

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

**Seventy-Eighth Session
May 13, 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 8:11 a.m. on Wednesday, May 13, 2015, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, 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. 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 James Oscarson
Assemblyman Michael C. Sprinkle
Assemblywoman Heidi Swank
Assemblywoman Robin L. Titus



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

COMMITTEE MEMBERS EXCUSED:

Senator Debbie Smith

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
Karen Hoppe, Senior Program Analyst
Mandi Davis, Program Analyst
Adam Drost, Program Analyst
Kristen Kolbe, Program Analyst
Brody Leiser, Program Analyst
Jennifer Ouellette, Program Analyst
Carol Thomsen, Committee Secretary
Cynthia Wyett, Committee Assistant

After call of the roll, Chair Anderson opened public comment, and there was no public comment to come before the Committees. The Chair indicated the first closing report for consideration was the Judicial Branch.

Kristin Kolbe, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report into the record from the Senate Committee on Finance and the Assembly Committee on Ways and Means Subcommittees on General Government for the Judicial Branch.

The Subcommittees completed their review of the Judicial Branch budget request for the 2015-2017 biennium. The closing actions taken by the Senate members of the Subcommittees resulted in State General Fund reductions of

\$91,809 in fiscal year (FY) 2016 and a State General Fund increase of \$20,538 in FY 2017. The closing actions of the Assembly members of the Subcommittees resulted in State General Fund reductions of \$18,320 in FY 2016 and a State General Fund increase of \$94,027 in FY 2017.

Pursuant to *Nevada Revised Statutes* (NRS) 353.246, the Judicial Branch budgets are included in The Executive Budget, but are not subject to review by the Governor. Therefore, the recommendations presented in The Executive Budget represent the Judicial Branch's budget request.

Issues Affecting Multiple Accounts: The Subcommittees did not recommend approval of the position classification change of all unclassified positions within the Judicial Branch (excluding the Judicial Discipline Commission budget) to nonclassified positions. Based on revised projections, the Subcommittees recommended approval of the Judicial Branch's administrative court assessment revenue projections, which represented a 3.1 percent decrease over the 2015-2017 biennium as compared to the 2013-2015 biennium. Because the Supreme Court and the Senior Justice and Senior Judge Program utilized State General Funds for expenditures in excess of administrative court assessment revenues, the recommendation increased combined State General Fund appropriations for these two budgets by \$714,987 over the 2015-2017 biennium. Fiscal staff noted a technical correction had been made to the amount of the administrative court assessments from \$25.8 million to \$24.9 million over the 2015-2017 biennium.

Supreme Court (101-1494) JUDICIAL-14: The Senate and Assembly Subcommittees closed differently on the issue of hourly rate and expenses paid to settlement judges. The Senate members of the Subcommittees did not recommend approving \$146,978 over the 2015-2017 biennium to increase the hourly rate and expenses paid to settlement judges. The Assembly members of the Subcommittees recommended approval of State General Fund appropriations of \$146,978 over the 2015-2017 biennium to increase the hourly rate and expenses paid to settlement judges.

Court of Appeals (101-1489) JUDICIAL-22: The Subcommittees recommended approving State General Fund appropriations of \$11,000 over the 2015-2017 biennium for an annual national association membership for the Chief Judge of the Nevada Court of Appeals, as included in Budget Amendment A150031489. The Subcommittees recommended approval of technical adjustments to recognize the executive assistant position transfer from the Supreme Court budget to the Court of Appeals budget.

State Judicial Elected Officials (101-1490) JUDICIAL-27: The Subcommittees recommended approval of additional State General Fund appropriations of \$93,646 over the upcoming biennium for position adjustments, as requested by the Judicial Branch.

Judicial Education (101-1487) JUDICIAL-58: The Subcommittees recommended approving the transfer of training costs from the Judicial Education budget to six operating budgets within the Judicial Branch at a State General Fund cost of \$92,192 over the 2015-2017 biennium.

Specialty Court (101-1495) JUDICIAL-65: The Subcommittees recommended approval of State General Fund appropriations of \$3 million in each year of the 2015-2017 biennium to serve an additional 800-900 participants in specialty court programs and meet existing requests from specialty court programs. The Subcommittees also recommended approving back language in the Appropriations Act for the continuation of fees from misdemeanor and felony convictions of driving under the influence (DUI) totaling \$478,308, thereby reducing State General Fund appropriations to \$2.5 million in each year of the 2015-2017 biennium. The Subcommittees recommended approving a State General Fund appropriation of \$1.1 million in FY 2017 to stabilize the Specialty Court budget and directed the Judicial Branch to expend the State General Fund appropriations in FY 2017.

Foreclosure Mediation Program (101-1492) JUDICIAL-74: The Subcommittees did not recommend approval of National Mortgage Settlement funds of \$798,632 transferred from the Office of the Attorney General, continuation of mediation

service fees of \$522,400, Notice of Default fees of \$386,145, and photocopy service charge fees of \$50 over the 2015-2017 biennium to continue the Foreclosure Mediation Program (FMP), thereby effectively discontinuing the Foreclosure Mediation Program. According to the Judicial Branch, an estimated six to nine months would be required to terminate the operations of the FMP. Since the Subcommittees did not approve the continuation of the FMP, the remainder of the Foreclosure Mediation budget was not recommended for approval.

The Subcommittees recommended closing the following Judicial Branch budgets as included in The Executive Budget, with technical or no adjustments:

- Judicial Selection (101-1498) JUDICIAL-29.
- Senior Justice and Senior Judge Program (101-1496) JUDICIAL-30.
- Law Library (101-2889) JUDICIAL-32.
- Administrative Office of the Courts (101-1483) JUDICIAL-37.
- Judicial Programs and Services Division (101-1484) JUDICIAL-45.
- Uniform System of Judicial Records (101-1486) JUDICIAL-51.
- Judicial Support, Governance and Special Events (101-1493) JUDICIAL-69.
- Judicial Retirement System State Share (101-1491) JUDICIAL-71.

Assemblyman Hickey stated he was a member of the Subcommittees on General Government, and as legislators were aware, the Supreme Court had approached the 2015 Legislature for a \$5,000 appropriation for the Commission on Judicial Selection to replace district judges who had been

selected for the Nevada Court of Appeals. Assemblyman Hickey opined that past legislative decisions had denied the Judicial Branch the ability to change staff positions from unclassified to nonclassified. He believed the Legislature should consider allowing the Judicial Branch to have more latitude, particularly in light of the fact that the *Nevada Constitution* empowered the Judicial Branch to manage its own budget.

Assemblywoman Carlton noted that the Judicial Branch was funded by administrative assessment fees, and the Legislature needed to address the funding source for the Judicial Branch. The Supreme Court and the Court of Appeals had to carry out their duties and should be properly funded to conduct business, irrespective of the revenue realized from assessment fees. Assemblywoman Carlton pointed out that if there was no crime in Nevada, the Judicial Branch would not have sufficient funding, and she believed that should be discussed prior to the discussion regarding autonomy for the Judicial Branch.

Assemblyman Kirner stated that during prior budget hearings, the Subcommittees challenged the Judicial Branch and the Legislature to seek a solution to the Judicial Branch funding problem over the interim. He opined it was rather an oxymoron to fund the Judicial Branch by law enforcement issuing a sufficient number of tickets

Senator Kieckhefer noted there was one closing difference in budget account (BA) 1494, Supreme Court, regarding the recommended increase of the hourly rate and expenses paid to settlement judges, and he stated that the Senate would concur with the Assembly closing of BA 1494.

SENATOR KIECKHEFER MOVED THAT THE SENATE COMMITTEE ON FINANCE CONCUR WITH THE CLOSING RECOMMENDATION OF THE ASSEMBLY COMMITTEE ON WAYS AND MEANS REGARDING THE INCREASE OF THE HOURLY RATE AND EXPENSES FOR SETTLEMENT JUDGES IN BUDGET ACCOUNT 1494, SUPREME COURT.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED BY THE SENATE COMMITTEE ON FINANCE. (Senators Roberson and Smith were not present for the vote.)

Assemblywoman Kirkpatrick asked whether there would be further discussion regarding BA 1492, Foreclosure Mediation Program; it was her understanding that BA 1492 would not be closed at today's hearing.

Chair Anderson noted that BA 1492 was included in the closing report for the Judicial Branch, and the Subcommittees had concurred on the closing recommendation for the budget.

Assemblywoman Kirkpatrick said she was concerned about terminating the Foreclosure Mediation Program (FMP). She remarked that foreclosure remained a significant issue in southern Nevada for many of her constituents. Assemblywoman Kirkpatrick realized the FMP would eventually reach an end, but she believed it should continue through the 2015-2017 biennium because of the many persons in need of the program. It took almost one year to get the FMP up and running before there was any real data about the dollars that were spent for the program. Assemblywoman Kirkpatrick believed the FMP should continue to receive funding over the upcoming biennium; she noted that funding for the FMP had been set aside to help constituents through the foreclosure process.

Assemblywoman Swank concurred with Assemblywoman Kirkpatrick and noted that a recent study indicated foreclosures were up 166 percent over last year, and there were over 266,000 houses in Nevada that were considered deeply underwater. Assemblywoman Swank said it was wishful thinking at the present time to think Nevada was out of the foreclosure crisis, and she also felt the FMP should continue over the upcoming biennium.

Assemblyman Kirner pointed out that the Subcommittees on General Government had thoroughly vetted the FMP and determined that the number of persons using the program had declined to only 100 over the last interim. The Subcommittees agreed to eliminate the funding for the FMP and allow the program to terminate in six to nine months. That decision would reallocate \$1.6 million, and the Subcommittees hoped to bring the office of the Real Estate Division, Department of Business and Industry, up to par with a portion of that funding. Assemblyman Kirner opined that it was a matter of setting priorities; he appreciated the fact that there were additional persons who needed support in the foreclosure process.

Assemblywoman Kirkpatrick said the FMP was funded through foreclosure settlement funds that were to be used specifically to assist persons through the foreclosure process. She believed that several persons had benefitted from

the FMP because the program included several choices for homeowners to help them remain in their homes. Assemblywoman Kirkpatrick said the foreclosure crisis in Clark County was far from over, particularly in North Las Vegas where one out of every three or four houses was in foreclosure.

Assemblywoman Benitez-Thompson believed that continuing the FMP over the 2015-2017 biennium made good sense, because the program was about consumer protection, and the turmoil within the housing industry caused some homeowners to be unsuccessful in their dealings with foreclosure. The review of home sale practices continued, and fines continued to be assessed regarding certain practices. Assemblywoman Benitez-Thompson said she did not believe the consumer advocacy piece should be eliminated, and some type of recourse for homeowners to discuss mortgage issues should continue.

Chair Anderson said there had been a reduction in use of the FMP, which was a sign of the times, no matter how many foreclosures were still pending. He stated he had friends and neighbors who experienced foreclosure problems and many were still going through that process. Currently, there was a consistent demand for property; Washoe County had experienced a 25 percent increase in property values overall, and Clark County was also experiencing significant growth. There were other foreclosure programs available through the Office of the Attorney General funded by National Mortgage Settlement funds and also through nonprofit entities, such as legal aid groups, that were also funded through the same program. Chair Anderson believed there were many avenues available to help persons with foreclosure problems. He thought that most persons who qualified for the FMP had already been served, and the program had simply run its course. The decision made by the Subcommittees allowed the FMP to wind down over a period of six to nine months to finish helping those still in the program. Chair Anderson said his inclination was to approve the Subcommittees' closing report regarding budget account (BA) 1492, Foreclosure Mediation Program.

Assemblywoman Carlton concurred with Assemblywoman Kirkpatrick. While there had been some improvement in her southern Nevada district, there were some persons who were just entering the foreclosure process, and it appeared there would be another round of foreclosures. Assemblywoman Carlton said she was concerned about the number of empty houses in her district; she was also very concerned about winding down the FMP.

Assemblywoman Carlton said another of her concerns was using the funding for the FMP for the Real Estate Division, Department of Business and Industry, which was the Division that supported the licensees who made their money selling homes. She stated she supported the Supreme Court and its budget, and she hoped everyone understood that when she voted no on the motion to accept the closing report, it was because of the elimination of the funding for the FMP. That component was so important to her district that she could not support a budget that denied foreclosure services that would make a difference for homeowners in the future.

Chair Anderson said that he understood, because his district was also one of the hardest hit areas in southern Nevada. He indicated that he and Assemblywoman Kirkpatrick shared neighboring districts, and he was aware of the foreclosure problems in both districts.

Senator Woodhouse said she wanted to add her support of the comments made by her colleagues to the record. She noted that three members of the Subcommittees tried diligently to make their voices heard regarding the Foreclosure Mediation Program (FMP). Senator Woodhouse said she had noticed within her district that the foreclosure problems were lessening somewhat, but it was not happening quickly. She believed it was imperative to support the FMP for another biennium and then begin the wind down, so that individuals who still needed the support would have the opportunity to take advantage of the program. Unfortunately, said Senator Woodhouse, she would also vote no on the budget closing report; while she fully supported the Judicial Branch, she could not vote to eliminate the FMP for homeowners who continued to struggle with the foreclosure process.

Chair Anderson said he would accept a motion to approve the closing report from the Subcommittees regarding the Judicial Branch.

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 GENERAL GOVERNMENT, AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE JUDICIAL BRANCH.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION CARRIED ON THE ASSEMBLY SIDE. (Assemblymen Benitez-Thompson, Bustamante Adams, Carlton, Kirkpatrick, Sprinkle, and Swank voted no.)

THE MOTION FAILED ON THE SENATE SIDE. (Senator Woodhouse voted no. Senators Parks, Roberson, and Smith were not present for the vote.)

Jennifer Ouellette, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report into the record from the Senate Committee on Finance and the Assembly Committee on Ways and Means Subcommittees on Human Services for the Division of Public and Behavioral Health, Department of Health and Human Services.

The Subcommittees on Human Services completed the review of the Department of Health and Human Services, Division of Public and Behavioral Health, behavioral health budgets, and have made the following recommendations for the Division's 2015-2017 biennium budget. The closing recommendations of the Subcommittees resulted in a State General Fund increase of \$1.2 million in fiscal year (FY) 2016 and a State General Fund savings of \$1.8 million in FY 2017. The following comments describe the more significant recommendations of the Subcommittees.

Behavioral Health Administration (101-3168) DHHS-PUBLIC HEALTH-150: The Subcommittees recommended approval of the Governor's recommendation to transfer administrative positions throughout various Division of Public and Behavioral Health operating budgets in order to realign positions following the merger of public and mental health budgets approved by the 2013 Legislature and consistent with the closing actions for the Division's public health budgets by the full committees meeting jointly on May 2, 2015. The Subcommittees also recommended approving the transfer of four federal grant programs funded by the Substance Abuse and Mental Health Services Administration and the transfer of three staff from this budget to the Behavioral Health Prevention and Treatment budget, as recommended by the Governor. The Subcommittees recommended approval of the remainder of the other closing items in this budget as recommended by the Governor, with an adjustment to reduce the

number of MyAvatar behavioral health software licenses transferred to this budget.

Behavioral Health Information Systems (101-3164) DHHS-PUBLIC

HEALTH-162: The Subcommittees recommended approval of the Governor's recommendation to transfer 19 staff and associated administrative expenses from this budget to the Office of Health Administration budget and the Behavioral Health Administration budget, consistent with the closing actions for the Division's public health budgets by the full committees meeting jointly on May 2, 2015, thereby eliminating this budget. The Subcommittees also recommended approval of the purchase of 100 MyAvatar behavioral health software licenses, with authority for Fiscal Analysis Division staff to make technical adjustments based on the number of employees approved for the operation of the Stein Hospital in the Southern Nevada Adult Mental Health Services budget.

Behavioral Health Prevention and Treatment (101-3170) DHHS-

PUBLIC HEALTH-171: The Subcommittees recommended approval of the Governor's recommended revenue and expenditure authority for the federal Substance Abuse Prevention and Treatment (SAPT) block grant, including \$16.5 million in each year of the 2015-2017 biennium. The Subcommittees also recommended directing the agency to submit quarterly reports to the Interim Finance Committee regarding the status of the SAPT block grant's required maintenance of effort (MOE), updated MOE projections, as well as current funding authorized by the federal Substance Abuse and Mental Health Services Administration for the block grant and the amount of expenditures obligated.

Rural Clinics (101-3648) DHHS-PUBLIC HEALTH-181:

The Subcommittees recommended approval of \$1.8 million in State General Fund appropriations over the 2015-2017 biennium to fund 15 contract positions and 2 new state positions and associated costs throughout rural clinics in order to reduce caseload staffing ratios. The Subcommittees also recommended approval of \$161,189 in State General Fund appropriations over the 2015-2017 biennium to relocate rural clinics in Battle Mountain, Fallon, and Lovelock and expand rural clinics in Elko, Fernley, and Douglas County. The relocation or expansion of

the aforementioned rural clinics would colocate behavioral and public health services at one address, preferably in or near a hospital.

The Subcommittees recommended approving an adjustment to remove one-time expenditures and revise the cost of replacement furniture.

Budget Amendment – Funding Shortfall Due to Decreased Medicaid Reimbursements in the Northern Nevada Adult Mental Health Services and Southern Nevada Adult Mental Health Services Budgets (101-3162) (101-3161) DHHS-PUBLIC HEALTH-192, 205:

The Executive Budget originally included State General Fund appropriations of \$40.9 million over the biennium for the Northern Nevada Adult Mental Health Services (NNAMHS) and the Southern Nevada Adult Mental Health Services (SNAMHS) budgets combined based on an increase in projected Medicaid managed-care reimbursements as a result of the state's decision to participate in the Medicaid expansion. The Budget Division, Department of Administration, submitted Budget Amendments A150793162 and A150803161 on April 17, 2015, for the NNAMHS and SNAMHS budgets, respectively. A special hearing designated specifically for discussion of the aforementioned budget amendments was heard by the Subcommittees on April 23, 2015. The primary reason for the budget amendments was a projected decrease in Medicaid managed care reimbursements of \$21.3 million over the 2015-2017 biennium for both budgets combined as community providers have begun offering services. The budget amendments also proposed several suggestions to eliminate the projected funding shortfall due to the Division's projected reduced caseloads. As the majority of the recommendations to eliminate the projected shortfall impacted both the NNAMHS and SNAMHS budgets, the decisions were considered jointly.

The Subcommittees recommended approval of the projected decrease in Medicaid managed-care reimbursements of \$21.3 million over the 2015-2017 biennium for both the NNAMHS and SNAMHS budgets combined, as amended by the Governor.

The Subcommittees recommended approval of the reopening of the Stein Hospital as amended by the Governor, with a total of 154.02 positions. However, to reach this staffing level, the Subcommittees recommended approval of the transfer of 62.51 positions from other SNAMHS facilities, thereby reducing the number of new positions recommended for the Stein Hospital from 154.02 positions to 91.51 positions. The majority of employees would be transferred from various SNAMHS outpatient clinics located across the Las Vegas Valley; however, many employees would be transferred from the Rawson-Neal Hospital, closing one 20-bed unit in Rawson-Neal Hospital and also closing the newly renovated 21-bed facility in Building 3A. This recommendation reduced operating costs associated with the reduction of recommended personnel for the Stein Hospital, funded by State General Fund appropriations totaling \$7.8 million over the biennium. The Subcommittees also approved Fiscal Analysis Division staff's recommendation to reduce patient-related operating costs of \$250,712 in FY 2016 due to a delay in the anticipated opening date from October 1, 2015, to mid-November 2015.

The Subcommittees recommended approval of projected reductions in medication and transitional housing expenditures for both the NNAMHS and SNAMHS budgets totaling \$13.6 million in State General Fund appropriations over the biennium due to projected caseload decreases, as amended by the Governor. The Subcommittees also approved the elimination of three decision units in the NNAMHS and SNAMHS budgets totaling \$733,902 (\$691,745 State General Fund appropriations) over the biennium due to caseload decreases, as amended by the Governor.

The combined recommendations address the projected \$21.3 million reductions of Medicaid managed-care reimbursements, thereby preserving all of the State General Fund reductions initially recommended in these budgets and including an additional State General Fund reduction of \$496,192.

Northern Nevada Adult Mental Health Services (NNAMHS) (101-3162) DHHS-PUBLIC HEALTH-192: In addition to the joint modifications, the Subcommittees recommended approval of the Governor's recommendation to fund one new, part-time psychiatric caseworker and associated costs in March 2017 to meet projected

caseload growth needs for service coordination in the Northern Nevada Mental Health Court program. The Subcommittees also recommended approval of \$401,500 in State General Fund appropriations over the 2015-2017 biennium to increase funding for psychiatric residents from the University of Nevada School of Medicine to provide moonlighting coverage outside of regular operating hours, including on-call, after hours, weekends and holidays. The Subcommittees recommended approving an adjustment to remove duplicative, divisionwide PolicyTech software licenses.

Southern Nevada Adult Mental Health Services (SNAMHS) (101-3161) DHHS-PUBLIC HEALTH-205: The Subcommittees recommended approval of the Governor's recommendation to increase State General Fund appropriations by \$1.8 million over the 2015-2017 biennium to meet projected transitional housing caseload growth needs for clients in the Southern Nevada Mental Health Court program. The Subcommittees recommended approval of the Governor's recommendation of State General Fund appropriations totaling \$690,048 to increase funding for additional contracted psychiatric residents from the University of Nevada School of Medicine, a recommendation emphasized by the Governor's Behavioral Health and Wellness Council. The Subcommittees also recommended approval of the Governor's recommendation of State General Fund appropriations totaling \$468,193 to hire a statewide psychiatric medical director to provide oversight of all psychiatric services provided by SNAMHS, NNAMHS, Rural Clinics, Lakes Crossing Center, and the Stein Hospital.

Facility for the Mental Offender (101-3645) DHHS-PUBLIC HEALTH-221: The Subcommittees recommended approval of funding for the full 86 beds available at Lakes Crossing, resulting in an increase in food service and medication expenditures totaling \$163,467 in each year of the biennium, funded with State General Fund appropriations.

The Subcommittees deferred the discussion of the Governor's recommendation in decision unit Enhancement (E) 365 to reduce State General Fund appropriations by \$1.3 million in each fiscal year of the biennium and to replace the appropriations with an

equal amount of county reimbursement charges to fund the cost of long-term commitments for unrestorable offenders until the joint full committee hearing.

The Subcommittees recommended approval of the Governor's recommendation to fund six additional defendant transports between Las Vegas and Sparks each year, as well as eight trips per year for Lakes Crossing staff to assist in the planning and oversight of the Stein Hospital.

The Subcommittees recommended approval of all other closing items within the behavioral health budgets that were presented to the Subcommittees as recommended by the Governor and authorized Fiscal Analysis Division staff to make technical adjustments as necessary.

Chair Anderson noted there was one deferred item in decision unit Enhancement (E) 365 that needed to be discussed by the Committees.

Senator Kieckhefer said action on the decision unit was deferred to allow discussion with the counties, because costs would be shifted to the counties if the decision unit was approved. The long-term commitments were those persons who had been deemed incompetent to stand trial and were committed to Lakes Crossing Center. Senator Kieckhefer said decision unit E-365 was included in The Executive Budget, and it had a companion bill currently in the Senate Committee on Finance. The bill would require the counties to pay the costs for those long-term commitments, which had traditionally been funded by the state. There was some lack of comfort with the bill when heard by the Senate Committee on Finance because of that shift of funding from the state to the counties; the long-term commitments were wards of the state and the costs had traditionally been the state's responsibility. However, said Senator Kieckhefer, rejecting the decision unit would result in a \$2.6 million State General Fund increase in the budget. Senator Kieckhefer said he was not certain it would be appropriate to shift that funding to the counties, and he would recommend that the Committees reject decision unit E-365.

Senator Goicoechea said he would also favor rejecting the decision unit; his major concern was that the fiscal effect on the smaller jurisdictions might lead to not prosecuting some cases or plea-bargaining for lesser charges. Therefore, some mentally incompetent persons might "fall through the cracks"

because of the cost to the counties for long-term commitments at Lakes Crossing Center.

Assemblyman Oscarson stated he had been contacted by several counties that would be significantly affected by the shift in funding. Some counties had commented that the funding shift could be "the straw that broke the camel's back" regarding the budgets and the ability of the counties to continue to function. Assemblyman Oscarson said he concurred with Senators Kieckhefer and Goicoechea in rejecting the decision unit.

Assemblywoman Carlton said it appeared the cost of long-term commitments would shift to the counties if the decision unit was approved, and rejecting the decision unit would mean the state would pay those costs. She said that would mean State General Fund dollars would be used for long-term commitments from the smaller counties.

Senator Kieckhefer pointed out that the state currently paid the costs for all long-term commitments to Lakes Crossing Center because those persons would be prosecuted by the state. The vast majority of the long-term commitments that were deemed incompetent to stand trial were from Clark County; the cost per year for each person was approximately \$163,000. Senator Kieckhefer believed it was telling the counties that it was the state's responsibility, but the counties would have to pay the costs for long-term commitments going forward.

Assemblywoman Carlton indicated she had heard from representatives of Clark County, and they had no problem with the decision unit, so it appeared it was only the smaller counties that would have a problem with the funding shift. She opined that rather than the counties picking up the responsibility for the long-term commitments, those counties wanted the state to keep paying their share.

Assemblyman Oscarson noted that the patients at Lakes Crossing Center had been adjudicated by the state: they were persons who had been prosecuted and incarcerated by the state, not the counties. He believed the state had an obligation to pay those costs.

SENATOR KIECKHEFER MOVED THAT THE COMMITTEES
REJECT DECISION UNIT ENHANCEMENT (E) 365 IN BUDGET
ACCOUNT 3645.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and Senators Parks, Roberson, and Smith were not present for the vote.)

Chair Anderson asked whether there was further discussion of the closing report from the Subcommittees, and there was no further discussion. The Chair called for a motion.

ASSEMBLYMAN OSCARSON MOVED THAT THE COMMITTEES APPROVE THE CLOSING REPORT FROM THE ASSEMBLY COMMITTEE ON WAYS AND MEANS AND THE SENATE COMMITTEE ON FINANCE SUBCOMMITTEES ON HUMAN SERVICES, AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE DIVISION OF PUBLIC AND BEHAVIORAL HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES, EXCLUDING DECISION UNIT ENHANCEMENT (E) 365 IN BUDGET ACCOUNT 3645.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and Senators Parks, Roberson, and Smith were not present for the vote.)

BUDGET CLOSED.

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Karen Hoppe, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report into the record from the Senate Committee on Finance and the Assembly Committee on Ways and Means Subcommittees on Human Services for the Division of Child and Family Services, Department of Health and Human Services.

The Subcommittees on Human Services completed the review of the Department of Health and Human Services, Division of Child and Family Services budgets and have made the following recommendations for the Division's 2015-2017 biennium budget. The closing recommendations of the Subcommittees resulted in

a State General Fund increase of \$763,916 in fiscal year (FY) 2016 and a State General Fund decrease of \$261,209 in FY 2017. The following comments describe the more significant recommendations of the Subcommittees.

Children, Youth & Family Administration (101-3145)

DHHS-DCFS-23: The Subcommittees recommended approval of the Governor's recommendation to add a new statistician position to conduct data collection and analysis in order to ensure compliance with federal requirements for continuous quality improvement (CQI). Additionally, the Subcommittees recommended approval of the Governor's recommendation to add a new personnel technician position to provide personnel support services to the Division's growing number of employees. The Subcommittees recommended approval of the remainder of the Children, Youth and Family Administration budget as recommended by the Governor, with technical adjustments as recommended by Fiscal Analysis Division staff.

UNITY/SACWIS (101-3143) DHHS-DCFS-36: The Subcommittees recommended approval of the Governor's recommendation to add an IT professional position and a business process analyst position to implement modifications to the UNITY [Unified Nevada Information Technology for Youth] application to support the full implementation of the specialized foster care program. Additionally, the Subcommittees recommended approval of the Governor's recommendation to add an IT professional position to manage server and network administration and a management analyst position to serve as a data manager for all three DCFS [Division of Child and Family Services] programs: child welfare, children's mental health, and juvenile justice. The Subcommittees recommended approval of the remainder of the UNITY/SACWIS [Statewide Automated Child Welfare Information System] budget as recommended by the Governor, with technical adjustments as recommended by Fiscal Analysis Division staff.

Washoe County Child Welfare (101-3141) DHHS-DCFS-45:

The Subcommittees did not recommend approval of the Governor's recommendation of a total of \$5.4 million over the 2015-2017 biennium to implement the specialized foster care program by Washoe County utilizing the block grant funding

mechanism. Instead, the Subcommittees recommended approving a total of \$3.3 million for the program, as a result of a technical adjustment identified by Fiscal Analysis Division staff. This option resulted in an allocation equal to the FY 2017 State General Fund portion of \$1.4 million, which would be added to Washoe County's block grant in future years. The Subcommittees also recommended issuance of a letter of intent requiring that the Division adopt the provisions of the Division's proposal to monitor the specialized foster care program and gather data to determine whether a cost savings is realized in the specialized foster care program, as the pilot indicated.

The Subcommittees recommended approval of the Governor's recommendation, as adjusted, to provide State General Funds of \$1.1 million over the 2015-2017 biennium for adoption subsidy caseload growth. The Subcommittees also recommended adding clarifying back language in the Appropriations Act authorizing the Division to approach the Interim Finance Committee to request additional funding for adoption subsidies and limiting the block grant funding for the Washoe and Clark County Child Welfare budgets.

Clark County Child Welfare (101-3142) DHHS-DCFS-48:

The Subcommittees recommended approval of a total of \$6.5 million over the 2015-2017 biennium to implement the specialized foster care program by Clark County utilizing the block grant funding mechanism. This option resulted in an allocation, equal to the FY 2017 State General Fund portion of \$3 million, that would be added to Clark County's block grant in future years. The Subcommittees also recommended issuing a letter of intent requiring that the Division adopt the provisions of the Division's proposal to monitor the specialized foster care program and gather data to determine whether a cost savings is realized in the specialized foster care program, as the pilot indicated.

The Subcommittees recommended approval of the Governor's recommendation, as adjusted, to provide State General Funds of \$4.3 million over the 2015-2017 biennium for adoption subsidy caseload growth.

Rural Child Welfare (101-3229) DHHS-DCFS-51:

The Subcommittees recommended approval of the Governor's recommendation, with technical adjustment, to add one clinical program manager, four new mental health counselors, two new social workers, and one new administrative assistant position to implement the specialized foster care program in the rural region. The Subcommittees also recommended issuance of a letter of intent requiring that the Division adopt the provisions of the Division's proposal to monitor the specialized foster care program and gather data to determine whether a cost savings is realized in the specialized foster care program, as the pilot indicated.

The Subcommittees recommended approval of the Governor's recommendation, with technical adjustment, to add three new social worker supervisors, one new social worker, two new family support workers, and one new administrative assistant to support the child welfare infrastructure in the rural region. The Subcommittees also recommended approval of the Governor's recommendation, as amended, to provide State General Funds of \$678,154 over the 2015-2017 biennium for adoption subsidy and foster care caseload growth.

The Subcommittees did not recommend approving Budget Amendment A150613229, which would have decreased county assessments of \$3.2 million per year for child protective services (CPS) by \$1.5 million over the 2015-2017 biennium and increased State General Fund appropriations by the same amount. Approval of the amendment would have resulted in the rural counties funding 77 percent of the \$3.2 million annual cost of rural CPS services, not 100 percent of the costs as intended by the 2011 Legislature with the passage of Senate Bill No. 480 of the 76th Session (2011). The Subcommittees recommended approval of the remainder of the Rural Child Welfare budget as recommended by the Governor with technical adjustments as recommended by Fiscal Analysis Division staff.

Community Juvenile Justice Programs (101-1383) DHHS-DCFS-64:

The Subcommittees recommended approval of State General Fund appropriations of \$182,721 over the 2015-2017 biennium to fund PREA [Prison Rape Elimination Act] compliance costs. Additionally, the Subcommittees recommended approval of the

Governor's recommendation of State General Fund appropriations of \$61,114 in FY 2017 to add a program officer position to collect statewide juvenile justice data.

Juvenile Correctional Facility (101-3148) DHHS-DCFS-71:

The Subcommittees recommended approval of Budget Amendment A150623148, with removal of \$604,455 in facility readiness costs and with technical adjustments noted by Fiscal Analysis Division staff, to reopen Summit View Youth Correctional Center as a state-operated facility. The Subcommittees also recommended adding six new correctional officer positions for facility security at a total cost of \$1 million over the 2015-2017 biennium. These recommendations resulted in a net increase to State General Fund appropriations of \$3.3 million over the 2015-2017 biennium. The Subcommittees also recommended issuance of a letter of intent to the Division requiring semiannual reports to the Interim Finance Committee on the progress of reopening and management of Summit View.

The Subcommittees recommended approval of back language in the Appropriations Act to allow the agency to carry forward from FY 2015 to FY 2016 any unspent facility readiness funds remaining from the \$674,912 approved by the Interim Finance Committee at the April 2015 meeting to continue preparation of the facility in FY 2016.

Additionally, the Subcommittees recommended approval of back language in the Appropriations Act to authorize the agency to transfer State General Fund appropriations between the three youth correctional facility budgets with the approval of the Interim Finance Committee.

The Subcommittees recommended approving the Governor's recommendation to add one new maintenance repair specialist position, as amended. The Subcommittees recommended approval of the remainder of the Juvenile Correctional Facility budget as recommended by the Governor, with technical adjustments as recommended by Fiscal Analysis Division staff.

Nevada Youth Training Center (101-3259) DHHS-DCFS-80:

The Subcommittees recommended approval of recommendations included in The Executive Budget by the Governor and the Supreme Court's Commission on Statewide Juvenile Justice Reform to support the Nevada Youth Training Center as the juvenile commitment facility for the northern Nevada region. Recommendations included the addition of a contracted psychologist, family transportation program, reinstatement of sports programs, educational materials, and a new assistant superintendent position for the facility. The Subcommittees recommended approval of the remainder of the Nevada Youth Training Center budget as recommended by the Governor.

Youth Parole Services (101-3263) DHHS-DCFS-87:

The Subcommittees recommended approval of the Governor's recommendation, as adjusted, to relocate the Youth Parole Bureau's Las Vegas office to the Southern Nevada Child and Adolescent Services campus, to allow for additional space requirements and increased security. The Subcommittees recommended approval of the remainder of the Youth Parole Services budget as recommended by the Governor, except for the recommendation to purchase new uniforms for youth parole officers.

Northern Nevada Child & Adolescent Services (101-3281)

DHHS-DCFS-94: As recommended by the Governor, the Subcommittees recommended approval of a new clinical program manager position and a new administrative assistant position to support the Mobile Crisis Unit in northern Nevada, funded by \$226,273 in tobacco settlement funds. The Subcommittees recommended approval of the remainder of the Northern Nevada Child & Adolescent Services budget as recommended by the Governor, with technical adjustments as recommended by Fiscal Analysis Division staff.

Southern Nevada Child & Adolescent Services (101-3646)

DHHS-DCFS-101: As recommended by the Governor, the Subcommittees recommended approval of a new clinical program manager position to support the Mobile Crisis Unit in southern Nevada, funded by \$139,407 in tobacco settlement funds. The Subcommittees also recommended approval of total funding of

\$251,941 to add a psychiatric nurse position and an administrative assistant position to serve the patients of the outpatient medication clinic, as recommended by the Governor. The Subcommittees recommended approval of the remainder of the Southern Nevada Child and Adolescent Services budget as recommended by the Governor with technical adjustments as recommended by Fiscal Analysis Division staff.

The Subcommittees also authorized Fiscal Analysis Division staff to make other technical adjustments to the Division of Child and Family Services budgets that may be necessary.

Assemblywoman Bustamante Adams stated that in budget account (BA) 1383, Community Juvenile Justice Programs, the Subcommittees approved a new program officer position to collect statewide juvenile justice data, and she asked who would receive that data and the purpose of the data collection.

Ms. Hoppe explained that the collection of juvenile justice data was a statutory requirement. The statutes required a number of statewide juvenile justice data statistics to be compiled by the Division.

Senator Kieckhefer thanked legislative staff and the agency for working diligently on the many issues within the budget. The specialized foster care program had required a significant amount of time, and he was confident of the closing report submitted by the Subcommittees.

ASSEMBLYMAN OSCARSON MOVED THAT THE COMMITTEES APPROVE THE CLOSING REPORT FROM THE ASSEMBLY COMMITTEE ON WAYS AND MEANS AND THE SENATE COMMITTEE ON FINANCE SUBCOMMITTEES ON HUMAN SERVICES, AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE DIVISION OF CHILD AND FAMILY SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Edwards and Senators Parks, Roberson, and Smith were not present for the vote.)

BUDGET CLOSED.

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Assemblywoman Benitez-Thompson noted that there were representatives from the National Alliance on Mental Illness (NAMI) in attendance, and she thanked the representatives for taking the time to be at the hearing. She indicated that NAMI was a very active and organized group; she had met with NAMI prior to the 2015 Legislature and found that NAMI had a clear idea of the agenda that was needed.

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report into the record from the Senate Committee on Finance and the Assembly Committee on Ways and Means Subcommittees on General Government for the Department of Administration.

The Subcommittees on General Government completed the review of certain budgets within the Department of Administration. The closing actions taken by the Subcommittees resulted in a decrease in State General Fund appropriations of \$124,427 in fiscal year (FY) 2016 and \$134,281 in FY 2017 when compared to the Governor's recommended budget.

Governor's Finance Office (101-1340) ELECTED-48:

The Subcommittees recommended approval of the Governor's recommendation to create the Office of Finance, Office of the Governor, consisting of the Budget Division and the Division of Internal Audits, which would be subject to the passage and approval of Assembly Bill 469. Within the Governor's Finance Office, the Subcommittees recommended approval of the addition of two new positions, an unclassified Director of the Governor's Finance Office and an administrative assistant. In addition, the Subcommittees concurred with the Governor's recommendation to reclassify an existing administrative assistant to an unclassified executive assistant. The Subcommittees also recommended approval of the Governor's recommendation to transfer six positions and associated operating expenditures into a new budget to form a new Department of Administration Director's Office. In addition, the Subcommittees recommended approval of the transfer of three positions into a new budget for the Office of Grant Procurement, Coordination and Management, which would remain in the Department of Administration, as well as the addition of a new unclassified executive grants analyst position within the Grants Office. The Subcommittees also recommended approval of the transfer of two positions, 1.51 full-time equivalent (FTE), to the

Enterprise Information Technology Services Office of the Chief Information Officer budget.

The Subcommittees did not recommend approval of a new economist position within the Governor's Finance Office. Finally, the Subcommittees recommended approving the remainder of the budget as recommended by the Governor with technical adjustments and authority for Fiscal Analysis Division staff to make other technical adjustments as needed.

Division of Internal Audits (101-1342) ELECTED-63:

The Subcommittees recommended approval of the Governor's recommendation to transfer the Division of Internal Audits from the Department of Administration to the Governor's Finance Office, subject to passage and approval of Assembly Bill 469. In addition, the Subcommittees recommended approval of the Governor's recommendation for two new Executive Branch auditor positions funded with State General Fund appropriations totaling \$296,851 over the 2015-2017 biennium to begin conducting audits on contracts and requests for proposals. The Subcommittees also recommended the issuance of a letter of intent directing the Division of Internal Audits to provide the 2017 Legislature with a list of the contracts and requests for proposals that were audited over the 2015-2017 biennium, a report of its audit findings, and a summary of any corrective actions that resulted in quantifiable savings. The Subcommittees recommended approval of the remainder of the budget as recommended by the Governor with technical adjustments and authority for Fiscal Analysis Division staff to make other technical adjustments as needed.

Director's Office (101-1337) ADMIN-6: The Subcommittees recommended approval of the Governor's recommendation to transfer six positions, along with associated travel expenditures, from the existing Budget and Planning budget to a new budget for the Department of Administration Director's Office, replace State General Fund appropriations partially supporting the six positions with cost allocation reimbursements, and fund operating expenditures related to staff moving to a different office location. The Subcommittees also recommended approval of the Governor's recommendation to reclassify a classified public information officer to an unclassified public information

officer and a classified administrative assistant to an unclassified executive assistant.

Special Appropriations (101-1301) ADMIN-9: The Subcommittees recommended approval of the Governor's recommendation to fund a business process consultant in FY 2016 to review the state's financial and human resource business processes. The Subcommittees also recommended providing the agency with authority to balance forward funds unspent in FY 2016 to FY 2017. The Subcommittees also recommended approval of the Governor's recommendation to increase funding for Holocaust education by \$50,000 in each year of the 2015-2017 biennium. Finally, the Subcommittees recommended approval of the Governor's recommendation for State General Fund appropriations of \$10.0 million over the 2015-2017 biennium to fund graduate medical education.

HRM - Human Resource Management (717-1363) ADMIN-20:

The Subcommittees recommended approval of the Governor's recommendation to expend \$360,500 over the 2015-2017 biennium for a technology investment request that would continue the implementation of phase III of the Nevada Employee Action and Timekeeping System to display payroll reports and employment records, as well as calculate payroll projections.

The Subcommittees recommended approval of the Governor's recommendation of \$133,768 in personnel assessments revenue over the 2015-2017 biennium for a new personnel analyst position to conduct organizational climate studies for state agencies. The Subcommittees also recommended approval of the Governor's recommendation for a new personnel analyst position for the Division's Agency Human Resource Services section, which provided centralized personnel services for eight state agencies and various boards and commissions. Finally, the Subcommittees recommended approval of the Governor's recommendation of \$137,633 in personnel assessments revenue over the 2015-2017 biennium for a new personnel analyst position to develop and implement a veteran recruitment program to assist veterans in securing state employment. The Subcommittees recommended approval of all other closing items with authority for

Fiscal Analysis Division staff to make technical adjustments as necessary.

Administrative Services (716-1371) ADMIN-113:

The Subcommittees recommended approval of the Governor's recommendation for administrative assessment funding totaling \$156,250 and reserve funding totaling \$27,191 over the 2015-2017 biennium to fund the programming costs to upgrade the Nevada Project Accounting System used to track capital improvement projects. The Subcommittees also recommended approval of all other closing items with authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

Grants Office (101-1341) ADMIN-122: As discussed previously, the Subcommittees recommended approval of the Governor's recommendation to transfer three positions into a new budget for the Grants Office, which would remain in the Department of Administration, as well as the addition of a new executive grants analyst position within the Grants Office. The Subcommittees recommended approval of the remainder of the budget as recommended by the Governor with technical adjustments.

Insurance and Loss Prevention (715-1352) Admin-187:

The Subcommittees recommended approval of the Governor's recommendation for a new Risk Management Information System funded partially with one-time transfers of \$10,000 each from the Attorney General's Office, the Department of Transportation, and the State Public Works Division. The Subcommittees also recommended approval of the Governor's recommendation to transfer funds from the Governor's Office of Economic Development to purchase an Unmanned Aircraft System insurance policy. In addition, the Subcommittees recommended approval of the Governor's recommendations to purchase a cyber-liability insurance policy and to conduct real property and fine art appraisals to determine accurate repair and replacement costs.

The Subcommittees recommended approval of the remainder of the budget as recommended by the Governor with technical adjustments and authority for Fiscal Analysis Division staff to make other technical adjustments as needed.

Hearings Division (101-1015) ADMIN-260: The Subcommittees recommended approval of the Governor's recommendation for a new integrated document management system for the Hearings Division to electronically store its legal documents. The Subcommittees recommended approval of the remainder of the budget as recommended by the Governor with technical adjustments and authority for Fiscal Analysis Division staff to make other technical adjustments as needed.

The Subcommittees recommended closing the following Department of Administration budget as recommended by the Governor:

- Judicial College and College of Juvenile and Family Justice (101-1302) ADMIN-12.

Senator Kieckhefer asked whether the new Director of the Governor's Finance Office would be in charge of The Executive Budget. Ms. Davis replied that was correct.

Senator Kieckhefer asked whether Jim R. Wells, CPA, Director, Department of Administration and Chief, Budget Division, Department of Administration, would be the Director of the new Governor's Finance Office or remain with the Department of Administration.

Ms. Davis replied that currently Mr. Wells was the Director of the Department of Administration.

Senator Kieckhefer asked whether the Director of the new finance office would report to the Department of Administration or the Governor. Ms. Davis replied that each Director would report to the Governor.

Senator Kieckhefer commented that it appeared to be a new cabinet-level position, and Ms. Davis replied that was correct.

Senator Kieckhefer said it appeared that the public information officer (PIO) position would be in the Director's Office of the Department of Administration. Ms. Davis replied that was correct.

Senator Kieckhefer said if the budget preparation was moved out of the Department of Administration, he was not sure how many requests for information would be made.

Ms. Davis explained that the PIO would be in the Director's Office of the Department of Administration, and the agency indicated that individual would handle all public requests for information from the various divisions within the Department.

Senator Kieckhefer said it appeared that would not include requests for budget information.

Ms. Davis replied that inquiries about the budget would be made to the Governor's Finance Office.

SENATOR GOICOECHEA 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 ACCOUNTS WITHIN THE DEPARTMENT OF ADMINISTRATION.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Benitez-Thompson and Senators Parks, Roberson, and Smith, and were not present for the vote.)

BUDGET CLOSED.

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Brody Leiser, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report into the record from the Senate Committee on Finance and the Assembly Committee on Ways and Means Subcommittees on K-12/Higher Education/CIP for the State Public Works Division, Department of Administration.

The Subcommittees on K-12/Higher Education/CIP completed the review of the State Public Works Division's budgets and made the following recommendations for the 2015-2017 biennium.

The closing recommendations of the Subcommittees resulted in no change to State General Fund appropriations. The following comments describe the more significant recommendations of the Subcommittees.

SPWD – Administration (101-1540) ADMIN-135:

The Subcommittees did not recommend approval of the Governor's recommendation to establish a reserve in the Administration budget because existing mechanisms and processes are in place to make budgetary adjustments during the interim. The Subcommittees approved the remainder of the Administration budget as recommended by the Governor.

SPWD – Engineering and Planning (101-1562) ADMIN-141:

The Subcommittees recommended approval of the Governor's recommendation, as amended, to fund four new project manager positions and three new building construction inspector positions due to the anticipated level of services required to support the 2015 Capital Improvement Program, including an adjustment to purchase computers, and to fund travel and training for the new positions. The Subcommittees approved the remainder of the Engineering and Planning budget as recommended by the Governor.

SPWD – Buildings and Grounds (710-1349) ADMIN-153:

The Subcommittees concurred with the Governor's recommendation to fund deferred maintenance projects totaling \$2.0 million over the biennium. Additionally, the Subcommittees concurred with the Governor's recommendation to fund one new program officer position due to an increase in workload within the Leasing Services section of the Division. The Subcommittees recommended approval of the remainder of the Buildings and Grounds budget as recommended by the Governor with technical adjustments made by Fiscal Analysis Division staff.

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

Chair Anderson asked whether there were questions or discussion regarding the closing report, and there were no questions or discussion. The Chair called for a motion.

ASSEMBLYWOMAN TITUS MOVED THAT THE COMMITTEES APPROVE THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEES ON K-12/HIGHER EDUCATION/CIP AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE STATE PUBLIC WORKS DIVISION, DEPARTMENT OF ADMINISTRATION.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Kieckhefer, Parks, and Smith were not present for the vote.)

BUDGET CLOSED.

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Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report into the record from the Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on Public Safety, Natural Resources, and Transportation for the Department of Motor Vehicles.

The Subcommittees on Public Safety, Natural Resources, and Transportation completed the review of the budgets for the Department of Motor Vehicles (DMV). The closing actions taken by the Senate members of the Subcommittees resulted in a decrease in State Highway Fund appropriations of \$1.2 million in fiscal year (FY) 2016 and an increase in State Highway Fund appropriations of \$36,817 in FY 2017. The closing actions taken by the Assembly members of the Subcommittees resulted in a decrease in State Highway Fund appropriations of \$450,226 in FY 2016 and an increase in State Highway Fund appropriations of \$823,815 in FY 2017. The Subcommittees also recommended to redirect \$11.2 million in FY 2016 and \$14.1 million in FY 2017 in State Highway Fund appropriations to the Interim Finance Committee Contingency Account for restricted use by the System Modernization budget for customizable software.

22 Percent Administration Cap and Redirection of the Governmental Services Tax (GST) Commissions and Penalties:

Under *Nevada Revised Statutes* (NRS) 408.235, the DMV may not expend more than 22 percent of the fees collected, excluding gasoline tax revenue, from the State Highway Fund on administration. As the Committees may recall, the 2011 Legislature redirected GST commissions and penalties in the Field Services budget and the Motor Carrier budget to the State General Fund in each year of the 2011-2013 biennium and replaced the revenue with State Highway Fund appropriations in place of these redirected revenue sources. Due to the redirection of these revenue sources, the 2011 Legislature approved a temporary increase on the use of State Highway Fund collections for administration from 22 percent to 33 percent for the 2011-2013 biennium and appropriated State Highway Funds in place of these redirected revenue sources.

For the 2013-2015 biennium, the 2013 Legislature approved redirecting GST commissions and penalties revenue to the State General Fund in FY 2015 only. The 2013 Legislature also approved increasing the administration cap from 22 percent to 32 percent in FY 2015 only and replaced the GST commissions and penalties revenue with State Highway Fund appropriations. This provision sunsets on June 30, 2015.

The Governor recommended continuing the redirection of GST commissions and penalties revenue to the State General Fund in both years of the 2015-2017 biennium with the transfer recommended to sunset on June 30, 2017. Based on the DMV's April 2015 revenue projections, GST commissions revenue is projected to total \$49.8 million and the GST penalties revenue is projected to total \$11 million over the 2015-2017 biennium. Similar to previous biennia, the Governor recommends increasing the DMV administration cap from 22 percent to 31 percent in each year of the 2015-2017 biennium and replacing the GST commissions and penalties revenue with State Highway Fund appropriations in the Field Services budget and the Motor Carrier budget. The Subcommittees did not take action on the redirection to the State General Fund of GST commissions and penalties revenue totaling \$60.8 million over the 2015-2017 biennium and deferred this policy issue decision to the full money committees.

System Modernization (201-4716) DMV-17: The Subcommittees recommended approval of the Governor's recommendation, as amended by Budget Amendment A150024716, to provide State Highway Fund appropriations of \$37.7 million and technology fee revenue of \$9.8 million over the 2015-2017 biennium for the Department's system modernization project. The technology fee revenue would be generated by a new \$1 technology fee that would be charged on each transaction performed by DMV customers. The recommended funding would begin the replacement of the Department's computer system, which was estimated to cost approximately \$109.4 million over the five-year implementation period.

The Subcommittees also recommended authorizing State Highway Fund appropriations to be transferred between fiscal years within a biennium in the System Modernization budget and transferring State Highway Fund appropriations of \$11.2 million in FY 2016 and \$14.1 million in FY 2017 to the Interim Finance Committee's Contingency Account for vendor costs associated with the customizable off-the-shelf software once these costs are determined and issuance of a letter of intent requiring biannual reports to the Interim Finance Committee on the status of the system modernization project.

Director's Office (201-4744) DMV-19: The Subcommittees did not recommend approval of the Governor's recommendation for three new positions to establish a new internal administrative investigation unit in the Director's Office. The Subcommittees recommended approval of the Governor's recommendation for State Highway Fund appropriations of \$150,251 in each year of the 2015-2017 biennium to increase advertising and public awareness of DMV services. The Subcommittees recommended approval of all other closing items in the Director's Office budget as recommended by the Governor, including Budget Amendment A150054744.

Hearings (201-4732) DMV-31: The Subcommittees recommended approval of the Governor's recommendation to eliminate a vacant DUI adjudicator position and the purchase of new videoconference equipment to allow the remaining administrative law judge

positions to conduct hearings via videoconference in northern Nevada and southern Nevada.

Automation (201-4715) DMV-36: The Subcommittees recommended approval of the Governor's recommendation for two new IT technician positions to provide desktop computer support and the purchase of new Symantec Critical Server Protection software. The addition of the two new IT technician positions would provide existing staff with the necessary time to deploy the new software. Due to the limited duration of the software deployment project, the Subcommittees recommended directing the agency to remove these positions from its base budget in the 2017-2019 biennium.

Compliance Enforcement (201-4740) DMV-54: The Subcommittees recommended approval of the Governor's recommendation to revise the off-highway vehicle (OHV) revenue distribution and continue funding an OHV compliance investigator position, contingent upon passage and approval of Senate Bill 492, which would implement the Governor's recommendation to modify the distribution of OHV registration revenue. The Subcommittees recommended approval of all other closing items in the Compliance Enforcement budget account as recommended by the Governor, including Budget Amendment A150574740.

Motor Vehicle Pollution Control (101-4722) DMV-62: The Subcommittees recommended approval of Budget Amendment A150724722, which recommends reserve reductions of \$65,327 in FY 2016 and \$198,338 in FY 2017 for moving costs and bond service payments associated with the Motor Vehicle Pollution Control budget's share of the new Sahara field office, contingent upon approval of the new building by the K-12/Higher Education/CIP Subcommittees. The Budget Division, Department of Administration, in consultation with the Office of the State Treasurer, recommends the new Sahara DMV field office be funded with 20-year general obligation bonds with debt service payments utilizing State Highway Funds (87.5 percent) and fee revenue from the Motor Vehicle Pollution Control budget (12.5 percent). The recommended distribution reflects each program's share of the square footage in the new Sahara field office. The Subcommittees recommended approval of all other

closing items in the Motor Vehicle Pollution Control budget as recommended by the Governor, including Budget Amendment A150564722.

License Plate Factory (201-4712) DMV-78: The Subcommittees did not recommend approval of the Governor's recommendation to terminate the License Plate Factory budget's repayment to the State Highway Fund for the construction of the license plate factory. The Subcommittees also did not recommend approval of the Governor's recommendation to modify this budget from a self-funded enterprise fund that retains all unexpended funds from one fiscal year to the next to a self-funded enterprise fund that reverts reserve balances greater than \$1 million to the State Highway Fund. The Subcommittees recommended approval of the Governor's recommendation to increase the license plate fee to cover increased costs at the new license plate factory; however, instead of the \$1 increase in license plate fees from \$3 to \$4 recommended by the Governor, the Subcommittees recommended a \$0.50 increase in the license plate fees from \$3 to \$3.50 per license plate effective October 1, 2015. The Subcommittees recommended approval of the Governor's recommendation for a new maintenance repair aid position to assist with maintenance, training, and inmate supervision at the new license plate factory.

The License Plate Factory budget had a closing difference related to the Governor's recommendation for a new eight-year, rolling reissuance of license plates, as proposed in Assembly Bill 484. The Assembly members of the Subcommittees recommended not approving the Governor's recommendation to implement the rolling reissuance of license plates. The Senate members of the Subcommittees recommended approval of the Governor's recommendation to implement the rolling reissuance of license plates, contingent upon passage and approval of Assembly Bill 484.

Field Services (201-4735) DMV-96: Due to increased customers and wait-times, the Subcommittees recommended approval of the Governor's recommendation for 54 new DMV services technician and 5 new DMV services supervisor positions for the five major metropolitan DMV field offices, which includes the

Decatur, Flamingo, Henderson, and Sahara offices located in southern Nevada and the Reno-Galletti office in northern Nevada. The Subcommittees also recommended approval of Budget Amendment A150044735, which recommended the start date for all new positions recommended by the Governor be modified to July 1, 2015.

The Field Services budget had a closing difference related to the Governor's recommendation to provide 14 new DMV services technician positions and 2 new DMV services supervisor positions for the five major metropolitan field offices to cover vacancies, which deviated from the standard staffing practices for state agencies. The Assembly members of the Subcommittees recommended approval of the 16 new positions proposed to cover vacant positions, while the Senate members of the Subcommittees did not recommend approval of the 16 new positions.

The Subcommittees recommended approval of the Governor's recommendation for State appropriations of \$150,000 in FY 2016 and \$100,000 in FY 2017 for enhancements to the DMV's Dash Pass queuing system; however, the Subcommittees recommended placing the funding in reserve and directing the Department to seek authority from the Interim Finance Committee to utilize those funds once it was able to provide documentation justifying the upgrades and associated costs.

The Subcommittees recommended approval of Budget Amendment A150714735, which recommended State Highway Fund appropriations of \$473,795 in FY 2017 for the Field Services budget's share of the cost to move to the new DMV field office on Sahara Avenue in Las Vegas, contingent upon approval of the new building by the K-12/Higher Education/CIP Subcommittees. As previously mentioned, this cost is being shared with the Motor Vehicle Pollution Control budget based on the square footage that would be occupied by each program.

Management Services (201-4742) DMV-109: The Subcommittees recommended approval of the Governor's recommendation for a new management analyst position for the Division's driver program team. The new position would perform research, monitor legislation and federal mandates, manage projects, and administer

federal grants. The Subcommittees recommended approval of all other closing items in the Management Services budget as recommended by the Governor.

For all budgets, the Subcommittees recommended authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

Assemblywoman Carlton asked for clarification regarding the actual cost of the license plates and whether the cost was set through regulation by the Department of Motor Vehicles (DMV). She wanted to ensure that all members had the correct information.

Mr. Drost explained that the license-plate fee was set through regulation. The DMV proposed to increase the fee in October 2015, and the budget document would reflect the revenue associated with that fee.

Assemblywoman Carlton questioned whether the license-plate fee increase should be part of the Subcommittees' closing report. The DMV could decide to adjust the amount to a different rate through regulation, and including the amount of the fee in the budget document might limit the DMV's ability to adjust the rate through regulation. Assemblywoman Carlton noted that the Legislature had no authority to establish the license-plate fee; the Legislature could provide guidance, but she did not think the fee should be included in the budget document. The intent was to create an enterprise fund so that the license plate factory, budget account (BA) 4712, could be self-sufficient in the future.

Mr. Drost pointed out that the cost to produce a license plate was projected at \$3.32 in fiscal year (FY) 2016 and \$3.24 in FY 2017. The DMV would bring regulations forward to the Legislative Commission to increase the fee, and if the higher fee was approved, the DMV could process a work program through the Interim Finance Committee (IFC) for the additional revenue.

Assemblywoman Carlton did not think the issue could be clarified today; she believed it was a regulatory issue rather than a budget issue.

Chair Anderson asked whether Fiscal Analysis Division staff had any concerns about setting the rates through the budget process or whether the rates should be set through regulation.

Mr. Drost indicated that the \$3.50 rate would allow the agency to maintain a reserve balance greater than \$1 million, which had been established as the minimum reserve balance.

Chair Anderson asked whether there was historical precedent that indicated the fee could be included in the budget language. Mr. Drost stated there was no historical precedent regarding BA 4712, because the account was created by the 2013 Legislature.

Chair Anderson requested confirmation that the DMV could submit a work program to IFC should the fee structure change, and Mr. Drost replied that was correct.

Senator Goicoechea believed the Subcommittees felt comfortable setting the fee at \$3.50, because several members had not agreed with raising the fee to \$4. The Subcommittees had no intention of handcuffing the DMV regarding future fee increases.

Assemblywoman Carlton noted that the Subcommittees' vote on the license-plate fee increase was not unanimous.

Chair Anderson said the Subcommittees had also taken no action regarding the 22 percent administration cap, which included the Governor's recommendation to redirect governmental services tax (GST) commissions and penalties revenue totaling \$60.8 million over the 2015-2017 biennium to the State General Fund. The Chair stated he would accept a motion to approve the redirection of revenue.

SENATOR GOICOECHEA MOVED THAT THE COMMITTEES APPROVE THE GOVERNOR'S RECOMMENDATION TO REDIRECT GOVERNMENTAL SERVICES TAX (GST) COMMISSIONS AND PENALTIES REVENUE TOTALING \$60.8 MILLION OVER THE 2015-2017 BIENNIUM TO THE STATE GENERAL FUND, WITH THE TRANSFER RECOMMENDED TO SUNSET ON JUNE 30, 2017, AND APPROVE THE RECOMMENDATION TO INCREASE THE DEPARTMENT OF MOTOR VEHICLES ADMINISTRATION CAP FROM 22 PERCENT TO 31 PERCENT.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Kieckhefer and Smith were not present for the vote.)

Senator Goicoechea stated the Senate Subcommittee members recommended approval of the Governor's recommendation for a new eight-year, rolling reissuance of license plates, which was described by the DMV and law enforcement entities as the typical life expectancy of the plates, depending on several factors. The reflectiveness of the plates and the ability to read the surface of the plate were a concern for law enforcement. The Senate believed that was a good point, and the eight-year rolling average reissuance appeared reasonable.

Chair Anderson noted that the Governor's recommendation was contingent upon approval and passage of Assembly Bill (A.B.) 484. That bill had been heard by the Assembly Committee on Ways and Means, but no action had been taken to date. Approval of the recommendation in budget account (BA) 4712, License Plate Factory, would provide authorization for the DMV to enact any policy that was established by the Legislature in A.B. 484.

ASSEMBLYMAN HAMBRICK MOVED THAT THE ASSEMBLY COMMITTEE ON WAYS AND MEANS CONCUR WITH THE SENATE COMMITTEE ON FINANCE TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR A NEW EIGHT-YEAR ROLLING REISSUANCE OF LICENSE PLATES IN BUDGET ACCOUNT 4712, CONTINGENT UPON PASSAGE AND APPROVAL OF ASSEMBLY BILL 484.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED BY THE ASSEMBLY COMMITTEE ON WAYS AND MEANS. (Assemblywomen Dickman and Titus voted no.)

Chair Anderson said there was another closing issue in budget account (BA) 4735, Field Services. The Assembly members of the Subcommittees recommended approval of the 16 new positions proposed to cover vacant positions for the five Department of Motor Vehicles (DMV) field offices, while the Senate members did not recommend approval of the 16 new positions.

Senator Goicoechea stated that the Senate Subcommittee members were concerned with putting 16 additional positions in the budget account when

DMV lacked the ability to fill existing positions. The Senate members understood that DMV needed help, but did not feel that adding positions that could not be filled was the answer.

Assemblywoman Kirkpatrick noted it was difficult for persons in southern Nevada to conduct business at the DMV offices. If the 16 requested positions would help speed up that process, she believed those positions should be considered. Assemblywoman Kirkpatrick said there were many state positions that were not filled, and she felt that was because Nevada did not take care of its state employees.

Mr. Drost stated that the positions that had already been approved would provide DMV with 100 percent staffing, and the requested 16 positions in BA 4735 would be additional positions to cover vacancies as they occurred in Field Services.

Assemblywoman Titus said it appeared DMV would be overstaffed with the additional positions, and DMV could not fill its current vacant positions; the request was for backup because of the significant turnover rate. She believed that was the reason for the Subcommittees' debate: the DMV wanted to overhire because of its difficulty in retaining staff, and the requested positions would allow the DMV to have backup or surplus employees.

Assemblyman Kirner agreed with Assemblywoman Kirkpatrick that at some point, the Legislature had to take care of state employees so that DMV and other agencies could staff up to 100 percent and retain that staff. He noted that he had recently visited a DMV office and was fortunate to have arrived early and was at the beginning of the line, but the other persons who arrived later had to wait at least 2 hours and 50 minutes for service. Assemblyman Kirner concurred that the DMV needed additional staff, but he was not sure that adding 16 new positions would help; he opined that at some point, the Legislature should consider benefits for state employees.

Senator Goicoechea said the Senate agreed that the DMV needed help, but the problem was far deeper than simply adding 16 additional positions over the 100 percent staffing level. Clearly, the addition of the new DMV facility in Las Vegas would assist with the personnel problems there. However, he noted that the same problems existed in northern Nevada and the rural areas of the state: the wait-times were extensive and persons would not go to the DMV offices if they could avoid it. Senator Goicoechea said the real concern

was that the 16 positions would deviate from the standard staffing practices for state agencies and would be above the 100 percent staffing level.

Assemblywoman Kirkpatrick pointed out that DMV staff was doing yeoman's work for the state, and she did not want the message to be that DMV workers were not performing their duties. The counter staff positions that dealt with the public were sometimes difficult; however, at some point, something had to be done, and if it was not the addition of 16 new positions, then perhaps the Legislature should determine why there was a significant turnover rate at the DMV.

Chair Anderson agreed, adding that he believed that the Legislature had a burden to help DMV retain its staff. He noted that at a previous joint meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means, the Committees approved 50 new DMV services technicians and 5 new DMV services supervisor positions. His concern was that approval of the additional 16 positions would set a precedent for approving positions simply to address vacancies and would be above the standard.

Assemblywoman Carlton said it did seem to be somewhat counterintuitive, but to strive for 100 percent staffing required a cushion; the DMV suffered a 25 percent turnover rate, and less than 50 percent of DMV employees had been in their jobs for five or more years. Assemblywoman Carlton believed that the frontline staff did not have the institutional knowledge to help train new employees, so it took longer for new employees to become proficient in their jobs. There was also the problem of DMV staff transferring to other agencies after training was completed. Assemblywoman Carlton believed there had to be a trained position pool ready to fill vacant positions; to reach 100 percent staffing, the agency had to plan for over 100 percent, because there was always flux in the vacancy rate. She noted that she had supported approval of the

16 new positions at the meeting of the Subcommittees, and those positions were entry-level rather than high-level positions.

Assemblywoman Carlton said the positions would ensure that there was enough DMV staff in the queue to replace vacant positions for the next two years, and she hoped the benefits approved by the Legislature over the next two years would help stabilize the DMV turnover rate. The 2017 Legislature could again review the positions to see if they were necessary. Assemblywoman Carlton believed that the positions were needed for the upcoming biennium.

Chair Anderson asked whether Assemblywoman Carlton would be concerned about setting a precedent that might allow other state agencies to request additional staff over the 100 percent staffing level or whether she believed it should be a one-time provision that only applied to DMV staffing levels.

Assemblywoman Carlton believed that the DMV was like no other state agency because of the customer-service demands and the problems the Department experienced over the past three or four years. Assemblywoman Carlton noted that when she talked with constituents, the usual complaint was about DMV. The problem of staffing had also been addressed a decade ago, and that led to kiosks and Internet renewals. There had been recent issues facing DMV, such as REAL ID and system modernization, along with other changes.

Assemblywoman Carlton believed the positions were needed for the upcoming biennium to ensure that DMV was sufficiently staffed; if another agency approached the Legislature with the same type of need for customer-service positions, those needs should be addressed separately. Assemblywoman Carlton said there should not be a concern about setting a precedent, but rather a concern about addressing the immediate staffing needs of DMV. Each legislator's constituents were having a difficult time with wait-times in DMV offices, and that needed to be addressed.

Chair Anderson agreed that the Committees needed to address the issue. His concern was setting a precedent; many positions had been approved for the DMV, and he was unsure whether the DMV could fill those positions. The Chair asked whether the funding could be moved from the budget and approved by IFC as needed without hamstringing the agency.

Mark Krmpotic, Senate Fiscal Analyst, Legislative Counsel Bureau, replied that the Committees could set aside the funding in the reserve within the Field Services budget and require the DMV to return to IFC based on one or more criteria that the DMV would be required to meet to demonstrate the need to IFC before it would authorize the funding. The Committees could also set aside the funding in the IFC Contingency Account. Mr. Krmpotic said either way, the DMV would need to return to IFC and demonstrate either: (1) that positions were being filled or (2) that the wait-times were being maintained. Fiscal Analysis Division staff could work on that criteria if desired by the Committees.

Assemblywoman Titus wondered how many DMV services technician position vacancies there were at the DMV at the present time, because it was her

impression that the vacancies were significant. Assemblywoman Titus stated she would support a motion to concur with the Senate to not approve the positions and place the funding in either the Field Services reserve or the IFC Contingency Account, contingent on the DMV providing evidence that it had filled existing vacancies and needed additional positions. She too shared the frustration regarding wait-times at DMV offices, and it was intuitive that something was happening in the field offices that caused the significant turnover. Whether it was because the workload was too great for employees, or for other reasons, there had to be some cause for the DMV turnover rate.

Mr. Drost noted that as of April 22, 2015, the DMV reported 29 vacant DMV services technician positions, with 24 of those vacancies at the five metropolitan DMV offices. As of the budget closing date, job offers had been made for 9 of the 24 vacant positions, with an anticipated hire date of May 11, 2015.

Chair Anderson asked how that compared to other divisions and positions at DMV; he wondered whether the area of concern was only with the DMV services technician positions.

Mr. Drost indicated that Troy Dillard, Director, Department of Motor Vehicles, testified during the budget hearing that the Field Services Division experienced constant turnover.

Senator Goicoechea noted that the funding for additional positions had been placed in the IFC Contingency Account for other budget accounts. Those positions would be approved by IFC once the agency demonstrated an improvement in recruitment and the retention rate.

Assemblywoman Carlton said her ultimate concern was ensuring that all service windows at DMV offices were staffed and open to customers. There were stories about the DMV begging employees to work overtime because of the lack of employees. Assemblywoman Carlton noted that DMV often turned customers away at the end of the day, and at some point, employees would not want to work overtime because it took time away from their families. She believed that DMV staff was giving up a great deal by working overtime, and the most significant problem was when all service windows were not open and persons were waiting in lines that went "out the door."

Assemblywoman Carlton opined that the Legislature should take appropriate action to place staff at all DMV service windows to process customers in a timely manner. If the requested 16 new positions made a difference in helping with that problem, Assemblywoman Carlton said that was the least the Legislature could do for the DMV.

Assemblyman Edwards said normally he would check with upper management regarding why there was continuing turnover in one section. However, the more he had learned about the DMV and the duties that had been foisted upon it as part of the DMV's duties and responsibilities, it appeared that the DMV was dealing with a structure that was designed several years ago, and which did not properly account for all the changes and additions to the DMV's responsibilities. In the current case, DMV staff was working very diligently, and the DMV was asking the Legislature for help. In many cases, the Legislature turned to the agencies and deferred to their managerial decisions about the needs of the agencies.

Assemblyman Edwards believed the current request for 16 positions for the Field Services Division was an attempt by DMV leadership to fix a major problem for the benefit of legislators' constituents; therefore, Assemblyman Edwards thought the Legislature should help the DMV in whatever way possible. He commented that 16 positions was not a great number, and he believed those positions would make a tremendous difference to the customers who had to stand in line hour after hour.

Assemblyman Edwards opined that the Legislature owed it to the DMV to provide the requested positions and trust that the Department would use those positions appropriately to ease customer wait-times. He noted that the Legislature could check on DMV's progress later, but at the present time, the DMV was in a situation that required the Legislature to provide the assistance sought by the Department so it could fill vacancies and reduce the turnover rate. Assemblyman Edwards fully supported the Governor's recommendation to provide 16 additional positions, and if that did not address the problem, the 2017 Legislature could review other ways to assist the DMV.

Chair Anderson believed the money should be placed in the IFC Contingency Account, and the DMV could fund additional positions when needed. That would allow the DMV to request positions as needed while not setting a precedent for other state agencies. He did not feel that would delay hiring.

SENATOR GOICOECHEA MOVED THAT THE COMMITTEES REMOVE THE FUNDING FROM BUDGET ACCOUNT 4735 FOR 14 NEW DMV SERVICES TECHNICIAN POSITIONS AND 2 NEW DMV SERVICES SUPERVISOR POSITIONS AND APPROPRIATE THAT AMOUNT TO THE INTERIM FINANCE COMMITTEE CONTINGENCY ACCOUNT FOR ALLOCATION TO THE DEPARTMENT OF MOTOR VEHICLES AT A LATER DATE, UPON APPROVAL OF THE INTERIM FINANCE COMMITTEE.

Mr. Krmpotic said it was his understanding that the motion would remove the funding from BA 4735 and appropriate that amount to the IFC Contingency Account for allocation to the DMV at a later date, upon IFC approval.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

Chair Anderson believed that would create a "middle ground" where the funding for the positions would be available and could be allocated as needed.

Assemblywoman Kirkpatrick stated she would not support the motion because of the logistics. She pointed out that even if the DMV submitted a work program to IFC tomorrow, the next IFC meeting would be held in September 2015, and the DMV would then be required to follow the process of advertising the positions and hiring staff, which could take several additional months. While she agreed with the concept of placing funds in the IFC Contingency Account for other agencies, logistically it would not help the DMV.

Assemblyman Edwards said he understood the rationale of placing the funding for the positions in the Contingency Account, but he believed the Assembly members of the Subcommittee made the right decision with their vote to approve the additional positions, and he would stand by that decision as the Assembly Subcommittee Chair. Assemblyman Edwards hoped the Legislature would give the DMV as much help as requested, and for that reason, he would vote no on the motion.

Assemblyman Sprinkle applauded Chair Anderson's effort to reach a consensus among the members of the Committees, but he agreed with Assemblyman Edwards. He concurred that the right decision was made by the Assembly Subcommittee members, and he would also vote no.

Chair Anderson called for a vote on the motion and second that was before the Committees.

THE MOTION FAILED ON THE ASSEMBLY SIDE. (Assemblymen Armstrong, Benitez-Thompson, Bustamante Adams, Carlton, Dickman, Edwards, Hickey, Kirner, Kirkpatrick, Sprinkle, Swank, and Titus voted no. Assemblyman Hambrick was not present for the vote.)

THE MOTION CARRIED ON THE SENATE SIDE.
(Senators Kieckhefer and Smith were not present for the vote.)

Chair Anderson indicated that the 16 new positions requested in BA 4735, Field Services, would be discussed further at the next joint meeting of the Committees. At that time, the Committees might consider approving the positions, but not allow the DMV to hire above the approved 100 percent staffing level. Chair Anderson called for a motion to approve the closing report from the Subcommittees regarding the Department of Motor Vehicles, with the exception of BA 4735, which would remain open for further discussion.

SENATOR PARKS MOVED TO ACCEPT THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS, SUBCOMMITTEES ON PUBLIC SAFETY, NATURAL RESOURCES AND TRANSPORTATION AS PRESENTED FOR THE BUDGET ACCOUNTS OF THE DEPARTMENT OF MOTOR VEHICLES, WITH THE EXCEPTION OF BUDGET ACCOUNT 4735, FIELD SERVICES, WHICH WOULD REMAIN OPEN FOR FURTHER DISCUSSION.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick and Swank and Senators Kieckhefer and Smith were not present for the vote.)

Jennifer Ouellette, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, read the closing report into the record from the Senate Committee on Finance and the Assembly Committee on Ways and Means Subcommittees on Public Safety, Natural Resources, and Transportation for the Department of Public Safety.

The Subcommittees on Public Safety, Natural Resources and Transportation completed the review of the Department of Public Safety budget for the 2015-2017 biennium. The closing recommendations of the Subcommittees resulted in a State General Fund savings of \$40,896 in fiscal year (FY) 2016 and a State General Fund appropriation increase of \$18,148 in FY 2017. The closing recommendations of the Subcommittees resulted in a State Highway Fund savings of \$851,794 in FY 2016 and a State Highway Fund appropriation increase of \$94,524 in FY 2017. The following comments describe the more significant recommendations of the Subcommittees.

Director's Office (201-4706) PUBLIC SAFETY-10: Regarding the consolidation approved by the 2013 Legislature, the Subcommittees recommended approval of the Governor's recommendation for \$11.2 million over the 2015-2017 biennium (departmentwide) for information technology services provided by the Department of Administration's Enterprise Information Technology Services (EITS), which was included in The Executive Budget for all divisions under the Department of Public Safety (DPS) that utilized EITS services. The Subcommittees also recommended approval of an additional \$1.1 million over the biennium for DPS-specific costs to be billed directly by EITS to DPS, and which would be removed from other EITS cost pools, resulting in a corresponding \$1.1 million decrease in the total amount EITS would charge state agencies for standard EITS services.

The Subcommittees also recommended approval of the Governor's recommendation to transfer the public information officer position from the Nevada Highway Patrol to the Director's Office to provide statewide media coverage for the Department resulting in increased cost-allocation reimbursements of \$250,270 over the biennium.

Office of Professional Responsibility (201-4707)
PUBLIC SAFETY-17: The Subcommittees recommended approval of the Governor's recommendation to add a new DPS sergeant position and associated operating costs to conduct administrative investigations on employee misconduct for both sworn and nonsworn DPS employees resulting in increased cost-allocation reimbursements of \$231,141 over the 2015-2017 biennium.

The recommendation will allow the Nevada Highway Patrol sergeant currently performing the duties to return to NHP.

Forfeitures (101-4703) PUBLIC SAFETY-32: The Subcommittees recommended approval of the Governor's recommendation to decrease reserves by \$1.4 million over the 2015-2017 biennium to fund 50 percent of the equipment and wireless costs of the Nevada Highway Patrol's mobile data computer project, consistent with the closing of the Nevada Highway Patrol budget.

Highway Patrol (201-4713) PUBLIC-SAFETY-47:

The Subcommittees recommended approval of the Governor's recommendation to continue funding of \$2.9 million for the mobile data computer project through the 2015-2017 biennium. Mobile data computers would allow officers to access various data including computer aided dispatch service and records management. Field officers would be able to search driver's license and vehicle-licensing data from their patrol cars, determine if a person has any outstanding warrants, and view a limited amount of a person's criminal history. The agency also anticipates decreased radio traffic for dispatch operators. Recommended project funding over the 2015-2017 biennium is split 50 percent from a transfer from the Department of Transportation (95 percent federal funding and 5 percent State Highway Fund appropriations), with the remaining 50 percent of funding provided by the DPS Forfeitures budget. It is anticipated that State Highway Fund appropriations would fund the majority of the program beginning in FY 2018, if another source of funding is not subsequently identified.

The Subcommittees recommended approval of the remainder of this budget as recommended by the Governor, with an adjustment to reduce maintenance contracts for citation writers and shift 152 portable radio replacements from FY 2016 to FY 2017 and FY 2018.

Criminal History Repository (101-4709) PUBLIC SAFETY-127:

As recommended by the Governor, the Subcommittees recommended approval of State General Fund appropriations of \$2.2 million over the 2015-2017 biennium for phase two of the Nevada Criminal Justice Information System (NCJIS) modernization

project and recommends an additional \$130,000 in State General Fund appropriations to fund additional contracted programmer costs. The Subcommittees also recommended approval of 20 temporary contract positions, 10 more than recommended by the Governor, to continue work on the court dispositions backlog, funded by federal grant funds and an additional \$577,912 in agency reserves. Finally, the Subcommittees recommended approval of the Governor's recommendation to add two program officer positions and one administrative assistant position to the sex offender registry; adding one administrative assistant position to the civil name check program; and adding two IT professional positions.

Capitol Police (710-4727) PUBLIC SAFETY-171:

The Subcommittees recommended approval of the Governor's recommendation to eliminate four DPS officer positions and replace those positions with three armed contract security officers to monitor the Grant Sawyer State Office Building in Las Vegas and the Capitol Building in Carson City after normal working hours. The contract security officers would also monitor the Attorney General's Office in Carson City where peace officer duties are not required.

Parole Board (101-3800) PUBLIC SAFETY-219:

The Subcommittees recommended approval of the Governor's recommendation for State General Fund appropriations of \$169,434 over the 2015-2017 biennium to restore one management analyst position and associated operating costs for the sex offender program. The Subcommittees also voted to approve the Governor's recommendation for State General Fund appropriations of \$101,395 in FY 2016 to modify the State Board of Parole Commissioners modules in the Nevada Offender Tracking system.

The Subcommittees recommended approval of all other closing items within the Department of Public Safety budgets that were presented to the Subcommittees as recommended by the Governor, and authorized Fiscal Analysis Division staff to make technical adjustments as necessary.

The Subcommittees recommended closing the following Department of Public Safety budgets as included in The Executive Budget, with technical or no adjustments:

- Division of Investigations (101-3743) PUBLIC-SAFETY-90.
- Emergency Management Division (101-3673)
PUBLIC-SAFETY-102.
- Highway Safety Plan & Admin (101-4688)
PUBLIC-SAFETY-184.

There being no further discussion regarding the closing report, Chair Anderson called for a motion.

SENATOR ROBERSON MOVED TO APPROVE THE CLOSING REPORT FROM THE SENATE COMMITTEE ON FINANCE AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS SUBCOMMITTEES ON PUBLIC SAFETY, NATURAL RESOURCES, AND TRANSPORTATION, AS PRESENTED FOR BUDGET ACCOUNTS OF THE DEPARTMENT OF PUBLIC SAFETY.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick and Swank and Senators Kieckhefer and Smith were not present for the vote.)

BUDGET CLOSED.

* * * * *

Chair Anderson opened public comment.

Joe Tyler, past president, National Alliance for of Mental Illness (NAMI) of Northern Nevada, believed that the Republicans thought if they simply suppressed the state's shortcomings often enough they would just go away. He said the fact was that Nevada had the lowest per-capita spending for mental health in the nation, and Nevada was also the lowest in the ratio of psychiatrists to patients. Mr. Tyler said Medicaid reimbursements were also difficult. He opined that because of the failed mental health system, there would be more shootings soon to follow, more "suicide by cop" cases, more persons jumping

off buildings, and more overcrowding of emergency rooms, which was simply not acceptable.

Mr. Tyler said he and others conducted a support group in Reno, and the cuts that the Legislature was approving began with \$10 million for transitional housing that was cut to \$6 million. He pointed out that transitional housing was for patients leaving a hospital setting who needed assistance in returning to the community.

Kathy Rusco, member, NAMI of Northern Nevada, said she and Mr. Tyler worked with homeless persons at the Record Street shelter in downtown Reno. There were many sick persons, and Reno also had a problem with chronic homelessness. Ms. Rusco said, ironically, it cost much more not to care for mentally ill persons than it did to help them become stable and possibly enter the workforce. Ms. Rusco hoped that someday the state would take responsibility and invest in mental health care for its most vulnerable citizens.

Donna Shibovich, Consumer Representative, NAMI of Northern Nevada, stated that she was always fighting for the rights and fair treatment of Nevada's mentally ill population. She said Nevada's mentally ill deserved the best treatment in various areas of life to meet medical, educational, recreational, pharmaceutical, occupational, and housing needs. Not having a place to live made it more difficult for the mentally ill; the struggle was tremendous and discrimination was extremely high.

Ms. Shibovich said the streets, alleys, and the Truckee River area in Reno were inundated with the homeless mentally ill, who needed the hope she was given in 1998 when her landlady said she was paying too much for rent and advised her to apply for Section 8, [of the Housing Act of 1937] assistance from the U.S. Department of Housing and Urban Development. Ms. Shibovich said she applied for assistance, was approved, and now over half her rent was subsidized, and she had sufficient money to pay her remaining bills.

Ms. Shibovich noted that the Legislature had done much in the past to help mentally ill citizens, and she hoped it would continue in the future. She asked that there be no further cuts in the housing or employment budgets for the mentally ill.

Gerald O'Brien, President, NAMI of Northern Nevada, stated he had benefitted greatly from the transitional housing programs and had been able to move into an apartment rather than continue to live with his parents and depend on their

generosity. He viewed the transitional housing program as an intermediate step between living with his parents and living independently as a productive citizen.

Mr. O'Brien said transitional housing also helped individuals going through the mental health court turn their lives around. The mental health court program monitored and assisted persons in finding housing and jobs. He feared that if the housing budget was cut, rehabilitation and recovery for many persons with mental illness would be out of reach. Mr. O'Brien said that legislators had the power to assist in the recovery of many individuals who needed their help.

Charles Duarte, MBA, Chief Executive Officer, Community Health Alliance, stated that the Community Health Alliance was a group of community health centers in the Reno area that included a center on Record Street for the homeless. Based on the previous testimony, he did not think he needed to add anything further about the need for transitional housing for the mentally ill. Mr. Duarte said it was counterintuitive to him that with more persons entering the healthcare system with insurance, including those with severe mental illness, that there would be a reduction in inpatient admissions and a reduction in the need for transitional housing care. Private psychiatric beds had been added in southern Nevada, but Nevada still lagged far behind in the number of hospital beds needed to serve the mentally ill population.

Mr. Duarte opined that the budget cut was based on an assumption that Medicaid managed-care plans were providing adequate care. At a recent public mental health meeting, a state official indicated he did not know what access to care was available for persons who needed mental health services, and he would look into the matter. Mr. Duarte believed that state officials were unaware of whether persons were receiving adequate services through managed care.

Mr. Duarte said a recent discussion with officials from the Department of Health and Human Services indicated that between 6 percent and 12 percent of licensed psychiatrists in Nevada contracted with Medicaid and would see new patients, and that percentage changed from day to day. Mr. Duarte said that meant that just 6 to 12 psychiatrists would see new Medicaid patients and that simply was not adequate care. Services such as transitional housing were essential for helping persons transition from acute psychiatric episodes into the community, helping them remain in the community, and helping them to not repeat the cycle. The lack of care was forcing persons into institutions, particularly jails, and it was sad when the jails in northern and southern Nevada were some of the largest mental health providers. Should funding become

available later in the session, Mr. Duarte asked the Committees to reconsider the budget cut for transitional housing.

Kathy Bakst, private citizen, Carson City, Nevada, stated she was the parent of a 32-year-old son who suffered from mental illness. She had been dealing with the housing situation in Carson City and Reno for the last 10 years in an attempt to locate adequate housing for her son. The housing situation in Nevada was not adequate, and Ms. Bakst said her son could not find a group home in Carson City; there were a few group homes in Reno. Continuation of the transitional housing funding would not help her and her son, but it would help people with mental illness in Nevada who were desperately in need of help from legislators. Ms. Bakst hoped that at some time funding could be found to not only restore the current transitional housing budget, but also to increase that budget.

Ms. Bakst said she dealt with many persons at Northern Nevada Adult Mental Health Service (NNAMHS), Division of Public and Behavioral Health, Department of Health and Human Services, because her son saw a psychiatrist at that facility, but there were not enough psychiatrists to serve those who needed assistance. She indicated that at times, persons had to wait four months for an appointment with a psychiatrist. Ms. Bakst asked that the Legislature continue to support mental health in Nevada.

Chair Anderson thanked those persons who had testified and indicated that legislators recognized the need to continue discussing the issue.

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With no further business or public comment to come before the Committees,
Chair Anderson adjourned the hearing at 10:30 a.m.

RESPECTFULLY SUBMITTED:

Carol Thomsen
Committee Secretary

APPROVED BY:

Assemblyman Paul Anderson, Chair

DATE: _____

Senator Ben Kieckhefer, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Ways and Means and
Senate Committee on Finance

Date: May 13, 2015

Time of Meeting: 8:11 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster