance (101-3204) DHHS DIRECTOR-35: The Subcommittees recommended approval of the Governor's recommendation to eliminate one ombudsman position previously supported with federal grant funds and retain three ombudsman positions. The three retained ombudsman positions were previously supported by federal grant funds and a transfer from the Silver State Health Insurance Exchange. When those funds expired in fiscal year (FY) 2015, the Interim Finance Committee approved tobacco settlement funds to continue the positions for the remainder of this fiscal year.

To support the positions during the 2015-2017 biennium, the Governor recommended and the Subcommittees recommended approving a combination of tobacco settlement funds, a transfer of grant funds from the Behavioral Health Administration budget, and a transfer of funds from the Health Facilities Hospital Licensing budget. Position and operating costs for the three ombudsman positions total $703,697 over the 2015-2017 biennium. Based on the sporadic funding for the ombudsman positions for the past several years, the Subcommittees recommended a letter of intent directing the agency to report to the Interim Finance Committee on or before February 1, 2016, to identify efforts made and recommendations for funding sources to support the ombudsman positions in future biennia. The Subcommittees recommended approving the remainder of the Consumer Health Assistance budget as recommended by the Governor.

Public Defender (101-1499) DHHS DIRECTOR-45: As a result of the opting out by Eureka and White Pine Counties from using the services of the Office of the State Public Defender, the Subcommittees recommended approving the Governor's amended budget to eliminate the State Public Defender's Ely office, including the elimination of four full-time, filled positions. The elimination of the Ely office resulted in reduced revenue and expenditures totaling $452,621 in fiscal year (FY) 2016 and $449,606 in FY 2017. With the elimination of IT contract costs of $2,464 in each year of the biennium due to the approval of an IT position in the Administration budget, the State General Fund savings for the budget is $8,370 in FY 2016 and $7,403 in FY 2017. The Subcommittees recommended approving the remainder of the Public Defender budget as recommended by the Governor.

The Subcommittees also recommended approving technical adjustments noted by staff and authorized Fiscal staff to make other technical adjustments to the Department of Health and Human Services (DHHS) Director's Office budgets that might be necessary.

Senator Smith asked about the status of tobacco settlement funds.

Ms. Davis stated that at the end of fiscal year (FY) 2017, the reserves in the tobacco settlement funds would be approximately $1 million. There had been testimony during the budget hearing that starting in FY 2018, based on the reduction in strategic contributions and the elimination of some other payments, the tobacco settlement funds would be reduced to the DHHS budgets by approximately $3 million.

Assemblywoman Bustamante Adams asked how Eureka and White Pine Counties would be served if they opted out of the State Public Defender contract.

Ms. Davis said the counties had that choice, per statute, to establish local public defender services.

Senator Goicoechea explained that he represented that district, and the counties had already contracted for public defender services.

Assemblywoman Titus asked whether White Pine and Eureka Counties had a contingency plan if, for instance, a costly death penalty case had to be tried in that jurisdiction.

Ms. Davis replied that the counties, per statute, had the option to opt back in for state public defender services if contract services were not sufficient.

> ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEES ON HUMAN SERVICES AS PRESENTED FOR THE BUDGET ACCOUNT OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES DIRECTOR'S OFFICE.
>
> SENATOR SMITH SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Assemblyman Oscarson was not present for the vote.)

Kristen Kolbe, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented the closing report from the Subcommittees on Human Services for the Division of Public and Behavioral Health, Department of Health and Human Services, and read the following into the record:

> The Subcommittees for Human Services had completed their review of the Division of Public and Behavioral Health, Department of Health and Human Services, and had made the following recommendations for the Division's 2015-2017 biennium budget. The Subcommittees' recommendations resulted in a State General Fund increase of $106,088 in fiscal year (FY) 2016 and $10,037 in FY 2017. The following comments described the more significant recommendations of the Subcommittees:
>
> **Radiation Control (101-3101) PUBLIC HEALTH-20:** As recommended by the Governor, the Subcommittees recommended the transfer of $535,895 in radioactive material license fees in fiscal year (FY) 2017 to fund a State Dental Health Officer and a State Public Health Dental Hygienist position in the Chronic

Disease budget. The Subcommittees recommended approval of the remainder of the Radiation Control budget as recommended by the Governor.

Child Care Services (101-3149) PUBLIC HEALTH-28: The Subcommittees recommended elimination of State General Fund appropriations of $13,564, and approved additional child care licensing fees of $60,014 and investigation fees of $141,726 over the 2015-2017 biennium. The Subcommittees approved the remainder of the Child Care Services budget as recommended by the Governor.

Immunization Program (101-3213) PUBLIC HEALTH-51: As requested by the Division of Public and Behavioral Health and the Budget Division, Department of Administration, the Subcommittees recommended eliminating the Governor's proposal to transfer State General Fund appropriations of $130,264 over the 2015-2017 biennium from the Immunization Program to the Division of Health Care Financing and Policy, Department of Health and Human Services, and continuing $2.1 million transfers in Nevada Check Up grant funds from the Division of Health Care Financing and Policy to the Immunization Program budget over the 2015-2017 biennium to support the Nevada Check Up program. As recommended in The Executive Budget, the Subcommittees also recommended approval of a new classified administrative assistant position to support the Vaccines for Children Program and act as the Nevada State Immunization Program's liaison. The Subcommittees recommended approval of the remainder of the Immunization Program budget as recommended by the Governor.

Communicable Diseases (101-3215) PUBLIC HEALTH-63: As recommended by the Governor, the Subcommittees recommended approving a new classified program officer position and associated costs to act as the health insurance specialist for the HIV/AIDS drug assistance program. The Subcommittees approved the remainder of the Communicable Diseases budget as recommended by the Governor.

Health Facilities Hospital Licensing (101-3216) PUBLIC HEALTH-69: As recommended by the Governor, the Subcommittees recommended approval of two additional full-time health facility inspector contract positions, two full-time administrative assistant contract positions, and associated costs to address industry growth in medical laboratories and health facility licensing. The Subcommittees also recommended approval of an additional 0.40 full-time equivalent (FTE) state position for music therapist and dietician regulation and licensing and converting the current 0.60 FTE contract position into a state position, for a 1.0 FTE state position. The Subcommittees recommended approval of three new administrative assistant contract positions and associated costs to support the health facilities unit as recommended by the Governor. The Subcommittees also recommended approval of an additional contract health inspector and one contract psychiatrist to provide technical assistance and assist with inspections of mental health facilities.

The Subcommittees recommended approval of $19,140 over the 2015-2017 biennium in new license fee revenue from the licensure of all facilities providing treatment for alcohol and drug abuse, contingent upon passage and approval of Senate Bill (S.B.) 500. The Subcommittees deferred action on the approval of a part-time administrative assistant and associated costs and new license and fee revenue from the licensure of community health workers, which implemented the Health Facilities Hospital Licensing budget, contingent upon passage and approval of Senate Bill (S.B.) 498. The Subcommittees also deferred action on the approval of new license and fee revenue from the licensure and certification of peer support recovery organizations, contingent upon passage and approval of Senate Bill (S.B.) 489. Senate Bill 489 also implemented this budget. The Subcommittees recommended approval of the remainder of the Health Facilities Hospital Licensing budget as recommended by the Governor.

Public Health Preparedness Program (101-3218) PUBLIC HEALTH 82: As recommended by the Governor, the Subcommittees recommended approval of license and fee revenues transferred from the Health Facilities Hospital Licensing budget of $263,368 over the 2015-2017 biennium to support a new classified primary care workforce development manager and a new classified management analyst position to support primary care workforce professional development. The Subcommittees also recommended the issuance of a letter of intent directing the agency to explore an alternative funding source and to report by February 2016 to the Interim Finance Committee. The Subcommittees recommended approval of the remainder of the Public Health Preparedness Program budget as recommended by the Governor with minor technical adjustments.

Biostatistics and Epidemiology (101-3219) PUBLIC HEALTH-91: The Subcommittees recommended approval of new fee revenue of $78,405 over the 2015-2017 biennium for data and statistical information queries as recommended by the Governor. As recommended in The Executive Budget, the Subcommittees also recommended approval of grant funds of $58,448 and a transfer from the Communicable Disease budget of $59,030 over the 2015-2017 biennium for a new classified health resource analyst position and related costs for geographic information systems support. The Subcommittees recommended approval of the remainder of the Biostatistics and Epidemiology budget as recommended by the Governor with minor technical adjustments.

Chronic Disease (101-3220) PUBLIC HEALTH-102: The Subcommittees recommended approval of a new State Dental Health Officer and a new State Public Health Dental Hygienist contract positions, contingent upon the passage and approval of Senate Bill (S.B.) 501 (1st Reprint). The Subcommittees also recommended retaining both positions in the unclassified service and Unclassified Pay Bill in the event that S.B. 501 (R1) did not pass. The Subcommittees recommended approval of the remainder of the Chronic Disease budget as recommended by the Governor.

Maternal Child Health Services (101-3222) PUBLIC HEALTH-109: As recommended in The Executive Budget, the Subcommittees recommended approval of five new classified positions to replace five existing contract positions for the Nevada Home Visiting Program. The Subcommittees also recommended approval of the programmatic transfer of the newborn screening program to the University of Nevada School of Medicine and the School of Community Health Sciences at the University of Nevada, Reno, including the elimination of two positions, and the transfer of one part-time position to the Early Intervention Services budget as recommended by the Governor. The Subcommittees recommended approval of the remainder of the Maternal Child Health Services budget as recommended in The Executive Budget.

Office of Health Administration (101-3223) PUBLIC HEALTH-118: The Subcommittees recommended approval of the transfer of 41 administrative positions from various operating budgets as recommended by the Governor. The Subcommittees also recommended approval of the transfer of the Deputy Administrator for Clinical Services to the Behavioral Health Administration budget, including technical adjustments to add in-state travel costs. Additionally, the Subcommittees recommended approval of cost-allocation reimbursements of $6,539 and a reduction to reserve funding of $337,499 over the 2015-2017 biennium for the addition of three new information technology positions and related costs. The Subcommittees recommended approving the remainder of the Office of Health Administration budget as recommended by the Governor.

Marijuana Health Registry (101-4547) PUBLIC HEALTH-144: The Subcommittees recommended approval of the Marijuana Health Registry budget and the creation of a separate medical marijuana establishments budget as recommended by Fiscal Analysis Division staff, with authority for Fiscal staff to make technical adjustments including finalized revenue projections, as needed.

Assemblywoman Bustamante Adams referred to the Public Health Preparedness Program budget and the new primary care workforce development manager and management analyst positions. She asked whether job descriptions for the positions were available for the Committees.

Ms. Kolbe said the new positions were built on a federal liaison model and would coordinate the recruitment and retention of the behavioral health professionals, including psychiatrists and psychologists, advanced practice registered nurses, psychiatric nurse practitioners, marriage and family therapist counselors, alcohol and drug counselors, and licensed clinical social workers. Additionally, the two new positions would coordinate health professional shortages and provide long-term, broad-based planning and policy development.

Assemblywoman Bustamante Adams asked whether the two new positions would coordinate with the sector entities involved in the Department of Employment, Training and Rehabilitation (DETR).

Ms. Kolbe said Fiscal Analysis Division staff had no knowledge of a discussion regarding these two new positions.

Chair Anderson asked whether there were any further questions on what was summarized before discussion about the deferred items. There were no questions, and he asked Ms. Kolbe to proceed.

Ms. Kolbe said the first item that was deferred by the Subcommittees was the approval of the new community health worker certification fees. To establish fees for the certification of community health workers (CHW), the Governor recommended license and fee revenue of $18,000 and a reduction in reserves of $33,625 over the 2015-2017 biennium. The new revenue would support a part-time administrative assistant and associated costs to provide administrative and licensing support of the new community health workers. The CHWs were seen as a way to strengthen Nevada's health and workforce and better coordinate approaches to delivering preventative services, health education, and promotion. The Centers for Medicare and Medicaid Services (CMS) recognized the CHWs as Medicaid provider types. However, according to Ms. Kolbe, CHWs must be certified by the state to receive Medicaid reimbursement by the CMS. Senate Bill 498 was rereferred to the Senate Committee on Finance on April 10, 2015.

Ms. Kolbe said the question before the Committees was whether to approve a part-time administrative assistant and associated costs and new license and fee revenue, which carried out this budget recommendation for the licensure of the community health workers, contingent upon passage and approval of Senate Bill 498.

Ms. Kolbe said the Governor recommended establishing license and fee revenues of $16,680 over the 2015-2017 biennium and amending *Nevada Revised Statutes* (NRS) to provide for the licensure and certification of the peer support recovery organizations so that Medicaid could be billed. Recovery organizations and peer supporters focused on persons having mental illness, addictions, and co-occurring disorders in Nevada. The additional workload would be managed by an existing health facilities inspection manager. Senate Bill (S.B.) 489, which implemented this budget, was rereferred to the Senate Committee on Finance on April 10, 2015.

The question before the Committees was whether to approve the new license and fee revenue from the licensure and certification of peer support recovery organizations, contingent upon passage and approval of Senate Bill 489.

Assemblywoman Carlton said she was trying to remember the amount of the fee the community health worker would have to pay.

Chair Anderson said perhaps the question could be addressed at a later time because the fee was contingent upon the passage of S.B. 489.

Chair Anderson said he would accept a motion to approve decision unit Enhancement (E) 229 and decision unit E-230, which were deferred by the Subcommittees on Human Services for the public health budgets.

> SENATOR KIECKHEFER MOVED TO APPROVE A PART-TIME ADMINISTRATIVE ASSISTANT AND ASSOCIATED COSTS AND NEW LICENSE AND FEE REVENUE FROM THE LICENSURE OF COMMUNITY HEALTH WORKERS IN BUDGET ACCOUNT 3216, CONTINGENT UPON THE PASSAGE AND APPROVAL OF SENATE BILL 498, AND TO APPROVE NEW LICENSE AND FEE REVENUE FROM THE LICENSURE AND CERTIFICATION OF PEER SUPPORT RECOVERY ORGANIZATIONS IN BUDGET ACCOUNT 3216, CONTINGENT UPON PASSAGE AND APPROVAL OF SENATE BILL 489, AS RECOMMENDED BY THE GOVERNOR.
>
> ASSEMBLYWOMAN TITUS SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Assemblyman Oscarson was not present for the vote.)

Chair Anderson said he would accept a motion to approve the closing report from the Subcommittees regarding the public health budgets.

> SENATOR KIECKHEFER MOVED THAT THE COMMITTEES APPROVE THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEES ON HUMAN SERVICES, AS PRESENTED FOR THE PUBLIC HEALTH BUDGET ACCOUNTS OF THE DIVISION OF PUBLIC AND BEHAVIORAL HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES.
>
> ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Oscarson was not present for the vote.)

Brody Leiser, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented the Subcommittees on Human Services closing report for the Department of Employment, Training and Rehabilitation and read the following into the record:

The Subcommittees on Human Services had completed their review of the Department of Employment, Training and Rehabilitation (DETR) budgets for the 2015-2017 biennium. The closing recommendations of the Subcommittees resulted in a decrease in State General Funds of $40,961 in fiscal year (FY) 2016 and $45,688 in FY 2017. The following comments describe the more significant recommendations of the Subcommittees.

Rehabilitation Administration (101-3268) DETR-8: The Subcommittees recommended approving the Governor's recommendation to transfer the rehabilitation chief from the Rehabilitation Administration budget to the vocational rehabilitation budget. The rehabilitation chief provided direct oversight and support exclusively to the Vocational Rehabilitation program and, therefore, was more appropriately funded in the Vocational Rehabilitation budget.

Vocational Rehabilitation (101-3265) DETR-17: The Subcommittees recommended approving the Governor's recommendation to increase federal Section 110 [of the Rehabilitation Act] grant funding of $690,461 to fund a new CareerConnect program provided by Truckee Meadows Community College (TMCC). The Subcommittees recommended approving an increase in federal Section 110 grant funding of $259,368 to provide the same program at Western Nevada College. The CareerConnect program would assist students with disabilities in developing the academic preparation and job skills necessary to successfully obtain employment. The Subcommittees also recommended approving $180,060 ($38,352 State General Fund appropriations and $141,708 federal Section 110 grant funding) to fund two public service interns as intermittent positions. The agency notes that public service interns are a critical avenue to attract rehabilitation counselors to the state, as Nevada does not have a master's program in vocational rehabilitation counseling. The Subcommittees recommended approving all other closing items in the rehabilitation budgets as recommended by the Governor with technical adjustments as necessary.

Employment Security Division (205-4770) DETR-42: The Subcommittees recommended approving the Governor's recommendation, as amended, to eliminate 36 full-time positions beginning July 1, 2015, and eliminate an additional 14 positions beginning July 1, 2016, as the result of a decrease in federal Unemployment Insurance (UI) administrative grant funds. With levels of UI grant funding being countercyclical to the economy, the funding recommended for approval by the Subcommittees represented an 18.7 percent decrease in fiscal year (FY) 2016 and a 17.9 percent decrease in FY 2017 compared to the base year level of federal UI administrative grant funding. The Subcommittees recommended approving funding for 62 intermittent positions in the 2015-2017 biennium, as amended by the Governor, to accommodate fluctuating workloads in the Unemployment Insurance and employment services programs. Additionally, the Subcommittees recommended approving funding to continue the Job-Driven National Emergency Grants program, efforts in implementing the Burning Glass data system, the Nevada System of Higher Education nursing grant, and the veterans and seniors business loan grant program, and increased funding beyond the base funding level for the Silver State Works program. The Subcommittees recommended approving the remainder of the Employment Security Division budget as amended by the Governor, with an adjustment to reduce equipment expenditures.

Employment Security-Special Fund (235-4771) DETR-55: The Subcommittees recommended approving funding to support Master Services Agreement (MSA) contract costs to maintain and support Unemployment Insurance modernization (UInv) system applications as recommended by the Governor. The final implementation phase of the UInv project for the UI contributions/tax module was scheduled for the July/August 2015 time frame. Since project deliverables currently authorized for expenditure in fiscal year (FY) 2015 would not be billed until FY 2016, the Subcommittees recommended approving an increase to the federal Reed Act grant authority by $8 million in FY 2016, with an equal augmentation to the UInv expenditure category. The Subcommittees recommended approval of the Governor's recommendation to authorize the acceptance of credit card payments to the Employment Security Division (ESD) from UI claimants for overpayments and employers for tax payments. The Subcommittees recommended approval of the remainder of the Special Fund budget as recommended by the Governor.

Equal Rights Commission (101-2580) DETR-62: The Subcommittees recommended approving State General Fund appropriations of $129,041 over the 2015-2017 biennium as recommended by the Governor for a new chief compliance investigator to specialize in the investigation of discrimination within Nevada schools and to provide statewide training with a focus on the prevention of bullying and discrimination based on race, sexual orientation, religion, and gender identity. The Subcommittees recommended approving the remainder of the Equal Rights Commission budget as recommended by the Governor.

Administration (101-3272) DETR-75: The Subcommittees recommended approving the Governor's recommendation to eliminate eight positions due to a decrease in the level of administrative services necessary to support the Employment Security Division budget because of declining federal Unemployment Insurance grant funding. The Subcommittees recommended approving the remainder of the Administration budget with an adjustment to reduce equipment expenditures.

Information Development and Processing (101-3274) DETR-81: The Subcommittees recommended approval of the Governor's recommendation to eliminate two positions because of a decrease in the level of information technology (IT) services necessary to support the Employment Security Division budget as the result of declining federal Unemployment Insurance grant funding. The Subcommittees recommended approving the remainder of the Information Development and Processing budget with an adjustment to reduce equipment expenditures.

Nevada P20 Workforce Reporting (101-3270) DETR-93: The Subcommittees recommended approving State General Fund appropriations of $2.3 million over the 2015-2017 biennium to establish the new Nevada P20 Workforce Reporting budget as recommended by the Governor. As recommended for approval by the Subcommittees, the new budget would house the centralized costs for maintaining the state longitudinal data system (SLDS) and fund one new IT professional position. The Subcommittees recommended approval of an adjustment to reduce the transfer of funds to the Nevada System of Higher Education (NSHE) to address an error in the budget and to align position costs for NSHE with the Department of Employment, Training and Rehabilitation (DETR) position costs in this budget. In addition, the Subcommittees directed Fiscal Analysis Division staff to work with NSHE and the Budget Division, Department of Administration, to ensure the transfer of General Fund appropriations from this budget was included in the appropriate state-supported operating budget within NSHE. Finally, the Subcommittees recommended issuing a letter of intent directing the Department of Education, NSHE, and DETR to enter into interlocal agreements to outline and define their roles and responsibilities regarding the system and exchange of data, review the overall governance and oversight of the SLDS in the 2015-2016 Interim, and to submit any suggested or necessary statutory changes regarding the SLDS, including governance changes, to the 2017 Legislature.

The Subcommittees recommended authorizing Fiscal Analysis Division staff to make technical adjustments throughout the Department's budgets as necessary.

Assemblywoman Titus asked for an explanation of the term "intermittent positions" and wondered whether those employees received benefits.

Mr. Leiser said the intermittent positions received benefits as state employees, but were not considered permanent employees in the classified service. Also, those employees were funded in the budget to address fluctuating workloads within the Department. He said, depending on funding levels, the agency could fill those positions, or if the Department was overstaffed, it could reduce staffing levels.

Assemblywoman Titus said it was her understanding that the Department was eliminating 50 positions and putting 62 people on intermittent status.

Mr. Leiser stated the 62 intermittent positions recommended for approval by the Governor was actually a reduction in the intermittent pool. In the current biennium, the 2013 Legislature approved funding for approximately 140 to 145 intermittent positions.

> ASSEMBLYWOMAN DICKMAN MOVED THAT THE COMMITTEES APPROVE THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEES ON HUMAN SERVICES AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION.
>
> SENATOR KIECKHEFER SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Assemblyman Oscarson and Senator Smith were not present for the vote.)

Leanndra Copeland, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the Subcommittees on General Government closing report for the Silver State Health Insurance Exchange into the record:

> **SSHIX (101-1400) HEALTH INS EXCHANGE-3:** The Subcommittees recommended approving updated revenue projections different from those shown in The Executive Budget to account for the decision of the Board of Directors of the Silver State Health Insurance Exchange to modify the determination of the per-member per-month (PMPM) fee from a flat fee to a fee calculated as a percentage of presubsidized insurance premium. The result decreased the projected PMPM fees by $100,068 in fiscal year (FY) 2016 and $16,504 in FY 2017 and decreased projected reserves by $116,572 in FY 2017. The Subcommittees also recommended approving the Governor's recommendation to utilize reserves of $109,200 in each year of the biennium to fund three contract staff to assist in certifying qualified health plans in accordance with the Affordable Care Act requirements.

Chair Anderson said he would entertain a motion to approve the closing report for the Silver State Health Insurance Exchange budget.

ASSEMBLYMAN KIRNER MOVED THAT THE COMMITTEES APPROVE THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEES ON GENERAL GOVERNMENT AS PRESENTED FOR THE BUDGET ACCOUNT OF THE SILVER STATE INSURANCE EXCHANGE.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Oscarson and Senator Smith were not present for the vote.)

Chair Anderson called for public comment.

Kevin Ranft, Labor Representative, Local 4041, American Federation of State, County and Municipal Employees (AFSME) testified regarding the retention of state employees. Mr. Ranft said the voice for state employees was AFSME Local 4041, and he respectfully requested that the Committees consider a cost-of-living adjustment for state employees.

Chair Anderson adjourned the meeting at 10:53 a.m.

RESPECTFULLY SUBMITTED:

____
Anne Bowen
Committee Secretary

APPROVED BY:

____
Assemblyman Paul Anderson, Chair

DATE: __________________________

____
Senator Ben Kieckhefer, Chair

DATE: __________________________

EXHIBITS

Committee Name: Committees on Ways and Means and Senate Finance

Date: May 2, 2015 **Time of Meeting: 9:08 a.m.**

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau	Nevada Legislative Counsel Bureau Budget Closings, Senate Finance and Assembly Ways and Means Committees Meeting Jointly, Statewide Decision Units
	D	Alex Haartz, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau	Attachment 1
	E	Michael J. Willden, Chief of Staff, Office of the Governor	Division of Human Resource Management Employee Benefits Survey, May 2, 2015