

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Eighth Session
May 31, 2015**

The Committee on Ways and Means was called to order by Chair Paul Anderson at 9:43 a.m. on Sunday, May 31, 2015, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/78th2015. 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).

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

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Sarah Coffman, Senior Program Analyst
Jeff Ferguson, Senior Program Analyst

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Brody Leiser, Program Analyst
Carol Thomsen, Committee Secretary
Cynthia Wyett, Committee Assistant

After call of the roll, Chair Anderson opened public comment.

Craig M. Stevens, Director of Intergovernmental Relations, Government Affairs, Clark County School District, stated that the Committee had discussed Assembly Bill (A.B.) 394 (1st Reprint) at its work session on May 30, 2015. There were comments made at that time about the Clark County School District's (CCSD) unwillingness to work with the bill's sponsors.

Mr. Stevens believed that CCSD had worked very diligently with the sponsors regarding the bill and had been meeting with Assemblyman David M. Gardner, Assembly District No. 9, since January 8, 2015. Mr. Stevens said he and many of the lobbying staff of CCSD had met with Assemblyman Gardner several times, had brought three different school board trustees to meet with Assemblyman Gardner, and had scheduled an appointment for CCSD Superintendent Pat Skorkowsky to meet with Assemblyman Gardner.

Mr. Stevens reiterated that CCSD had done everything possible to work with the sponsors of the bill. However, CCSD had asked that the plan to reorganize CCSD be brought back to the 2017 Legislature for review, rather than filing the plan with the CCSD Board of School Trustees, whereupon the plan would become effective immediately upon filing and would be effective for the 2017-2018 school year.

Mr. Stevens stated that he had spoken to John Swendseid, Sherman and Howard, who acted as the bond counsel and disclosure counsel to the CCSD, regarding its concerns, and a letter dated May 21, 2015, from Mr. Swendseid had been presented to the Committee for its review ([Exhibit C](#)). Mr. Stevens said in a recent conversation, Mr. Swendseid emphasized that the concerns expressed in his letter regarding A.B. 394 (R1) remained the same. He believed those concerns could be alleviated if the advisory committee and technical advisory committee created by the bill would report back to the 2017 Legislature rather than completing a study whose plan would automatically go into effect.

Mr. Stevens said Mr. Swendseid indicated the conclusions remained the same; however, he had not been contacted by a representative from the Legislative Counsel Bureau so he could explain his letter of May 21, 2015, ([Exhibit C](#)). Mr. Stevens indicated there was also an unsolicited fiscal note on

the bill, and he would be happy to discuss that fiscal note with Committee members.

There being no further public comment to come before the Committee, Chair Anderson closed public comment.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that the first item for consideration was bill draft request (BDR) S-1288, later introduced as Senate Bill 514, which would become the Appropriations Act. Ms. Jones explained that there was no action required by the Committee regarding the Appropriations Act, which included all State General Fund appropriations that were approved by the Assembly Committee on Ways and Means and the Senate Committee on Finance during session. The bill would be introduced by the Senate and moved to the Assembly upon approval.

Jeff Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the total State General Fund appropriation contained in the Appropriations Act (BDR S-1288) for fiscal year (FY) 2016 was \$2,172,853,959, and was \$2,266,594,033 for FY 2017, for a total of \$4,439,447,992 over the biennium.

Mr. Ferguson offered the following information regarding the sections of the Appropriations Act (BR S-1288):

Sections 2 through 32:

Depicted the total appropriations to each state agency.

Section 33:

Depicted the State Highway Fund appropriations.

Section 34:

Contained language that required the amounts appropriated in the act were subject to the State Budget Act for the allotment, transfer, work program, and budget provisions. Subsection 3 stated that sums appropriated for the support of the Supreme Court and the Legislative Fund were excluded from the provisions of the State Budget Act.

Section 35:

Listed 22 specific programs or agencies that were allowed to transfer appropriations from one fiscal year to the other with approval by the Interim Finance Committee upon the recommendation of the Governor.

Section 36:

Allowed that certain amounts in section 15 for education could be transferred from one fiscal year to the other with approval of the Interim Finance Committee upon recommendation of the Governor. Subsection 2(a) stated that a total of \$8,467,318 in fiscal year (FY) 2016 and \$8,384,746 in FY 2017 would be used for high school proficiency examinations, end-of-course examinations, or other statewide assessments in high school required by statute, and the criterion-referenced examinations in Grades 3 through 8. Subsection 2(b) indicated that a total of \$475,979 in FY 2016 and \$348,860 in FY 2017 would be used for the state writing proficiency examinations. The appropriations in both subsections 2(a) and 2(b) could be transferred between fiscal years.

Section 37:

Provided that the sums for Nevada Medicaid and Health Care Financing and Policy Administration, and the Desert Regional Center, Rural Regional Center, and Sierra Regional Center, within the Aging and Disability Services Division of the Department of Health and Human Services, could be transferred among those accounts for the purpose of implementing a managed care program for the waiver population, upon recommendation of the Governor and approval by the Interim Finance Committee. Also, to implement that program, an amendment to the State Plan for Medicaid was required. The Department of Health and Human Services was required to submit to the Interim Finance Committee an analysis of the fiscal impact of transitioning to and implementing such a program.

Section 38:

Indicated that of the amounts appropriated to the Office of the Secretary of State, \$3,907,600 in fiscal year (FY) 2016 and \$7,879,600 in FY 2017, would be appropriated to finance the replacement of the existing electronic Secretary of State (ESOS) software and hardware, and those amounts could be transferred within the same budget account from one fiscal year to the other with approval by the Interim Finance Committee upon the recommendation of the Governor.

Section 39:

Indicated that of the amounts appropriated to the Office of the Secretary of State, \$2,120,322 in FY 2016 and \$2,204,829 in FY 2017 would be allocated to fund credit card processing fees and would be available for both years of the biennium.

Section 40:

Provided that of the amounts appropriated to the Department of Motor Vehicles, \$2 million in both fiscal year (FY) 2016 and FY 2017 would fund credit card processing fees within the Division of Administrative Services, would be available in both years of the biennium, and could be transferred within the same budget account with the approval of the Interim Finance Committee upon the recommendation of the Governor.

Section 41:

Provided that of the amounts appropriated to the State Department of Agriculture, \$1 million in each year of the 2015-2017 biennium must be used to make allocations, to the extent that money was available, to school districts with 70 percent or more of enrolled students eligible for free or reduced-price lunches in the Breakfast After the Bell Program. Those amounts could only be used for schools that did not already have a Breakfast After the Bell Program for the 2014-2015 school year.

Section 42:

Allowed the sums appropriated to the Division of Public and Behavioral Health of the Department of Health and Human Services for Southern Nevada Adult Mental Health Services, Northern Nevada Adult Mental Health Services, and the Facility for the Mental Offender to be transferred among the budget accounts with the approval of the Interim Finance Committee upon recommendation of the Governor.

Section 43:

Provided that of the amounts appropriated to the Department of Administration for the Special Appropriations budget, a total of \$1 million in fiscal year (FY) 2016 would be used to finance a business process consultant to review the state's business processes, would be available in both years of the 2015-2017 biennium, and could be transferred from one fiscal year to the other with the approval of the Interim Finance Committee upon the recommendation of the Governor.

Section 44:

Allowed that any amount remaining of the appropriation to the Division of Child and Family Services of the Department of Health and Human Services for fiscal year (FY) 2015 to category 12 (Summit View Readiness) in budget account 3148 would not revert to the State General Fund and must be carried forward into FY 2016 to cover the expenses related to the reopening of the Summit View Youth Correctional Center. The approval of the Interim Finance Committee would not be required for any requests for the revision of a work program to carry forward money pursuant to this section.

Section 45:

Allowed the amounts appropriated to various state agencies to finance deferred maintenance projects to be transferred within the same budget account from one fiscal year to the other with the approval of the Interim Finance Committee upon the recommendation of the Governor.

Section 46:

Provided that any money remaining in the Catalyst Account and the Knowledge Account at the end of fiscal year (FY) 2015 would not revert to the State General Fund and must be carried forward.

Section 47:

Appropriated from the State General Fund to the Interim Finance Committee the amount of \$692,000 for allocation to the Office of Economic Development, Office of the Governor, for the Unmanned Aerial Vehicle (UAV) program for fiscal year (FY) 2017. The funds could only be allocated by the Interim Finance Committee upon submittal by the Office of Economic Development of an analysis demonstrating the need for the funds in FY 2017 and a plan for use of the funds.

Section 48:

Appropriated from the State General Fund to the Interim Finance Committee the amount of \$500,000 for allocation to the Office of Economic Development for the Train Employees Now program in fiscal year (FY) 2017. The money could only be allocated by the Interim Finance Committee upon submittal by the Office of Economic Development of an analysis demonstrating the need for the funds.

Section 49:

Allowed the amounts appropriated to the Legislative Fund to support the Legislative Commission, the divisions of the Legislative Counsel Bureau, and interim legislative operations available in both years of the 2015-2017 biennium to be transferred among the budget accounts from one fiscal year to the other with approval of the Legislative Commission upon the recommendation of the Director of the Legislative Counsel Bureau.

Section 50:

Appropriated from the State General Fund to the Fund for Aviation the amount of \$100,000 in each year of the biennium for enlargement, improvement, or maintenance of rural airports, landing areas, or air navigation facilities in Nevada. Those monies were to be used by the rural airports to match money that was available from the Federal Aviation Administration.

Section 51:

Provided that the appropriation to the Special Appropriations budget from the State General Fund and the State Highway Fund for replacement of the state microwave communications system was a loan to the Division of Enterprise Information Technology Services of the Department of Administration. Subsections 2 and 3 set forth the repayment schedule and the method for repayment of the loan by the Division of Enterprise Information Technology Services, Department of Administration, to the State General Fund and the State Highway Fund. The repayment would commence in fiscal year (FY) 2017 and continue through FY 2028.

Section 52:

Provided that the appropriated amounts to the Division of Health Care Financing and Policy and the Division of Welfare and Supportive Services, except for the amounts appropriated to Health Care Financing and Policy Administration, Assistance to the Aged and Blind, Welfare Administration budget accounts, and the Welfare Field Services Account, were limits and the Divisions would not request additional money for those programs except for the following five exceptions:

1. In the event that federal financial participations rates were less than legislatively approved amounts.
2. In the event that costs related to additional services mandated by the federal government increased.
3. In the event that costs related to providing federally mandated behavior intervention services to children with autism spectrum disorder were higher than legislatively approved.
4. In the event that costs related to the Medicaid county match and waiver populations exceeded the 8 cent county reimbursement cap.
5. In the event that the annual allocation of federal Temporary Assistance for Needy Families (TANF) block grant funds were lower than the legislatively approved amounts.

Section 53:

Provided that the amounts appropriated to the Division of Child and Family Services of the Department of Health and Human Services, Clark County Child Welfare, and Washoe County Child Welfare accounts, for the purpose of providing block grant allocations to agencies, which provided child welfare

services in a county whose population was 100,000 or more, were limits. The Division could not request additional sums for those programs.

Section 54:

Allowed the sums appropriated to the Division of Welfare and Supportive Services of the Department of Health and Human Services to be transferred among the various budget accounts of the Division with the approval of the Interim Finance Committee upon the recommendation of the Governor.

Section 55:

Allowed the sums appropriated to the Nevada Medicaid and the Nevada Check-Up Program budget accounts to be transferred between each budget account with approval of the Interim Finance Committee upon the recommendation of the Governor.

Section 56:

Allowed the sums appropriated to the Division of Child and Family Services of the Department of Health and Human Services for the Juvenile Correctional Facility, Caliente Youth Center, and the Nevada Youth Training Center budget account to be transferred between each budget account with the approval of the Interim Finance Committee upon the recommendation of the Governor.

Section 57:

Subsection 1 allowed the Department of Health and Human Services, with approval of the Interim Finance Committee upon recommendation of the Governor, to transfer from the various divisions of the Department to an account created in the State General Fund any excess money available to the divisions because of savings. Subsection 2(a) allowed those funds to be used to pay administrative and related costs and the state's share of the cost for expansion of the upper payment limit program. Subsection 2(b) provided that those funds remaining after paying the state's share of the cost for expansion of the upper payment limit program must be reverted to the State General Fund at the end of each fiscal year of the 2015-2017 biennium.

Section 58:

Allowed the sums appropriated to the Aging and Disability Services Division of the Department of Health and Human Services for the Desert Regional Center, Sierra Regional Center, and Rural Regional Center to be transferred between each budget account for residential support, family support/respite, and jobs and day training services with the approval of the Interim Finance Committee upon the recommendation of the Governor.

Section 59:

Subsection 1 appropriated \$2,205,506 in fiscal year (FY) 2017 to the Interim Finance Committee for allocation to the Home and Community Based Services account within the Department of Health and Human Services for the costs of services provided by the Autism Treatment Assistance Program within the Aging and Disability Services Division. Subsection 2 allowed the money appropriated for the Autism Treatment Assistance Program to be allocated with the approval of the Interim Finance Committee upon submittal of documentation indicating sufficient numbers of providers were available to provide treatment to additional children diagnosed with autism spectrum disorder in fiscal year (FY) 2017.

Section 60:

Subsection 1 appropriated from the State General Fund the sum of \$5 million in fiscal year (FY) 2016 to the Interim Finance Committee for allocation to the Aging and Disability Services Division of the Department of Health and Human Services for implementing a senior citizen's property tax assistance program. Subsection 2(a) allowed the money appropriated to be allocated to the Aging and Disability Services Division with the approval of the Interim Finance Committee upon: paragraph (a) recommendation by the Governor upon submittal to the Interim Finance Committee of a plan which provided for property tax rebates, including the criteria upon which eligibility is based; and paragraph (b) a determination by the Interim Finance Committee that the plan and allocation were in the public interest.

Section 61:

Subsection 1 appropriated State General Funds of \$4.6 million in fiscal year (FY) 2016 to the Nevada Medicaid budget account within the Division of Health Care Financing and Policy of the Department of Health and Human Services for costs related to increasing the reimbursement rate for acute inpatient hospital services to a total of 5 percent effective July 1, 2015, from the reimbursement rate paid by the Division for such services in FY 2015. Subsection 2 appropriated \$1,000 in FY 2016 to the Nevada Check-Up Program of the Division of Health Care Financing and Policy of the Department of Health and Human Services for costs related to increasing the reimbursement rate for acute inpatient hospital services to a total of 5 percent effective July 1, 2015, from the reimbursement rate paid by the Division for such services in fiscal year (FY) 2015.

Section 62:

Appropriated from the State General Fund the sum of \$5,432,794 in fiscal year (FY) 2016 to the Department of Taxation to fund additional staffing,

programming, and operating costs the Department needed to implement legislation that might be approved by the 2015 Legislature.

Section 63:

Subsection 1 appropriated from the State General Fund the sum of \$3,062,977 in fiscal year (FY) 2017 to the Interim Finance Committee for allocation to the Department of Corrections to fund salaries, benefits, and related operating expenditures associated with adding 55 protective services positions within the Department. Subsection 2 allowed those funds to be allocated to the Department of Corrections with the approval of the Interim Finance Committee upon the recommendation of the Governor, and upon submittal of documentation supporting the need for the additional positions prior to the beginning of fiscal year (FY) 2017.

Section 64:

Provided that the sums appropriated to the Department of Corrections by section 23 could be transferred among the various budget accounts of the Department. However, the appropriations for deferred maintenance projects were excluded from that transfer.

Section 65:

Provided that sums appropriated to any division, agency, or section of any department of state government for the support of state salaries and payroll costs could be transferred to any division, bureau, agency, or section of the same department for the support of salaries and payroll costs with approval of the Interim Finance Committee upon the recommendation of the Governor.

Section 66:

Allowed the sums appropriated to the Western Interstate Commission for Higher Education (WICHE) to be transferred between each WICHE budget account with the approval of the Interim Finance Committee upon the recommendation of the Governor.

Section 67:

Allowed the sums appropriated to the Nevada System of Higher Education to be transferred among the various budgets of the Nevada System of Higher Education with the approval of the Interim Finance Committee upon the recommendation of the Governor.

Section 68:

Required that the Nevada System of Higher Education comply with any request by the Governor to set aside money from the appropriations made to the Nevada System of Higher Education in any specified amount.

Section 69:

Required that the amounts used to match documented research grants by the Nevada System of Higher Education that were not committed for expenditure by June 30 of each fiscal year of the 2015-2017 biennium could be carried forward for a maximum of two fiscal years, after which time any unexpended amounts would revert to the State General Fund.

Section 70:

Allowed the Nevada System of Higher Education to balance forward any unspent funds in the Performance Funding Pool account to the next fiscal year, also for use as performance pool funding. If those balance forward amounts were not spent, the funds could be carried forward to the second year of the biennium and transferred to the State-Funded Perkins Loan account [budget account 2993] with the approval of the Interim Finance Committee upon the recommendation of the Governor.

Section 71:

Subsections 1(a) and 1(b) provided State General Fund appropriations of \$5,897,569 in fiscal year (FY) 2016 and \$12,467,702 in FY 2017 to the Interim Finance Committee for allocation to the Nevada System of Higher Education for start-up costs related to the development of an allopathic medical school at the University of Nevada, Las Vegas. The appropriation could be allocated to the Nevada System of Higher Education upon recommendation of the Governor and submittal to the Interim Finance Committee of the detailed expenditure plan for the operation and implementation of the new medical school, including a timeline identifying milestones to be achieved through the expenditure of the funding and a determination by the Interim Finance Committee that the plan and allocation were in the public interest.

Subsections 2(a) and 2(b) appropriated State General Funds of \$1,848,656 in fiscal year (FY) 2016 and \$1,999,568 in FY 2017 to the Interim Finance Committee for allocation to the Nevada System of Higher Education, University of Nevada School of Medicine to expand public undergraduate and graduate medical education. The money could be allocated to the Nevada System of Higher Education with the approval of the Interim Finance Committee upon recommendation of the Governor and submittal to the Interim Finance Committee of a detailed plan for expenditure of the funding, and a determination by the Interim Finance Committee that the plan and allocation were in the public interest.

Subsection 3 appropriated from the State General Fund the amount of \$1.5 million in each year of the 2015-2017 biennium to Great Basin College to mitigate the effects of the higher education funding formula. Subsection 4

appropriated from the State General Fund the amount of \$1.1 million in fiscal year (FY) 2016 and \$850,000 in FY 2017 to Western Nevada College to mitigate the effects of the higher education funding formula. Subsection 5 appropriated from the State General Fund the amount of \$477,312 in each year of the 2015-2017 biennium to the Desert Research Institute to mitigate the effects of the higher education funding formula. Subsection 6 appropriated from the State General Fund the amount of \$500,000 in each year of the 2015-2017 biennium to the University of Nevada, Las Vegas, Statewide Programs account to fund personnel and operating expenditures to establish the International Center for Excellence in Gaming Regulation. Subsection 7 prohibited any remaining balances from being committed for expenditure after June 30 of each fiscal year, and any remaining balances would revert to the State General Fund.

Section 72:

Subsection 1 appropriated from the State General Fund the amount of \$2.5 million in each year of the 2015-2017 biennium to the Silver State Opportunity Grant Program, to fund grants to pay a portion of the cost of education for eligible students enrolled in a state or community college within the Nevada System of Higher Education. Subsection 2 prohibited any remaining balances from being committed for expenditure after June 30 of each fiscal year, and any remaining balances would revert to the State General Fund.

Section 73:

Required that the amounts appropriated for the Nevada System of Higher Education would not be allocated by the Nevada System of Higher Education to support expenditures related to professional merit salary increases.

Section 74:

Appropriated from the State General Fund the amount of \$134,707 to the Public Employees' Retirement Board to be expended for the administration of the Legislators' Retirement System for fiscal year (FY) 2016 and FY 2017.

Section 75:

Subsection 1 required that any balance of the appropriations made in this act for fiscal year (FY) 2016 and FY 2017 must not be committed for expenditure after June 30 of each fiscal year, and any unspent funds must revert to the State General Fund if not spent before September 16, 2016, or September 15, 2017, for the respective fiscal years.

Section 75:

Subsection 2 provided that any balance of the appropriations made to the Legislative Fund would not revert to the State General Fund, but constituted a balance carried forward.

Sections 76 through 78:

Required the Office of the State Controller to pay claims, to transfer among the appropriate accounts and funds the amounts necessary to carry out the budget approved by the Legislature, and to pay the annual salaries of Supreme Court Justices, Court of Appeals Judges, District Court Judges, the Governor, the Lieutenant Governor, the Secretary of State, the State Treasurer, the State Controller, and the Attorney General.

Section 79:

Allowed the Division of Forestry, State Department of Conservation and Natural Resources, to receive a temporary advance from the State General Fund to pay authorized expenditures because of fire suppression costs. The section also set forth the criteria required to receive and repay the loan.

Section 80:

Provided that if the Governor ordered the Nevada National Guard into active duty, the Adjutant General of the Nevada National Guard could request a temporary advance of \$25,000 per activation from the State General Fund for the payment of authorized expenses.

Section 81:

Allowed the Governor to set aside reserves if the ending balance of the State General Fund fell below the amount estimated by the 78th Session of the Nevada Legislature for the 2015-2017 biennium or if the State Board of Examiners determined that the ending balance of the State General Fund was projected to be less than \$100 million.

Section 82:

Determined how the State Controller would handle arbitrage issues and how any amounts would be repaid to the federal government.

Section 83:

Appropriated from the State Highway Fund the amount of \$11,238,790 in fiscal year (FY) 2016 and \$14,087,500 in FY 2017 to the Interim Finance Committee for allocation to the System Modernization account within the Department of Motor Vehicles for the costs of software implementation for the system modernization project. The funds would be allocated to the Department of Motor Vehicles with approval from the Interim Finance Committee upon the

recommendation of the Governor and upon submittal of a vendor cost proposal for the software implementation, updated cost estimates for the entire project, and information on the actual equipment and software costs incurred to date for the project.

Section 84:

Added the language historically contained in the Appropriations Act to fund the Account to Stabilize the Operation of the State Government (Rainy Day Fund), which would be created in the State General Fund. The Act extended the ending date for the mandates in statute to July 1, 2017.

Section 85:

Amended existing statute to extend the deadline that appropriations for the Desert Regional Center must be expended from June 30, 2015, to June 30, 2016.

Section 86:

Repealed section 9 of Chapter 433, *Statutes of Nevada* 1997. Two additional Supreme Court Justices were approved by the Legislature until the Intermediate Court of Appeals was approved by the voters. This repealed the language in statute that required the Supreme Court to reduce the number of Justices from seven to five.

Section 87:

Required that if Assembly Bill 469 did not become effective, any references to the Office of Finance in the Office of the Governor shall be deemed to refer to the Budget Division of the Department of Administration, and the Director of the Office shall be deemed to refer to the Chief of the Budget Division.

Section 88:

Depicted the effective dates for the various sections of the Appropriations Act. Some sections would become effective upon passage and approval, and some sections would become effective on July 1, 2015. Section 41 would become effective on July 1, 2015, only if Senate Bill 503 was passed. Section 72 would become effective on July 1, 2015, only if Senate Bill 227 was passed.

Mr. Ferguson indicated that concluded his presentation of the Appropriations Act (BDR S-1288), and he would answer any questions.

Assemblyman Kirner asked whether merit pay for faculty of the Nevada System of Higher Education was included in the Appropriations Act. Mr. Ferguson replied that merit pay was specifically not included in the Act.

Chair Anderson stated that the work session would continue with consideration of Assembly Bill 489.

**Assembly Bill 489: Provides for compensation of state employees.
(BDR S-1290)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 489 was the Unclassified Pay Bill that was heard by the Committee on May 30, 2015. The bill was one of the five major bills required to complete the state's budget. The bill established the maximum salary allowed for certain employees in the classified and unclassified service of the state and made appropriations from the State General Fund and the State Highway Fund for increases in the salaries of certain employees.

Ms. Jones said A.B. 489 contained appropriations from the State General Fund and the State Highway Fund to support the cost of living adjustment (COLA) for state employees, including employees of the Nevada System of Higher Education (NSHE), of 1 percent in the first year of the biennium and 2 percent in the second year. The funds would be set aside by the State Board of Examiners, and agencies would submit a request to the Board for funds to meet their payroll obligations.

Assemblywoman Carlton said The Executive Budget eliminated the furlough days, reinstated the merit step increases, and employees would also receive a 1 percent pay increase beginning in fiscal year (FY) 2016. She wanted everyone to understand that the elimination of the furlough days and merit increases were included in The Executive Budget, and the salary increases were included in the pay bill.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO DO PASS
ASSEMBLY BILL 489.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Edwards and Titus were not present for the vote.)

Assembly Bill 490: Authorizes expenditures by agencies of the State Government for the 2015-2017 biennium. (BDR S-1291)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 490 was

the Authorizations Act that was heard by the Committee on May 30, 2015. The bill was one of the five major budget bills required to complete the state's budget. The act related to state financial administration and authorized expenditures by various officers, departments, boards, agencies, commissions, and institutions of state government for the 2015-2017 biennium, authorized the collection of certain amounts from counties for the use of services of the State Public Defender, and required the repayment of certain advances to state agencies.

Ms. Jones stated that A.B. 490 included the amounts approved by the Assembly Committee on Ways and Means and the Senate Committee on Finance that were not State General Fund revenue. The supporting back language included funds that might be transferred, which was standard language within the Authorizations Act; the effective date for the act was July 1, 2015.

ASSEMBLYWOMAN CARLTON MOVED TO DO PASS
ASSEMBLY BILL 490.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Edwards and Titus were not present for the vote.)

Assembly Bill 491: Authorizes and provides funding for certain projects of capital improvement. (BDR S-1289)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 491 was the Capital Improvement Program (CIP) that was heard by the Committee on May 30, 2015. Ms. Jones said A.B. 491 funded capital improvement projects by authorizing certain expenditures by the State Public Works Division, Department of Administration; levying a property tax in support of the Consolidated Bond Interest and Redemption Fund; and making appropriations as required.

Ms. Jones indicated that the bill contained the CIP projects that were approved for the 2015-2017 biennium. There was certain language throughout A.B. 491 that was associated with the administration of the CIP projects. The bill included new projects, maintenance projects, and statewide maintenance initiatives as approved by the Assembly Committee on Ways and Means and the Senate Committee on Finance.

ASSEMBLYMAN KIRNER MOVED TO DO PASS
ASSEMBLY BILL 491.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Benitez-Thompson,
Edwards, and Titus were not present for the vote.)

**Assembly Bill 476 (1st Reprint): Revises provisions relating to unarmed combat.
(BDR 41-1172)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 476 (1st Reprint) revised provisions related to unarmed combat. The bill contained the funding mechanism for the Nevada Athletic Commission and was heard by the Committee on May 23, 2015; however, subsequent to that hearing, an additional amendment was requested.

Ms. Jones said proposed Amendment No. 7811 ([Exhibit D](#)) had been agreed to by all parties. The amendment facilitated the increase of fees related to unarmed combat from 6 percent to 8 percent, with 2 percent going to support the Nevada Athletic Commission, making it a fee-funded agency rather than a State General Fund-supported agency, as approved by the Assembly Committee on Ways and Means and the Senate Committee on Finance in the budget closing for the Nevada Athletic Commission.

Ms. Jones indicated that the Committee should rescind the action of May 23, 2015, and revote on A.B. 476 (R1).

ASSEMBLYWOMAN KIRKPATRICK MOVED TO RESCIND THE
ACTION OF MAY 23, 2015, TO AMEND AND DO PASS
ASSEMBLY BILL 476 (1ST REPRINT) AS AMENDED.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Edwards was not present
for the vote.)

Bruce Breslow, Director, Department of Business and Industry, explained that A.B. 476 (R1) was the same bill the Committee voted on at its May 23, 2015, hearing. The proposed amendments at that hearing included language that was requested by the Attorney General regarding the policy to help with drug testing and suspensions. The second amendment was proposed by

the Ultimate Fighting Championship (UFC), and Mr. Breslow stated the Department had agreed to both amendments.

Assemblywoman Carlton said it appeared the amendment would remove State General Fund revenue from the budget for the Nevada Athletic Commission and make it a fee-based agency.

Mr. Breslow stated that was correct: the State General Fund would retain the full 6 percent rather than using that to fund the agency. With the changes included in the proposed amendments, it was hoped that additional events could be scheduled because additional staff would be available to hold multiple events on the same day or the same weekend.

Assemblywoman Carlton asked whether the Nevada Athletic Commission would remain a line item within the budget for the Department of Business and Industry and would be reviewed by the 2017 Legislature.

Mr. Breslow stated that the Legislature would have control over the Nevada Athletic Commission, and any additional reserve would be requested through either the Interim Finance Committee (IFC) or the 2017 Legislature. He stated the Department appreciated the Legislature's support and guidance.

Chair Anderson stated he would accept a motion to adopt proposed Amendment No. 7811 and amend and do pass A.B. 476 (R1) as amended.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO ADOPT
PROPOSED AMENDMENT NO. 7811 AND AMEND AND DO PASS
ASSEMBLY BILL 476 (1ST REPRINT) AS AMENDED.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywomen Dickman and Titus
voted no. Assemblyman Edwards was not present for the vote.)

**Senate Bill 227 (2nd Reprint): Creates the Silver State Opportunity Grant
Program. (BDR 34-216)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Senate Bill (S.B.) 227 (2nd Reprint) was heard by the Committee on May 30, 2015. This education bill created the Silver State Opportunity Grant Program and provided for the calculation and award of grants under the program to qualified students enrolled in community colleges and state colleges of the Nevada System of Higher Education (NSHE). The bill

required the Board of Regents of the University of Nevada to submit to the Legislature a biennial report on the program.

Ms. Jones stated that S.B. 227 (R2) outlined the requirements for participants in the program and would become effective on July 1, 2015.

Chair Anderson stated the funding for the program was included in the Appropriations Act, and S.B. 227 (R2) contained the policy.

Assemblywoman Titus stated she would not support the bill and believed that while children needed opportunities, her concern was that there was no obligation for the students to remain in Nevada for their schooling. If that language was included in the bill, she would be more supportive.

Assemblywoman Dickman stated that she would not support the bill.

Assemblywoman Carlton said she supported the bill and appreciated Senator Kieckhefer's and Senator Kihuen's efforts to bring the legislation forward. She noted that Senator Kihuen represented an area that she formerly represented in Las Vegas. Assemblywoman Carlton said when she looked at the demographics of her Assembly district and those around it, community college was the first step for students to become successful and work their way up, and if the program helped students in that effort, she would certainly support that effort. More educated people in the state would help eliminate poverty in Nevada, and she believed the bill would be an excellent step forward.

Assemblywoman Swank reminded the Committee that the mission of the state institutions was to educate Nevada's children. Looking at higher education throughout the country indicated that wherever a student went to school was where they tended to remain.

Assemblyman Hickey said he would support S.B. 227 (R2), and noted that with the exception of professional scholarships that were offered for Nevada students, merit-based scholarships did not require students to remain in the state even though the state would like the students to remain in Nevada. He did not think it would be fair to apply a standard to the Silver State Opportunity Grant Program that the students had to remain in Nevada schools.

Assemblywoman Bustamante Adams commented that she would also support the bill and appreciated the efforts of Senator Kieckhefer and Senator Kihuen in developing the Nevada Affordability Summit held in Las Vegas in December 2014. The bill contained some of the best practices that were

recommended to help solve the problems in Nevada, and she believed it was a step in the right direction.

Chair Anderson said one key piece of the legislation was that students would be enrolled in 15 credit hours, which evidence indicated was a faster path to graduation from college in four years. Those who were enrolled in 15 credit hours tended to graduate, and the bill would provide "gap" funding for students. He indicated he would also support the bill.

ASSEMBLYWOMAN SWANK MOVED TO DO PASS
SENATE BILL 227 (2ND REPRINT).

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywomen Dickman and Titus
voted no.)

**Senate Bill 230: Revises provisions governing the payment of compensation to
certain victims of crime. (BDR 16-1038)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Senate Bill (S.B.) 230 was first heard by the Committee on May 30, 2015, and it revised the provisions governing the payment of compensation to certain victims of crime. The bill removed the limitations on the amount of compensation the State Board of Examiners might award from the Fund for the Compensation of Victims of Crime for certain victims of crime, the dependents of those victims, and certain members of the victim's household.

Assemblyman Kirner recalled that the Fund was not supported by the State General Fund, and he asked about the funding source.

Ms. Jones replied that the Fund for the Compensation of Victims of Crime was supported by court assessments and federal grants.

ASSEMBLYMAN OSCARSON MOVED TO DO PASS
SENATE BILL 230.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Kirkpatrick was not
present for the vote.)

Senate Bill 488 (2nd Reprint): Revises provisions relating to veterinary biologic products and commercial feed sold in Nevada. (BDR 50-1164)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Senate Bill (S.B.) 488 (2nd Reprint) was heard by the Committee on May 30, 2015. The bill authorized the State Department of Agriculture to establish a program for the registration of veterinary biologic products sold in Nevada.

Ms. Jones indicated that Lynn Hettrick, Deputy Director, Division of Administration, State Department of Agriculture, testified at the May 30, 2015, hearing and stated that minor amendments were needed, including changes that were intended to be made when the bill was heard by the Senate Committee on Finance on May 25, 2015.

Ms. Jones referred to Exhibit E, which included a handwritten note indicating there were changes on pages 10, 12, and 14 of S.B. 488 (R2). She asked Mr. Hettrick to explain the requested changes.

Mr. Hettrick stated an amendment had been submitted to the Senate Committee on Finance that was not included in the language of the bill. Mr. Hettrick said he had contacted Brenda J. Erdoes, Legislative Counsel, Legal Division, Legislative Counsel Bureau, regarding the needed changes. When the bill was heard by the Assembly Committee on Ways and Means on May 30, 2015, Mr. Hettrick said he wanted to include the labeling issue that was crucial to the marketing of products within Nevada.

Mr. Hettrick did not know whether another amendment was necessary or whether the language could be changed as indicated in Exhibit E.

Ms. Jones recommended that the Committee amend and do pass S.B. 488 (R2) to ensure that the changes on pages 10, 12, and 14 of Exhibit E were included in the final version of the bill.

Assemblywoman Titus said the changes were not minor. The change in language noted on page 10, section 34, subsection 5 of the bill changed from a public report to a confidential report being submitted. She said she wanted to make sure that was correct.

Mr. Hettrick said the change in that section would return to the original language in the bill and was the model language. Section 44 of the bill indicated that, "The Department shall not publish any information that discloses

confidential or proprietary information regarding the operations of any manufacturer, distributor, guarantor or other person."

Mr. Hettrick said that because Nevada was small, the concern was that a company's tonnage report could be used by a second company to identify its competitor's marketing strategy and distributors.

Assemblywoman Titus wanted to make sure that if there was a public health issue that information would be released by officials as needed. She also wanted to make sure the Committee would vote that the report would remain confidential per section 34, subsection 5.

Mr. Hettrick stated that was correct. Any health concerns would be made available to the public.

ASSEMBLYMAN EDWARDS MOVED THAT THE COMMITTEE AMEND AND DO PASS SENATE BILL 488 (2ND REPRINT) AS AMENDED.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Dickman voted no.)

Assembly Bill 146 (1st Reprint): Provides for a study relating to emissions from motor vehicles. (BDR S-15)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 146 (1st Reprint) was heard by the Committee on May 27, 2015. The bill revised provisions governing motor vehicle licensing and emission control. Proposed Amendment No. 7515 ([Exhibit F](#)) was presented, which would eliminate most of the language of the bill. Section 6.4 would create a committee to conduct a study concerning the inspection and testing of motor vehicles and systems for the control of emissions from motor vehicles.

Ms. Jones informed the Committee that the companion legislation to the bill was Assembly Bill 326 (1st Reprint).

ASSEMBLYWOMAN CARLTON MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 146 (1ST REPRINT) AS AMENDED.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE
MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Assembly Bill 326 (1st Reprint): Revises provisions governing motor vehicle
registration. (BDR 43-1052)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 326 (1st Reprint) was heard by the Committee on May 30, 2015. The bill revised provisions governing motor vehicle registration. The bill was the companion legislation to the bill just heard, Assembly Bill 146 (1st Reprint). Ms. Jones stated that Exhibit G was proposed amendment 7514 to A.B. 326 (R1). The amendment would place a moratorium on the issuance of certain plates for classic cars until the study recommended in A.B. 146 (R1) was completed.

ASSEMBLYWOMAN DICKMAN MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 326 (1ST REPRINT) AS AMENDED.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Hambrick was not present
for the vote.)

Chair Anderson declared the Committee in recess at 10:55 a.m. and reconvened the meeting at 11:07 a.m.

**Senate Bill 467 (1st Reprint): Makes appropriations for the replacement of
Nevada Highway Patrol fleet vehicles, which have exceeded the mileage
threshold. (BDR S-1218)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Senate Bill (S.B.) 467 (1st Reprint) was heard by the Committee on May 29, 2015. The bill made appropriations for the replacement of Nevada Highway Patrol fleet vehicles, which had exceeded the mileage threshold. The bill would make an appropriation from the State Highway Fund to the Nevada Highway Patrol Division, Department of Public Safety, of \$7,679,026 to replace fleet vehicles and \$326,592 to purchase fleet motorcycles to replace other types of fleet vehicles that had

exceeded the mileage threshold. Ms. Jones stated that the funds would also support the additions required to make the new vehicles law enforcement vehicles. The bill was effective upon passage and approval.

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS
SENATE BILL 467 (1ST REPRINT).

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Armstrong,
Benitez-Thompson, Edwards, and Hickey were not present for the
vote.)

**Senate Bill 506 (1st Reprint): Revises provisions relating to state financial
administration. (BDR S-1207)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Senate Bill (S.B.) 506 (1st Reprint) was heard by the Committee on May 29, 2015. The bill provided for changes in state financial administration by requiring the transfer of certain money to the State General Fund for unrestricted use to offset the difference between projected revenues and collections to be used only as necessary to meet existing and future obligations of the state.

Ms. Jones said the bill would become effective upon passage and approval. The bill also indicated the various funds and accounts that would be swept only as necessary to meet existing and future obligations of the state. She indicated that the amount that would be moved from the various accounts to the unrestricted State General Fund was \$42,077,493, which compared to the original amount of \$84,867,887 included in the bill as submitted by the Department of Administration. The reason for the reduction was that the Legal Division, Legislative Counsel Bureau, determined that certain funds could not be swept considering case law and statutory provisions.

ASSEMBLYMAN KIRNER MOVED TO DO PASS SENATE BILL 506
(1ST REPRINT).

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Armstrong,
Benitez-Thompson, Edwards, and Hickey were not present for the
vote.)

**Senate Bill 508 (1st Reprint): Revises provisions governing the Nevada Plan.
(BDR 34-1184)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Senate Bill (S.B.) 508 (1st Reprint) was heard by the Committee on May 29, 2015. The bill revised provisions governing the Nevada Plan. The bill revised provisions requiring a single annual count of pupils enrolled in public schools and required school districts to make quarterly reports of average daily enrollment.

Ms. Jones said the bill included numerous provisions regarding the funding of special education using program units and moving toward a multiplier to the basic support guarantee in the second year of the biennium. The bill also revised provisions governing the inclusion of pupils enrolled in kindergarten and revised hold-harmless provisions for the school districts and charter schools. Ms. Jones noted that \$25 million was added to the education budget in the second year of the biennium that would facilitate transitioning from the unit methodology for supporting students with disabilities to a weighted average with a multiplier of 1.5 of the basic support guarantee. Also, kindergarten pupils had previously been included in the State Distributive School Account (DSA) as a 0.6 full-time equivalent, and with expansion to full-day kindergarten, that would change to a 1.0 full-time equivalent. Ms. Jones said the bill also addressed other changes associated with modernization of the Nevada Plan.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO DO PASS
SENATE BILL 508 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywomen Dickman and Titus voted no. Assemblymen Armstrong, Edwards, Benitez-Thompson, and Oscarson were not present for the vote.)

Chair Anderson declared the Committee recessed at 11:19 a.m. until call of the Chair. Because of time constraints, the meeting was not reconvened and was adjourned by Chair Anderson during the meeting of June 1, 2015, at 1:59 p.m.

RESPECTFULLY SUBMITTED:

Carol Thomsen
Committee Secretary

APPROVED BY:

Assemblyman Paul Anderson, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Ways and Means

Date: May 31, 2015

Time of Meeting: 9:43 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 394 (R1)	C	Craig M. Stevens, Director of Intergovernmental Relations, CCSD	Letter of May 21, 2015, from John Swendseid
A.B. 476 (R1)	D	Bruce Breslow, Director, Department of Business and Industry	Proposed Amendment No. 7811
S.B. 488 (R2)	E	Lynn Hettrick, Deputy Director, State Department of Agriculture	Handwritten proposed changes to the bill
A.B. 146 (R1)	F	Cindy Jones, Assembly Fiscal Analyst, LCB	Proposed Amendment No. 7515
A.B. 326 (R1)	G	Cindy Jones, Assembly Fiscal Analyst, LCB	Proposed Amendment No. 7514