

**MINUTES OF THE MEETING OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND
SENATE COMMITTEE ON FINANCE
SUBCOMMITTEES ON GENERAL GOVERNMENT**

**Seventy-Eighth Session
April 23, 2015**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on General Government was called to order by Chair Randy Kirner at 8:35 a.m. on Thursday, April 23, 2015, in Room 2134 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: 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 SUBCOMMITTEE MEMBERS PRESENT:

Assemblyman Randy Kirner, Chair
Assemblyman Pat Hickey, Vice Chair
Assemblyman Paul Anderson
Assemblywoman Irene Bustamante Adams
Assemblyman Chris Edwards
Assemblywoman Heidi Swank

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Pete Goicoechea, Chair
Senator Michael Roberson
Senator Joyce Woodhouse

STAFF MEMBERS PRESENT:

Stephanie Day, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Leandra Copeland, Program Analyst
Jaimarie Dagdagan, Program Analyst
Mandi Davis, Program Analyst



Adam Drost, Program Analyst
Janice Wright, Committee Secretary
Cynthia Wyett, Committee Assistant

The Committee Secretary called the roll, and all members were present.

Chair Kirner reminded the Subcommittees members, witnesses, and audience members of the rules and protocol.

SPECIAL PURPOSE AGENCIES
SILVER STATE HEALTH INSURANCE EXCHANGE
SILVER STATE HEALTH INSURANCE EXCHANGE ADMIN (101-1400)
BUDGET PAGE HEALTH INS EXCHANGE-3

Leandra Copeland, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, testified that budget account (BA) 1400 funded the Silver State Health Insurance Exchange administration. The first major closing issue related to revenue projections and the financial stability of the Exchange. The Exchange reported that 52,000 persons had enrolled and paid for a qualified health plan. In February 12, 2015, the Board of Directors of the Silver State Health Insurance Exchange voted to revise the method used to calculate the per-member, per-month (PMPM) fee. Beginning in calendar year 2016, PMPM fees would be calculated as a percentage of the presubsidized insurance premium cost, instead of a flat fee. The Exchange Board adopted a fee of 3 percent of the presubsidized insurance premium cost, which was less than the 3.5 percent fee charged by the Federally Facilitated Marketplace.

Ms. Copeland said the Exchange provided revised revenue projections based on the 3 percent fees. Using the new methodology, the average PMPM fee would be \$10.60 in fiscal year (FY) 2016 and \$11.13 in FY 2017. Because of the revised fees, enrollment projections, and average premium projections, the Exchange projected revenue of \$6,104,282 in FY 2016 and \$6,549,646 in FY 2017, which was a decrease of \$100,068 and \$16,504 respectively from the numbers included in The Executive Budget. The Exchange projected reserves equal to 73 days of expenses in FY 2016 and 94 days of expenses in FY 2017. The target goal for reserves was 90 days of expenses.

Ms. Copeland asked whether the Subcommittees wished to approve the updated revenue projections because of the change to the PMPM fee from a flat

fee to a fee calculated as a percentage of the presubsidized insurance premium; that change resulted in a decrease of the PMPM fees projected by \$100,068 in FY 2016 and \$16,504 in FY 2017 and a decrease in the reserves of \$116,572 by the end of FY 2017.

SENATOR GOICOECHEA MOVED TO APPROVE THE UPDATED REVENUE PROJECTIONS FOR BUDGET ACCOUNT 1400 BASED ON MODIFICATIONS OF THE PER-MEMBER, PER-MONTH FEES AS REPORTED BY FISCAL ANALYSIS DIVISION STAFF.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Ms. Copeland said the second major closing issue in BA 1400 was the use of contract staff to certify qualified health plans (QHP). The Governor recommended reserve reductions of \$109,200 in each year of the 2015-2017 biennium to fund three contract positions to certify qualified health plans in accordance with Affordable Care Act (ACA) requirements. Based upon its experience, the Exchange expected to certify 155 qualified health plans in each year. The certification period lasted about six months, and the three contract positions would work 40 hours per week.

Ms. Copeland asked whether the Subcommittees wished to approve QHP reserve reductions of \$109,200 in each year of the 2015-2017 biennium to fund three additional contract staff to assist in certifying qualified health plans.

ASSEMBLYMAN HICKEY MOVED TO APPROVE QUALIFIED HEALTH PLAN RESERVE REDUCTIONS OF \$109,200 TO FUND THREE ADDITIONAL CONTRACT STAFF TO ASSIST IN CERTIFYING QUALIFIED HEALTH PLANS.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

Ms. Copeland advised that the three other closing items in BA 1400 included stipends for board members, replacement equipment, and cost allocations. She asked whether the Subcommittees wished to approve the three other closing items as recommended by the Governor with authority to make adjustments dependent upon passage of Assembly Bill 86 (2nd Reprint) [which revised provisions related to the Exchange]. Ms. Copeland also requested authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

Chair Kirner explained to the Subcommittees that he requested staff of the Fiscal Analysis Division to present only a summary of the other closing items for each budget account because of the large number of items that required action by the Subcommittees. The Fiscal Analysis Division staff had provided reasonable recommendations for consideration of the Subcommittees. He encouraged members of the Subcommittees to ask for more details about any specific items of interest.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE THE THREE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE ADJUSTMENTS DEPENDENT UPON PASSAGE OF ASSEMBLY BILL 86 (R2) AND OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Anderson and Senator Roberson were not present for the vote.)

COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
DTCA – DIVISION OF TOURISM-TOURISM DEVELOPMENT FUND (225-1522)
BUDGET PAGE TOURISM-14

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented details of the Department of Tourism and Cultural Affairs, Tourism Development Fund. Budget account (BA) 1522 was the main operating account that received room tax revenues, and it had four major closing issues. The first major closing issue was the use of \$355,000 in room tax reserves in each year of the 2015-2017 biennium to fund an increase in marketing and advertising with the goal of increasing visitor travel to Nevada. The funding

would purchase additional media buys in key feeder markets in major cities near Nevada and enhance sales and marketing efforts in markets where large airlines were based with the goal of increasing air service to Nevada. Ms. Davis noted that the same key feeder markets were approved for advertising totaling \$450,000 in each year of the 2013-2015 biennium by the 77th Legislature (2013).

Ms. Davis asked whether the Subcommittees wished to approve reserve reductions of \$355,000 in each year of the 2015-2017 biennium to increase marketing and advertising expenditures in key feeder markets.

SENATOR GOICOECHEA MOVED TO APPROVE RESERVE REDUCTIONS OF \$355,000 IN EACH YEAR OF THE 2015-2017 BIENNIUM TO INCREASE MARKETING AND ADVERTISING EXPENDITURES IN KEY FEEDER MARKETS.

ASSEMBLYWOMAN SWANK SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Ms. Davis explained that the second major closing issue was the use of reserves of \$45,724 in fiscal year (FY) 2016 and \$46,969 in FY 2017 for a new information technology technician position based in the Las Vegas office to maintain the Department of Tourism and Cultural Affairs' information systems in the southern Nevada offices. The Department currently had an information technology position based in Carson City, and the increased needs in Las Vegas were too numerous to handle for the Carson City position.

Ms. Davis asked whether the Subcommittees wished to approve the addition of one new information technology technician position and associated costs to support the Department's southern Nevada offices.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO APPROVE THE ADDITION OF ONE NEW INFORMATION TECHNOLOGY TECHNICIAN POSITION AND ASSOCIATED COSTS TO SUPPORT THE DEPARTMENT'S SOUTHERN NEVADA OFFICES.

ASSEMBLYWOMAN SWANK SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Ms. Davis advised that the third major closing issue in BA 1522 was agency representation in India. The Governor recommended the use of room tax reserves of \$70,000 in each year of the 2015-2017 biennium to pay a contracted representative in India to increase international sales efforts throughout Asia. The Department currently worked with representative agencies in eight other countries to market Nevada and had a Nevada office and staff based in China. She asked whether the Subcommittees wished to approve reserve reductions of \$70,000 in each year of the 2015-2017 biennium to fund a new contracted representative in India.

Assemblywoman Bustamante Adams asked whether the contracted position would be funded for the 2017-2019 biennium.

Ms. Davis confirmed that the contracted position would not be funded as an ongoing position but would be included in the agency's base budget. If insufficient room tax revenues were collected, the agency had the option to eliminate the contracted representative.

ASSEMBLYWOMAN SWANK MOVED TO APPROVE RESERVE REDUCTIONS OF \$70,000 IN EACH YEAR OF THE 2015-2017 BIENNIUM FOR BUDGET ACCOUNT 1522 TO ESTABLISH A NEW CONTRACTED REPRESENTATIVE IN INDIA.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Ms. Davis explained the fourth major closing issue in BA 1522 was the room tax transfers to support other Department of Tourism and Cultural Affairs agencies. Decision units Enhancement (E) 128 and E-249 would use room tax reserves to partially support the maintenance and enhancement decision units in the Nevada Arts Council budget, the Nevada Indian Commission budget, and the various Division of Museums and History budgets. Ms. Davis provided estimates of the amount of room tax projected for the 2015-2017 biennium and the transfers to the various agencies. She asked whether the Subcommittees wished to approve \$9,707,718 in room tax revenue transfers to other agencies

to support programs within the Department and tourism-related efforts outside of the Department. If the Subcommittees approved the staff recommendation, Fiscal Analysis Division staff requested authority to make technical adjustments to projected room tax revenues based on the Economic Forum's revised estimates and final closing decisions in the budgets receiving transfers from the Tourism Development Fund.

SENATOR GOICOECHEA MOVED TO APPROVE \$9,707,718 IN ROOM TAX REVENUE TRANSFERS TO OTHER AGENCIES TO SUPPORT TOURISM-RELATED PROGRAMS AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS TO PROJECTED ROOM TAX REVENUES BASED ON THE ECONOMIC FORUM'S REVISED ESTIMATES AND FINAL CLOSING DECISIONS IN THE BUDGETS RECEIVING TRANSFERS FROM THE TOURISM DEVELOPMENT FUND.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Ms. Davis advised that there were five other closing items in BA 1522. She asked whether the Subcommittees wished to approve the five other closing items as recommended by the Governor and authorize Fiscal Analysis Division staff to make technical adjustments noted in other closing items 1 through 3 and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE THE FIVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS NOTED IN OTHER CLOSING ITEMS 1 THROUGH 3 AND OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Ms. Davis noted that the projected room tax revenue reserve levels were based on decisions that would be made in upcoming budgets. She said the reserve levels were an informational item only, and no decision was required.

COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
DTCA – DIVISION OF TOURISM-INDIAN COMMISSION (101-2600)
BUDGET PAGE TOURISM-31

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented details of the Department of Tourism and Cultural Affairs, Nevada Indian Commission budget. Budget account (BA) 2600 had no major closing issues, but included three other closing items. She advised that Fiscal Analysis Division staff recommended the budget be closed as recommended by the Governor and requested authority to make technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE BUDGET
ACCOUNT 2600 AS RECOMMENDED BY THE GOVERNOR AND
AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE
TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for
the vote.)

COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
DTCA – DIVISION OF TOURISM-STEWART INDIAN SCHOOL LIVING LEGACY
(101-2601)
BUDGET PAGE TOURISM-12

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented details of the Department of Tourism and Cultural Affairs, Stewart Indian School Living Legacy budget. Budget account (BA) 2601 was a new budget account associated with the Governor's major budget initiative to provide education about the Stewart Indian School. The major closing issue was a request for State General Fund appropriations to fund \$122,177 in fiscal year (FY) 2017 for salaries, benefits, and operating expenditures of two new

positions: a museum director and a curator. The Governor also recommended funding for design development for renovation of Buildings 1 and 2 on the Stewart campus. The agency received alternate funding for Building 1 and requested to redirect those funds to develop a master plan for the entire Stewart campus. Ms. Davis said this information was provided as informational only and was not part of the requested decision.

Ms. Davis explained a program officer position for the Nevada Indian Commission had been approved in the 77th Session. That program officer position was responsible for identifying potential funding sources, writing grant proposals, maintaining grant awards, and assisting the museum director and curator positions. The Governor's recommendation was to begin construction on the buildings in fiscal year (FY) 2017, and the exhibit design and installation would begin in FY 2019. Fiscal Analysis Division staff was unable to determine whether the proposed workload for the museum director justified a new position in FY 2017 because the museum would not open until FY 2019. The curator position would begin to gather documents, artifacts, and items related to the Stewart Indian School, inventory those items, and ensure they were stored correctly. The curator position would have a sufficient workload in FY 2017. The Cultural Center would display exhibits and provide educational programs to the public in a manner similar to the museums of the Division of Museums and History.

Ms. Davis noted that State General Fund appropriations would fund the proposed positions, which differed from the current funding of the Nevada Indian Commission, which was 75 percent from the General Fund and 25 percent from room tax revenue transfers. The Division of Museums and History received 50 percent of its revenue from General Funds and 50 percent from room tax revenue transfers.

Ms. Davis asked whether the Subcommittees wished to approve the full-time museum director and curator positions, as recommended by the Governor for FY 2017 funded with General Fund appropriations, and provide Fiscal Analysis Division staff authority to make technical adjustments to eliminate the overstated expenditures of the Division of Enterprise Information Technology Services, Department of Administration.

Chair Kirner said based on the information presented, the museum director position might not be needed until the 2017-2019 biennium. The curator position appeared to be needed in FY 2017.

Sherry L. Rupert, Executive Director, Nevada Indian Commission, testified that the museum director position was needed to plan and lead the development of the museum, the cultural center, and the welcome and information center. The position would develop the policies of the museum and cultural center and acquire additional display items. The Nevada Indian Commission had some collections of art and yearbooks, but needed other items of interest that would add to the experience at the cultural center. The museum director position would also develop relationships and funding to sustain the cultural center.

Chair Kirner asked about the consequences if the Subcommittees did not approve the museum director position in the 2015-2017 biennium.

Ms. Rupert said failure to approve the museum director position would be a setback. The Nevada Indian Commission had good momentum from the community and was progressing with the application for a National Historic Landmark designation. Some other entities were interested in providing support. Ms. Rupert planned to return in the 2017 Session to provide news on additional funding received during the interim. She thought the positions were important for the project to progress.

Senator Goicoechea said the Subcommittees' concern was that this request was solely from General Funds, which was different from the other funding. He wondered whether there was a mechanism to hire the museum director position in FY 2017.

Chair Kirner asked whether room tax could be used to fund the new position.

Alex Haartz, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that sufficient revenues were available to fund both positions as recommended by the Governor with 50 percent room tax revenue and 50 percent General Fund appropriation. The funding would not create a burden on the Tourism Development Fund reserves presuming the Department's revenue projections were accurate.

Assemblyman Hickey said the members of the Subcommittees wanted to save General Funds. The Stewart Indian School Historic District was a signature project for Nevada and for the Governor. The museum director position would have a key role for future development and grant writing.

ASSEMBLYMAN HICKEY MOVED TO APPROVE THE FULL-TIME MUSEUM DIRECTOR AND CURATOR POSITIONS AS RECOMMENDED BY THE GOVERNOR FOR FISCAL YEAR 2017 AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS TO ELIMINATE THE OVERSTATED EXPENDITURES OF THE DIVISION OF ENTERPRISE INFORMATION TECHNOLOGY SERVICES, DEPARTMENT OF ADMINISTRATION.

ASSEMBLYWOMAN SWANK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
DTCA – DIVISION OF TOURISM-NEVADA MAGAZINE (530-1530)
BUDGET PAGE TOURISM-25

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented details of the Department of Tourism and Cultural Affairs, Nevada Magazine budget. Budget account (BA) 1530 had one major closing issue. The Governor recommended room tax revenue transfers of \$50,000 in each year of the 2015-2017 biennium from the Tourism Development Fund to the Nevada Magazine to support a direct marketing campaign. The direct marketing campaign would fund mail offers of subscriptions to the *Nevada Magazine* and was projected to generate \$52,000 in new subscription revenue to increase the reserves. The recommendation did not reflect the potential renewal revenue that would be generated in fiscal year (FY) 2017 for new subscribers added in FY 2016. The agency realized the oversight and requested a technical adjustment to include \$49,000 in renewal subscription revenue in FY 2017 for the new subscribers projected to be added in FY 2016. The Executive Budget recommended a \$50,000 transfer of room tax in each year of the 2015-2017 biennium. Ms. Davis stated that the additional \$49,000 projected in FY 2017 would pay for the cost of the direct marketing campaign in FY 2017, thereby eliminating the need to transfer \$50,000 in FY 2017 from the Tourism Development Fund.

Ms. Davis advised that the Subcommittees might wish to consider the following options:

1. Approve the Governor's recommendation to transfer room tax revenues of \$50,000 in each year of the 2015-2017 biennium for a direct marketing campaign and provide Fiscal staff with authority to make technical adjustments to add subscription revenue of \$49,000 in FY 2017.
2. Approve the transfer of room tax revenues of \$50,000 in FY 2016 only and the addition of \$49,000 in subscription renewal revenue to FY 2017 to fund a direct marketing campaign.
3. Not approve the Governor's recommendations to fund a direct marketing campaign with room tax revenues.

Ms. Davis added that if the Subcommittees approved option 2 or option 3 to remove the transfer of room tax revenues from the Tourism Development Fund, Fiscal Analysis Division staff requested authority to make a corresponding technical adjustment in the Tourism Development Fund budget to remove the transfer.

Chair Kirner explained that the Subcommittees had three options to consider. He believed that option 2 provided 54 days of reserves, which was close to the ideal amount of reserves of 60 days of operating expenses.

Assemblywoman Bustamante Adams asked what would happen if the room tax revenue was not generated as projected.

Ms. Davis explained that if the room tax revenues were not generated as projected, the agency could use its reserves to cover the shortfall. Ms. Davis added that if a large shortfall occurred, the agency would have to reduce expenses.

Assemblywoman Swank stated the *Nevada Magazine* was a good tool to attract tourists from "The Strip" in Las Vegas to explore rural areas of the state. She expressed concern about the lack of outreach and advertising on Google and Facebook to the younger generation. She believed more advertising would be helpful. Assemblywoman Swank said she would support the motion, but encouraged *Nevada Magazine* to reach out to younger generations and subscribers.

SENATOR GOICOECHEA MOVED TO APPROVE OPTION 2 TO
TRANSFER \$50,000 OF ROOM TAX REVENUES IN FY 2016 ONLY
AND THE ADDITION OF \$49,000 IN SUBSCRIPTION RENEWAL

REVENUE TO FY 2017 TO FUND DIRECT MARKETING
CAMPAIGNS.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis said the two other closing items in BA 1530 were replacement equipment and cost allocations. She asked whether the Subcommittees wished to approve the other closing items as recommended by the Governor with the technical adjustments noted in other closing item 1 and provide Fiscal Analysis Division staff authority to make other technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE THE OTHER
CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR WITH
THE TECHNICAL ADJUSTMENTS NOTED IN OTHER CLOSING
ITEM 1 AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO
MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
DTCA – DIVISION OF MUSEUMS AND HISTORY (101-2941)
BUDGET PAGE TOURISM-44

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented details of the Department of Tourism and Cultural Affairs, Division of Museums and History budget. Budget account (BA) 2941 funded the Office of the Administrator and contained no major closing issues. There were four other closing items, and Fiscal Analysis Division staff recommended the other closing items be approved as recommended by the Governor and requested authority to make technical adjustments as necessary.

SENATOR GOICOECHEA MOVED TO APPROVE THE OTHER
CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND

AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE
TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN SWANK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

COMMERCE & INDUSTRY

DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS

**DTCA – DIVISION OF MUSEUMS AND HISTORY-NEVADA HISTORICAL
SOCIETY (101-2870)**

BUDGET PAGE TOURISM-54

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented details of the Department of Tourism and Cultural Affairs, Division of Museums and History, Nevada Historical Society budget. The two major closing issues in budget account (BA) 2870 were a new museum director position and a vacant Division of Museums and History Dedicated Trust Fund position. The new museum director position was requested to allow the Nevada Historical Society to maintain its accreditation with the American Alliance of Museums. According to the Alliance website, a museum needed a full-time museum director to whom authority was delegated for day-to-day operations to maintain accreditation. Fiscal Analysis Division staff noted that the Nevada Historical Society was the only museum of the state's seven museums that lacked a museum director position.

Ms. Davis asked whether the Subcommittees wished to approve the addition of a new museum director position and associated costs at the Nevada Historical Society. Ms. Davis explained that the museum director position would be funded 50 percent with State General Fund appropriations and 50 percent with room tax revenue transfers.

ASSEMBLYWOMAN SWANK MOVED TO APPROVE THE
ADDITION OF A NEW MUSEUM DIRECTOR POSITION AND
ASSOCIATED COSTS FOR THE NEVADA HISTORICAL SOCIETY.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis advised that the vacant Museum Dedicated Trust Fund position was the second major closing issue in BA 2870. The administrative assistant position became vacant at the Nevada Historical Society in August 2011. The Board of Museums and History voted to suspend funding because of a lack of funds in the Museum Dedicated Trust Fund.

Ms. Davis said the Subcommittees might wish to consider the following options related to the vacant administrative assistant position:

1. Approve the continuation of the vacant administrative assistant position as recommended by the Governor and allow the agency to determine if there was adequate funding to support the position during the 2015-2017 biennium.
2. Eliminate the vacant administrative assistant position and direct the agency to seek approval from the Interim Finance Committee (IFC) to reestablish the position if the Board of Museums and History determined there was adequate funding to support the position during the 2015-2017 biennium.

Senator Goicoechea said option 2 would allow the agency to study the workload and approach IFC if there was a workload problem or sufficient funding available.

ASSEMBLYMAN EDWARDS MOVED TO ELIMINATE THE VACANT ADMINISTRATIVE ASSISTANT POSITION AND DIRECT THE AGENCY TO SEEK APPROVAL FROM THE INTERIM FINANCE COMMITTEE TO REESTABLISH THE POSITION IF THE BOARD OF MUSEUMS AND HISTORY DETERMINED THERE WAS ADEQUATE FUNDING TO SUPPORT THE POSITION DURING THE 2015-2017 BIENNIUM.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis said the three other closing items in BA 2870 included travel increases, replacement equipment, and cost allocations. She asked whether the Subcommittees wished to approve the other closing items as recommended by the Governor and authorize Fiscal Analysis Division staff to make technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE THE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

COMMERCE & INDUSTRY

DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS

**DTCA – DIVISION OF MUSEUMS AND HISTORY-NEVADA STATE MUSEUM,
LV (101-2943)**

BUDGET PAGE TOURISM-67

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented details of the Department of Tourism and Cultural Affairs, Division of Museums and History, Nevada State Museum, Las Vegas budget. Budget account (BA) 2943 had two major closing issues, a new museum attendant position and a vacant Division of Museums and History Dedicated Trust Fund position. The new museum attendant position would be funded with 50 percent room tax revenue transfers and 50 percent State General Funds. The position would allow the museum to open one additional day per week to allow school field trips to visit the museum on Wednesdays in the Las Vegas area. The opening of the museum one more day per week would not generate revenue from the schoolchildren, but might generate a small amount of revenue from the public visiting the museum during the additional day.

Ms. Davis asked whether the Subcommittees wished to approve the addition of one new museum attendant position and associated costs to allow the museum to open one more day per week.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE ONE NEW MUSEUM ATTENDANT POSITION AND ASSOCIATED COSTS TO ALLOW THE MUSEUM TO OPEN ONE ADDITIONAL DAY PER WEEK.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis said the second major closing issue in BA 2943 was a vacant position paid from the Museum Dedicated Trust Fund. The retail storekeeper position became vacant in January 2014 because of insufficient funds in the Museum Dedicated Trust Fund. The agency indicated that the position should be retained in case the Trust Fund generated sufficient revenue to support the position.

Ms. Davis advised that the Subcommittees might wish to consider the following options related to the vacant retail storekeeper position:

1. Approve the continuation of the vacant retail storekeeper position as recommended by the Governor and allow the agency to determine whether there was adequate funding to support the position during the 2015-2017 biennium.
2. Eliminate the vacant retail storekeeper position and direct the agency to seek approval from the Interim Finance Committee (IFC) to reestablish the position if the Board of Museums and History determined there was adequate funding to support the position during the interim of the 2015-2017 biennium.

Assemblywoman Swank asked about the difference between the two options presented.

Ms. Davis said the position was paid from the Museum Dedicated Trust Fund in The Executive Budget. However, the Trust Fund had insufficient funds to support the position, so the agency had to keep the position vacant. If the position was eliminated, the agency would not transfer those funds. The agency could approach IFC for approval to reestablish the position when the agency determined there was sufficient funding to support the position.

Chair Kirner said he understood the insertion of the IFC approval process was the basic difference between the two options.

Senator Goicoechea said option 2 provided the ability to approach IFC if more revenue was available and visitor fees increased.

Assemblyman Anderson said he believed the Subcommittees just approved the funding for the museum to open one additional day with the hope that visitors would increase. Option 1 would give the agency the flexibility to hire that position as the demand increased. Option 2 would require the agency to go

through an IFC approval process that would require time and expense to the agency and IFC. If there was sufficient demand to open an extra day, then there should be demand for the retail storekeeper position.

Senator Goicoechea expressed concern that if the agency determined there was enough revenue to pay for the position, but the revenue failed to materialize, then the agency would have to appear before IFC.

Assemblyman Anderson recognized Senator Goicoechea's concern but believed that option 1 provided the agency the ability to react faster if funding became available. If the funding did not materialize, the agency could approach IFC to make the changes.

Ms. Davis said the vacant retail storekeeper position received funding from the Museum Dedicated Trust Fund. That Fund lacked revenues in FY 2014, and the position was laid off because funding was not available to support the position.

Chair Kirner understood there was confidence that the museum staff would do the right thing.

ASSEMBLYMAN ANDERSON MOVED TO APPROVE OPTION 1 FOR THE CONTINUATION OF THE VACANT RETAIL STOREKEEPER POSITION AS RECOMMENDED BY THE GOVERNOR AND ALLOW THE AGENCY TO DETERMINE WHETHER THERE WAS ADEQUATE FUNDING TO SUPPORT THE POSITION DURING THE 2015-2017 BIENNIUM.

ASSEMBLYWOMAN SWANK SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Bustamante Adams voted no.)

Ms. Davis explained there were two other closing items in BA 2943. She said Fiscal Analysis Division staff recommended that other closing items 1 and 2 be approved as recommended by the Governor and requested authority to make technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE THE OTHER CLOSING ITEMS 1 AND 2 AS RECOMMENDED BY THE

GOVERNOR AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF
TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
DTCA – NEVADA ARTS COUNCIL (101-2979)
BUDGET PAGE TOURISM-84**

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented details of the Department of Tourism and Cultural Affairs, Nevada Arts Council budget. The one major closing issue in budget account (BA) 2979 was to increase State General Fund grant awards. The Governor recommended General Fund appropriations of \$150,000 in each year of the 2015-2017 biennium for grant awards issued by the Nevada Arts Council. Ms. Davis noted that the 77th Legislature increased grant awards by \$200,000 in each year of the 2013-2015 biennium funded from room tax revenue transfers. The Subcommittees could decide whether to fund the grant awards with General Fund appropriations as presented in The Executive Budget.

Ms. Davis advised that the Subcommittees might wish to consider the following options:

1. Approve the Governor's recommendation to provide additional General Fund appropriations of \$150,000 in each year of the 2015-2017 biennium for arts grant awards.
2. Approve the increase to arts grant awards as recommended by the Governor; however, fund the \$150,000 annual increase with room tax revenue transfers from the Tourism Development Fund.
3. Not approve the Governor's recommendation to increase arts grant awards issued by the Nevada Arts Council.

Senator Goicoechea said it appeared the agency had sufficient reserves of \$3.1 million at the end of fiscal year (FY) 2017, and he preferred that the increase be funded from room tax transfers.

Senator Woodhouse supported the addition to the grant awards. The Nevada Arts Council had received a number of applications for grant awards. Senator Woodhouse said the rural counties lacked persons to write grants or follow up on grant awards. She supported option 2 but wanted to add \$25,000 in each year of the biennium to the Nevada Arts Council for outreach activities to the rural communities outside of the grant programs to bring the arts to rural communities. She asked whether that concept should be a separate motion or an amendment to a motion.

Assemblyman Edwards said if the Subcommittees wanted to approve any additional money, it should come from the room tax revenues because there was sufficient money in reserves. The Legislature should save as much of the General Fund as possible.

Senator Goicoechea said the proposed funding level was still less than the funding level for fiscal year (FY) 2013. He said Senator Woodhouse wanted to increase the funding from \$150,000 to \$175,000 but earmark \$25,000 of that amount for grant-writing outreach.

Senator Woodhouse clarified that the \$150,000 would be the annual increase for the grant program but an additional \$25,000 would be earmarked in each year of the biennium for the Nevada Arts Council to use in bringing additional arts programs to the rural communities that were underserved.

Alex Haartz, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that a motion could be made to approve option 2 with an additional \$25,000 of room tax revenue transfers added in each year of the biennium for the purposes specified by Senator Woodhouse.

Assemblyman Anderson asked about a motion made by Senator Woodhouse in a previous Senate committee hearing and requested clarification about budget account 2979 compared to the previous motion made by Senator Woodhouse for additional funding.

Senator Woodhouse clarified that during a previous hearing she made a motion to increase funding for Nevada Humanities.

Assemblyman Anderson thought many of the activities of the Nevada Arts Council and Nevada Humanities were similar.

Senator Woodhouse responded that the activities might be similar.

Susan Boskoff, Executive Director, Nevada Arts Council, advised that the Nevada Humanities was a 501(c)(3) nonprofit organization, and the Nevada Arts Council was a state agency. [According to its website, Nevada Humanities provided opportunities for Nevadans to explore, experience, engage, and understand the world around them. It created programs and supported projects that defined the Nevada experience, featured local culture and heritage, and facilitated the investigation of ideas that mattered to Nevadans and their communities.] The two agencies worked in collaboration on many projects, but the missions were slightly different. The Nevada Arts Council supported the creation and installation of the artwork on the wall, and the Nevada Humanities created the text that explained the context of the artwork in society. Nevada Humanities received grants from the Nevada Arts Council for certain programs that focused on arts activities.

Ms. Boskoff explained that the programs of the Nevada Arts Council presented in the rural communities were package programs including the traveling exhibition program, "Poetry Out Loud"; programs for the schools; workshops; and folklife education initiatives. Those programs were taken to rural communities and urban neighborhoods where no organization had the capacity to write a grant and manage public dollars.

Assemblyman Anderson asked how the outreach would be provided for the rural areas.

Ms. Boskoff responded that the additional \$25,000 could fund one more traveling exhibition program. Her staff curated exhibitions that were appropriate to travel around the state and be installed in communities as small as Beatty, Pahrump, and Lovelock. The Nevada Arts Council provided publications to schoolchildren or visitors and helped coordinate the Poetry Out Loud programs in schools and rural communities. The additional \$25,000 would assist in expanding those activities. The Nevada Arts Council presented a series of poetry workshops taking published writers and educators into schools that typically did not have artists' residencies to teach and work with children to create their own poetry. A "Spark! Poetry Writing and Recitation" competition was held in Las Vegas during the Vegas Valley Book Festival. Those were the types of programs that could be expanded with the additional \$25,000.

Assemblyman Anderson said his understanding was the \$25,000 would pay for one more traveling exhibition and support several other existing activities. He wondered whether those additional funds would come from the room tax reserves or from General Funds.

Chair Kirner understood that the \$25,000 would come from the room tax revenue reserves and not the General Fund.

SENATOR WOODHOUSE MOVED TO APPROVE OPTION 2 WITH AN ADDITIONAL \$25,000 OF ROOM TAX REVENUE TRANSFERS ADDED IN EACH YEAR OF THE BIENNIUM FOR USE BY THE NEVADA ARTS COUNCIL FOR ADDITIONAL OUTREACH ACTIVITIES TO RURAL COUNTIES.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis advised that the two other closing items in BA 2979 were replacement equipment and cost allocations. She asked whether the Subcommittees wished to approve the other closing items as recommended by the Governor with a technical adjustment noted in other closing item 1 and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE THE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR WITH A TECHNICAL ADJUSTMENT NOTED IN OTHER CLOSING ITEM 1 AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the Governor's Finance Office budget account 1340 was previously named the Budget and Planning budget. The two major closing issues in budget account (BA) 1340 included the reorganization of the Department of Administration and a new economist position. The Governor recommended reorganizing the Department of Administration by moving the Budget Division, Department of Administration, and the Division of Internal Audits, Department of Administration, to the new Governor's Finance Office. The reorganization would also create a new budget for the Director's Office and a new budget for the Office of Grant Procurement, Coordination and Management (Grants Office) within the Department of Administration. As part of the reorganization, the Governor recommended transferring two planning positions from BA 1340 to the Division of Enterprise Information Technology Services (EITS), Department of Administration, Office of the Chief Information Officer budget [BA 1373]. Ms. Davis said the reorganization would provide separation of authority and independence of the budgeting and auditing functions of the Executive Branch from the other Department of Administration's divisions.

Ms. Davis explained that the 2011 Legislature approved the Governor's recommendation to consolidate the Department of Personnel, Department of Information Technology, Division of State Library and Archives, and State Public Works Board into the Department of Administration. The Department of Administration believed that the broad responsibilities associated with managing the various divisions impeded the Director's ability to effectively oversee all of the divisions. The Director's primary responsibility was to meet the budgetary obligations, and the result was that nonbudgetary projects or initiatives were delayed or foregone because of time constraints.

Ms. Davis said there were several decisions to be made related to the reorganization. The first decision was whether the Subcommittees wished to approve the creation of the Governor's Finance Office consisting of the Budget Division and the Division of Internal Audits.

Assemblyman Edwards asked for clarification. He believed that the decision before the Subcommittees was just to create a budget for the new reorganization because he understood that Assembly Bill 469 would create the Office of Finance in the Office of the Governor.

Ms. Davis clarified that Assembly Bill 469 would create the Governor's Finance Office consisting of the Budget Division and the Division of Internal Audits. The budget decisions of the Subcommittees would be contingent on passage and approval of A.B. 469.

Assemblyman Anderson asked about the two economist positions requested in the budget: one was a new position and the other was an existing position. He wondered whether one position was being moved.

Chair Kirner said staff would review that position with the Subcommittees later.

Senator Goicoechea commented that A.B. 469 would allow for the reorganization of the agency, but would also change the positions from classified to unclassified. The pay change would not affect the decision to approve the Governor's Finance Office.

Ms. Davis clarified that the Department of Administration did not intend to change the positions from classified to unclassified. It was an oversight, and the intent of the bill was not to make the positions unclassified. The Department would submit an amendment to retain the positions at the current classification status.

ASSEMBLYMAN ANDERSON MOVED TO APPROVE THE
CREATION OF THE GOVERNOR'S FINANCE OFFICE CONSISTING
OF THE BUDGET DIVISION AND THE DIVISION OF INTERNAL
AUDITS.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis advised that the Governor recommended two new positions funded with State General Fund revenue: a new unclassified Director of the Governor's Finance Office position and a new administrative assistant position. The Governor's Finance Office would be funded only with General Fund appropriations. Ms. Davis asked whether the Subcommittees wished to approve the addition of an unclassified Director of the Governor's Finance Office and an administrative assistant. If the Subcommittees recommended approval of the unclassified Director position, the final approval of the position's

recommended salary would be made by the Senate and Assembly finance committees when the Unclassified Pay Bill was considered.

SENATOR GOICOECHEA MOVED TO APPROVE THE ADDITION OF AN UNCLASSIFIED DIRECTOR OF THE GOVERNOR'S FINANCE OFFICE AND AN ADMINISTRATIVE ASSISTANT.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis advised that the Governor recommended reclassification of an existing administrative assistant position to an unclassified executive assistant position that would transfer to the Governor's Finance Office. The executive assistant would be the primary assistant to the Director of the Governor's Finance Office, and the unclassified status of the position was consistent with assistant positions within other state agencies.

Ms. Davis asked whether the Subcommittees wished to approve the reclassification of an administrative assistant position to an unclassified executive assistant position within the Governor's Finance Office. She indicated that final approval for the position's salary would be made by the Senate and Assembly finance committees when the Unclassified Pay Bill was considered.

SENATOR GOICOECHEA MOVED TO APPROVE THE RECLASSIFICATION OF AN ADMINISTRATIVE ASSISTANT TO AN UNCLASSIFIED EXECUTIVE ASSISTANT WITHIN THE GOVERNOR'S FINANCE OFFICE.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis explained that the Governor recommended the creation of a new budget account for the separate Director's Office that would be responsible for direct oversight and management of the Department of Administration. The reorganization would transfer six positions to the new Director's Office budget account that would be funded with cost-allocation reimbursements provided by the other divisions within the Department of Administration. Ms. Davis asked whether the Subcommittees wished to approve the Governor's

recommendation to transfer six positions from the existing Budget and Planning budget to a new budget account for the Department of Administration's new Director's Office.

Assemblyman Anderson asked about the effect on the General Fund of the migration of those six positions. He thought the cost-allocation method was similar to other cost allocations. He wondered how this cost-allocation method compared to the cost-allocation methods of other state agencies.

Ms. Davis clarified that budget account 1337 [Administration-Director's Office] proposed a funding adjustment for the six positions that were transferred. Currently those positions were funded partially with General Fund appropriations and partially with cost-allocation reimbursements. This proposal would shift the funding to just cost-allocation funding and would result in a reduced General Fund appropriation for those six positions.

Assemblyman Anderson believed that some state agencies would pay the cost allocation, and the General Fund would still fund some of the cost allocations.

Ms. Davis agreed that some state agencies received a small amount of General Funds, and those agencies would pay the cost allocations from their funding sources.

SENATOR GOICOECHEA MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION TO TRANSFER SIX POSITIONS FROM THE
EXISTING BUDGET AND PLANNING BUDGET TO A NEW BUDGET
ACCOUNT FOR THE DEPARTMENT OF ADMINISTRATION
DIRECTOR'S OFFICE.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis advised that the next closing item related to the position transfers for the Office of Grant Procurement, Coordination and Management (Grants Office). The Governor recommended moving the Grants Office out of the Budget and Planning budget and into a new Grants Office budget account that would remain in the Department of Administration and be funded only with State General Fund appropriations. The recommendation would transfer the three unclassified positions that existed in the Grants Office to the new budget

account. Ms. Davis asked whether the Subcommittees wished to approve the transfer of three positions, along with associated operating and equipment expenditures, into a new budget account for the Grants Office.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO APPROVE THE TRANSFER OF THREE POSITIONS, ALONG WITH ASSOCIATED OPERATING AND EQUIPMENT EXPENDITURES, INTO A NEW BUDGET FOR THE OFFICE OF GRANT PROCUREMENT, COORDINATION AND MANAGEMENT.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis advised that the Governor recommended a new unclassified executive grants analyst position in the Grants Office. The new position would allow the agency to apply for a greater number of grants and provide support to other public agencies in applying for discretionary grants. Ms. Davis asked whether the Subcommittees wished to approve the Governor's recommendation for a new unclassified executive grants analyst position in the Grants Office.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR A NEW UNCLASSIFIED EXECUTIVE GRANTS ANALYST POSITION IN THE OFFICE OF GRANT PROCUREMENT, COORDINATION AND MANAGEMENT.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis said the final decision to be made for BA 1340 related to the reorganization transfer of two positions (1.51 full-time-equivalent positions) from the Budget and Planning budget to the Division of Enterprise Information Technology Services, Department of Administration, Office of the Chief Information Officer budget. The positions were currently funded with State General Fund appropriations and would be funded with cost allocations in the new budget account. Ms. Davis asked whether the Subcommittees wished to approve the transfer of two positions and associated operating expenditures from the Budget and Planning budget to the Division of Enterprise Information

Technology Services (EITS), Department of Administration, Office of the Chief Information Officer budget [BA 1373].

SENATOR ROBERSON MOVED TO APPROVE THE TRANSFER OF TWO POSITIONS (1.51 FULL-TIME-EQUIVALENT POSITIONS) AND ASSOCIATED OPERATING EXPENDITURES FROM THE BUDGET AND PLANNING BUDGET TO THE DIVISION OF ENTERPRISE INFORMATION TECHNOLOGY SERVICES, OFFICE OF THE CHIEF INFORMATION OFFICER BUDGET.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis advised that the second major closing issue in BA 1340 was the new economist position within the Governor's Finance Office. The new economist position would assist the existing economist in forecasting and tracking state revenue and assist other state agencies in developing forecasts. Two examples included the Department of Corrections' medical caseloads and the Department of Education's student enrollment caseloads. The agency indicated the economist position would provide backup coverage and succession plans if the existing economist position became vacant, noting it took many months for an economist to become proficient in revenue-forecasting duties.

Ms. Davis asked whether the Subcommittees wished to approve the Governor's recommendation of General Fund appropriations of \$131,181 over the 2015-2017 biennium for a new economist position within the Governor's Finance Office.

Chair Kirner expressed concern that the state considered hiring a person to serve as a backup in case the existing economist position became vacant. He thought that was a bad precedent and could result in thousands of extra state employees. He knew economist positions existed in other agencies and was not sure this position would be a top priority.

Assemblyman Anderson agreed that the state employed other economists in state agencies and the economists worked together. He was uncertain about the merit of hiring an additional economist. Economists were employed by the Department of Taxation and the Fiscal Analysis Division, Legislative Counsel Bureau. He was not convinced by the justification for the second economist

position. There was an opportunity for the agency to request an additional position from the Interim Finance Committee during the interim in case of vacancies.

Chair Kirner stated he believed some new revenue systems would be approved in the 2015 Session, and other agencies would also request new economist positions.

ASSEMBLYMAN EDWARDS MOVED TO NOT APPROVE THE GOVERNOR'S RECOMMENDATION OF GENERAL FUND APPROPRIATIONS OF \$131,181 OVER THE 2015-2017 BIENNIUM FOR A NEW ECONOMIST POSITION WITHIN THE GOVERNOR'S FINANCE OFFICE.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis said there were seven other closing items in BA 1340 including EITS programming, travel for the Grants Office staff, contractor programming, travel for the Director and the Deputy Director, replacement equipment, new software, and cost allocations. Ms. Davis asked whether the Subcommittees wished to approve other closing items as recommended by the Governor, with the technical adjustments and contingencies noted in other closing items 1, 4, 5, and 6 and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

Assemblyman Edwards requested details of the request for other closing item 1.

Ms. Davis replied that two positions would transfer to EITS to conduct information technology strategic planning within the Department of Administration. The other closing item 1 provided for one-time EITS programming expenditures that were incurred in FY 2014. The agency concurred with Fiscal Analysis Division staff's recommended technical adjustment to eliminate the one-time expenses and decrease the number of hours for EITS programmer/developer services to the amount incurred in FY 2014 of 2,655 hours with a corresponding decrease in expenditures of approximately \$57,141 in FY 2016 and \$57,131 in FY 2017.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR, WITH THE TECHNICAL ADJUSTMENTS AND CONTINGENCIES NOTED IN OTHER CLOSING ITEMS 1, 4, 5, AND 6 AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Swank was not present for the vote.)

FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - DIRECTOR'S OFFICE (101-1337)
BUDGET PAGE ADMIN-6

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that budget account 1337 was the new budget for the Director's Office of the Department of Administration. Budget account (BA) 1337 would receive the transfer of six positions from the Department of Administration. The funding source for those six positions would change from State General Fund appropriations to cost allocations. The travel expenditures associated with the Director's Office positions would also transfer to BA 1337. Ms. Davis asked whether the Subcommittees wished to approve the Governor's recommendation to transfer six positions along with the associated travel expenditures from the existing Budget and Planning budget [BA 1337] to a new budget for the Department of Administration Director's Office, replace General Fund appropriations partially supporting the six transferred positions with cost-allocation reimbursements, and fund operating expenditures related to staff moving to a new office location.

SENATOR GOICOECHEA MOVED TO APPROVE 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 GENERAL FUND APPROPRIATIONS PARTIALLY SUPPORTING THE SIX POSITIONS WITH COST-ALLOCATION

REIMBURSEMENTS, AND FUND OPERATING EXPENDITURES
RELATED TO STAFF MOVING TO A NEW OFFICE LOCATION.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Swank was not present
for the vote.)

Ms. Davis advised that the second major closing item in BA 1337 was two position reclassification requests. One request would reclassify a classified assistant to the Director position to an unclassified public information officer. The second request would reclassify a classified administrative assistant position to an unclassified executive assistant position. The reclassifications would be in the new budget for the Director's Office of the Department of Administration.

Ms. Davis asked whether the Subcommittees wished to approve the reclassification of a classified public information officer position to an unclassified public information officer position and a classified administrative assistant position to an unclassified executive assistant position.

SENATOR GOICOECHEA MOVED TO APPROVE THE
RECLASSIFICATION OF A CLASSIFIED ASSISTANT TO THE
DIRECTOR POSITION TO AN UNCLASSIFIED PUBLIC
INFORMATION OFFICER POSITION AND A CLASSIFIED
ADMINISTRATIVE ASSISTANT POSITION TO AN UNCLASSIFIED
EXECUTIVE ASSISTANT POSITION.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Bustamante Adams
voted no. Assemblywoman Swank was not present for the vote.)

FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - SPECIAL APPROPRIATIONS (101-1301)
BUDGET PAGE ADMIN-9

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that budget account 1301 was for Special Appropriations for

the Department of Administration. She stated that the three major closing issues were a business process consultant, holocaust education, and graduate medical education grants. The first major closing item was for a business process consultant recommended by the Governor at a cost of \$1 million from State General Fund appropriations in fiscal year (FY) 2016. The contracted consultant would review the state's financial and human resource business processes. The recommendations provided by the consultant would be used as requirements for a new enterprise resource planning system that would combine the state's accounting, budgeting, and human resource functions into one application.

Ms. Davis asked whether the Subcommittees wished to approve a General Fund appropriation of \$1 million in fiscal year 2016 and provide the agency with authority to balance forward any unspent funds to FY 2017 to fund a business process consultant to review the state's financial and human resource business processes.

ASSEMBLYMAN ANDERSON MOVED TO APPROVE
A GENERAL FUND APPROPRIATION OF \$1 MILLION IN FISCAL
YEAR 2016 AND PROVIDE THE AGENCY WITH AUTHORITY TO
BALANCE FORWARD ANY UNSPENT FUNDS TO FY 2017 TO
FUND A BUSINESS PROCESS CONSULTANT TO REVIEW THE
STATE'S FINANCIAL AND HUMAN RESOURCE BUSINESS
PROCESSES.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis advised that the Governor recommended additional General Fund appropriations of \$50,000 in each year of the 2015-2017 biennium to increase funding for Holocaust education. The program provided education to children and adults on issues related to the Holocaust. Fiscal Analysis Division staff noted that the 77th Legislature approved an increase for Holocaust education from \$30,000 per year to \$50,000 per year. Approval of this recommendation would bring the total amount to \$100,000 in each year of the 2015-2017 biennium.

Ms. Davis asked whether the Subcommittees wished to approve an additional \$50,000 in General Fund appropriations in each year of the 2015-2017 biennium to increase funding for Holocaust education.

Assemblyman Edwards wondered about the total budget for Holocaust education because he understood that funding was provided from federal sources, grants, and donations in addition to state funding.

Ms. Davis replied that Fiscal Analysis Division staff knew the Holocaust resource centers based in Las Vegas and Reno received other funding sources but was uncertain about the exact amounts.

Jim R. Wells, C.P.A., Interim Director, Department of Administration, testified that he was uncertain about the total budget for Holocaust education. He had received some information regarding the activities provided by the organization that offered Holocaust education.

Assemblyman Edwards asked about the ratio of matching funds.

Mr. Wells responded that he was uncertain about the ratio, but would request the information and provide it to Fiscal Analysis Division staff.

SENATOR WOODHOUSE MOVED TO APPROVE AN ADDITIONAL
\$50,000 IN GENERAL FUND APPROPRIATIONS IN EACH YEAR OF
THE 2015-2017 BIENNIUM TO INCREASE FUNDING FOR
HOLOCAUST EDUCATION.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis explained that the final major closing issue in budget account 1301 was \$5 million in each year of the 2015-2017 biennium to fund graduate medical education. Those funds would be available to any institution that provided graduate medical education in Nevada, whether public or private.

Ms. Davis asked whether the Subcommittees wished to approve General Fund appropriations of \$10 million over the 2015-2017 biennium to fund graduate medical education.

Chair Kirner said this was an important initiative for the state that had experienced a shortage of doctors.

Assemblyman Edwards asked for clarification about whether this was an ongoing investment for the state or a one-time investment for the 2015-2017 biennium.

Ms. Davis clarified that the \$10 million General Fund appropriation would be used in the 2015-2017 biennium. The \$10 million would be considered start-up funding to allow the medical schools to begin their residencies and fellowship programs. Ms. Davis said additional funds might be needed in the future because Nevada was so far behind in its graduate medical education slots.

Assemblyman Edwards asked whether the same amount of money would be needed in the 2017-2019 biennium.

Ms. Davis responded that the same amount of money might be needed in the future to fund the same number of residency and fellowship positions.

SENATOR ROBERSON MOVED TO APPROVE GENERAL FUND
APPROPRIATIONS OF \$10 MILLION OVER THE
2015-2017 BIENNIUM TO FUND GRADUATE MEDICAL
EDUCATION.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - GRANTS OFFICE (101-1341)
BUDGET PAGE ADMIN-122

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the Governor recommended a new budget account 1341, Grants Office, to support the Office of Grant Procurement, Coordination and Management, Department of Administration. She stated that the one major closing issue in budget account (BA) 1341 was to receive the transferred positions, travel expenditures, and the new grants analyst position approved for the Office of Finance, Office of the Governor budget. The decision to receive

those transfers in the Governor's Finance Office had already been approved by the Subcommittees so no decision was required. The other closing items related to increased rent and printing expenditures for the Grants Office.

Ms. Davis asked whether the Subcommittees wished to approve office lease and print expenditures, authorize Fiscal Analysis Division staff to make technical adjustments to the Grants Office current occupied square footage in the Nevada State Library and Archives building, and eliminate the estimated rental expenditures recommended in decision unit Enhancement 225.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO APPROVE OFFICE LEASE AND PRINT EXPENDITURES, AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS TO THE OFFICE OF GRANT PROCUREMENT, COORDINATION AND MANAGEMENT'S CURRENT OCCUPIED SQUARE FOOTAGE IN THE STATE LIBRARY AND ARCHIVES BUILDING, AND ELIMINATE THE ESTIMATED RENTAL EXPENDITURES RECOMMENDED IN DECISION UNIT ENHANCEMENT 225.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - INSURANCE & LOSS PREVENTION (715-1352)
BUDGET PAGE ADMIN-187

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that budget account 1352 was for the Risk Management Division, Department of Administration. The first major closing issue in budget account (BA) 1352 was a new risk management information system. The new system was a web-based information system that would be used by the Office of the Attorney General, the Department of Transportation, and the State Public Works Division, Department of Administration, to track and manage risk exposures.

Ms. Davis asked whether the Subcommittees wished to approve funding for a new risk management information system.

SENATOR GOICOECHEA MOVED TO APPROVE FUNDING FOR
A NEW RISK MANAGEMENT INFORMATION SYSTEM.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis said the second major closing issue was three proposals for new insurance policies. The first proposal was for an unmanned aircraft system insurance policy. The Office of Economic Development, Office of the Governor (GOED), conducted unmanned aviation test site activities and would pay for the insurance policy.

Ms. Davis asked whether the Subcommittees wished to approve the transfer of funds from GOED to purchase an unmanned aircraft system insurance policy. Fiscal Analysis Division staff requested authority to make a technical adjustment to eliminate \$8,219 in fiscal year 2016 that would have been placed into reserves. This action would be consistent with the previous closing action taken by the Senate Committee on Finance and the Assembly Committee on Ways and Means.

SENATOR GOICOECHEA MOVED TO APPROVE THE TRANSFER
OF FUNDS FROM THE OFFICE OF ECONOMIC DEVELOPMENT,
OFFICE OF THE GOVERNOR, TO PURCHASE AN UNMANNED
AIRCRAFT SYSTEM INSURANCE POLICY AND AUTHORIZE
FISCAL ANALYSIS DIVISION STAFF TO MAKE A TECHNICAL
ADJUSTMENT TO ELIMINATE \$8,219 IN FISCAL YEAR 2016
THAT WOULD HAVE BEEN PLACED INTO RESERVES.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE
MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis explained that the Governor recommended expenditure authority to add \$50,000 of coverage to the state's existing cyber liability insurance policy in each year of the 2015-2017 biennium.

Ms. Davis asked whether the Subcommittees wished to approve funding to purchase a cyber liability insurance policy for the 2015-2017 biennium.

SENATOR GOICOECHEA MOVED TO APPROVE FUNDING TO PURCHASE A CYBER LIABILITY INSURANCE POLICY FOR THE 2015-2017 BIENNIUM.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis said the Division requested funding for real property and fine art appraisals for properties that were unique or had historical significance. Ms. Davis asked whether the Subcommittees wished to approve expenditure authority for the Risk Management Division, Department of Administration, to conduct real property and fine art appraisals to determine their accurate repair and replacement costs.

SENATOR GOICOECHEA MOVED TO APPROVE EXPENDITURE AUTHORITY FOR THE RISK MANAGEMENT DIVISION, DEPARTMENT OF ADMINISTRATION, TO CONDUCT REAL PROPERTY AND FINE ART APPRAISALS TO DETERMINE THEIR ACCURATE REPAIR AND REPLACEMENT COSTS.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis advised that there were eight other closing items. She asked whether the Subcommittees wished to approve the other closing items with the technical adjustments noted in other closing item 1 and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

SENATOR GOICOECHEA MOVED TO APPROVE THE OTHER CLOSING ITEMS WITH THE TECHNICAL ADJUSTMENTS NOTED IN OTHER CLOSING ITEM 1 AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
GOVERNOR'S FINANCE OFF - DIV OF INTERNAL AUDITS (101-1342)
BUDGET PAGE ELECTED-63**

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that budget account 1342 funded the Division of Internal Audits, Department of Administration. The budget account (BA) 1342 had two major closing issues. The first issue was to transfer the Division into the new Office of Finance, Office of the Governor.

Ms. Davis asked whether the Subcommittees wished to approve the transfer of the Division of Internal Audits from the Department of Administration to the Governor's Finance Office subject to the passage and approval of Assembly Bill 469.

SENATOR GOICOECHEA MOVED TO APPROVE THE TRANSFER OF THE DIVISION OF INTERNAL AUDITS FROM THE DEPARTMENT OF ADMINISTRATION TO THE GOVERNOR'S FINANCE OFFICE SUBJECT TO THE PASSAGE AND APPROVAL OF ASSEMBLY BILL 469.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis said the second major closing issue was the addition of two new Executive Branch auditor positions. The positions would evaluate the performance of state contractors and develop audit reports documenting the findings. This was a new scope of audit work, and the Subcommittees might wish to issue a letter of intent to direct the Division of Internal Audits to provide the 2017 Legislature with a report of the specific contracts and requests for proposals that had been audited during the 2015-2017 biennium. The report should include the audit findings and a summary of any corrective actions that resulted in quantifiable savings.

SENATOR GOICOECHEA MOVED TO APPROVE GENERAL FUND APPROPRIATIONS TOTALING \$296,851 OVER THE

2015-2017 BIENNIUM TO FUND THE ADDITION OF TWO NEW EXECUTIVE BRANCH AUDITOR POSITIONS TO CONDUCT AUDITS ON CONTRACTS AND REQUESTS FOR PROPOSALS AND APPROVE THE ISSUANCE OF A LETTER OF INTENT DIRECTING THE DIVISION OF INTERNAL AUDITS TO PROVIDE THE 2017 LEGISLATURE WITH A REPORT OF THE CONTRACTS AND REQUESTS FOR PROPOSALS THAT WERE AUDITED OVER THE 2015-2017 BIENNIUM, INCLUDING THE AUDIT FINDINGS AND A SUMMARY OF ANY CORRECTIVE ACTIONS THAT RESULTED IN QUANTIFIABLE SAVINGS.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis advised that there were two other closing issues in budget account 1342. Ms. Davis asked whether the Subcommittees wished to approve the other closing items as recommended by the Governor with the technical adjustment noted in other closing item 1 and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE THE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR WITH THE TECHNICAL ADJUSTMENT NOTED IN OTHER CLOSING ITEM 1 AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - HEARINGS DIVISION (101-1015)
BUDGET PAGE ADMIN-260

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that budget account 1015 funded the Hearings Division, Department of Administration. The budget account (BA) 1015 had one major closing issue related to an integrated document management system.

The system would provide a secure means of storing the Division's legal documents electronically rather than by hard copy.

Ms. Davis asked whether the Subcommittees wished to approve the funding as recommended by the Governor for a new integrated document management system for the Hearings Division to electronically store its legal documents.

ASSEMBLYWOMAN SWANK MOVED TO APPROVE THE FUNDING AS RECOMMENDED BY THE GOVERNOR FOR A NEW INTEGRATED DOCUMENT MANAGEMENT SYSTEM FOR THE HEARINGS DIVISION, DEPARTMENT OF ADMINISTRATION, TO ELECTRONICALLY STORE ITS LEGAL DOCUMENTS.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis advised that there were six other closing items in budget account 1015. Ms. Davis asked whether the Subcommittees wished to approve the other closing items as recommended by the Governor, with technical adjustments noted in other closing items 1, 3, and 6, and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE THE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR, WITH TECHNICAL ADJUSTMENTS NOTED IN OTHER CLOSING ITEMS 1, 3, AND 6, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - HRM - HUMAN RESOURCE MANAGEMENT (717-1363)
BUDGET PAGE ADMIN-20**

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that budget account 1363 funded the Division of Human Resource Management within the Department of Administration. The budget account (BA) 1363 had four major closing issues, and the first major closing issue was the technology investment request (TIR). The TIR would continue the enactment of Phase III of the Nevada Employee Action and Timekeeping System (NEATS). Various improvements had been made in NEATS in prior biennia including timesheet automation, application system enhancements, and employee status maintenance transaction enhancements. The Governor recommended the continuation of Phase III of NEATS in the 2015-2017 biennium by adding a new module that would display payroll reports in NEATS that were distributed every two weeks by password-protected CDs for use by agency fiscal staff and the Division of Human Resource Management (DHRM), Department of Administration. Phase III would also place employment documentation online allowing employees to review their service jackets online. The TIR would develop payroll projections that could be used by the state fiscal staff for work programs and grant applications.

Mr. Drost asked whether the Subcommittees wished to approve the Governor's recommendation of expenditures of \$180,250 in each year of the 2015-2017 biennium to fund a technology investment request that would continue the enactment of Phase III of the Nevada Employee Action and Timekeeping System.

SENATOR GOICOECHEA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION OF EXPENDITURES OF \$180,250 IN EACH YEAR OF THE 2015-2017 BIENNIUM TO FUND A TECHNOLOGY INVESTMENT REQUEST THAT WOULD CONTINUE THE ENACTMENT OF PHASE III OF THE NEVADA EMPLOYEE ACTION AND TIMEKEEPING SYSTEM.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Mr. Drost advised that the second closing issue was the new personnel analyst position for organizational climate studies. The organizational climate studies involved interviewing and surveying employees of state agencies to identify possible areas of improvement including morale, communication, and problem

resolution. The DHRM indicated climate studies had improved the morale and atmosphere at state agencies where climate studies had been conducted. The DHRM conducted the studies using existing staff and currently had a waiting list of three agencies because existing staff had limited time to conduct studies in addition to normal duties. The Governor recommended a new personnel analyst position dedicated to climate studies. The new position would lead agencies through the climate studies and dedicate resources to corrective action plans.

Mr. Drost said Fiscal Analysis Division staff questioned the time necessary to conduct the climate studies, and the DHRM indicated that the time estimate was based on the number of employees and the number of shifts for state agencies. The DHRM had not actively advertised climate studies, but would do so after the new position was approved. The DHRM believed there was sufficient workload for one full-time position.

Mr. Drost asked whether the Subcommittees wished to approve the Governor's recommendation of \$133,768 in additional personnel assessment charges over the 2015-2017 biennium to fund a new personnel analyst position to conduct organizational climate studies.

ASSEMBLYMAN EDWARDS MOVED TO NOT APPROVE THE NEW PERSONNEL ANALYST POSITION FOR ORGANIZATIONAL CLIMATE STUDIES BECAUSE CURRENT STAFF PERFORMED THE CLIMATE STUDIES AND COULD CONTINUE TO PERFORM THOSE STUDIES DURING THE 2015-2017 BIENNIUM, AND THE STATE DID NOT NEED TO SPEND \$133,768 ON THIS EFFORT.

Lee-Ann Easton, Administrator, Division of Human Resource Management, Department of Administration, testified that the climate studies provided a positive benefit by improving the work environment for state agencies. The climate studies were designed to evaluate state agencies that had experienced complaints to determine the problems and develop resolutions. The benefit to the state was happier employees who were more productive.

Ms. Easton said the goal of the climate studies was to resolve the problems so the problems did not reoccur. The climate studies looked at everything and interviewed the employees to determine what caused the frustration and discontent. The climate studies reduced the amount of time and money spent on grievances. The position would cost \$133,768 over the

2015-2017 biennium, and Ms. Easton believed that the benefits outweighed the cost. The state employed almost 18,000 employees, and one settlement could equal the cost of the position.

Chair Kirner said the state was a large employer, and he wondered about any trends related to the number of complaints and settlements the climate studies might resolve.

Ms. Easton said she had seen a recent decline in the number of grievances. As soon as the new position was hired, goals and performance measurements would be developed to track grievances before and after the climate studies. Ms. Easton planned to report to the 2017 Legislature about the performance measurements and accomplishments of the climate studies.

Assemblyman Edwards believed that equal employment processes were in place, and existing staff addressed the grievances. Based on the agency's current efforts without the new position, Assemblyman Edwards said the DHRM improved morale at the State Department of Agriculture. He said the state was not flush with money, and he wanted to save where possible. Assemblyman Edwards believed that state agencies had improved working conditions, and the new position was not necessary.

Ms. Easton understood the concerns of Assemblyman Edwards. The current staff that worked on the climate studies had full-time positions and could only conduct climate studies when their normal duties were completed. The DHRM lacked the time to assist agencies to comply with the plans of corrective actions. The sexual harassment and discrimination complaints had increased and existing staff addressed the complaints. Ms. Easton wanted to ensure that the state agencies adopted consistent corrective actions.

Chair Kirner said he knew state employees had been subjected to salary cuts, furlough days, Public Employees' Retirement System (PERS) employee contribution increases, and Public Employees' Benefits Program (PEBP) premium increases. He viewed climate studies as a preventative measure to retain state employees.

Evan Dale, Administrator, Administrative Services Division, Department of Administration, testified that the personnel assessment rate was the lowest since 2000.

Chair Kirner said his concern was the lack of performance measures, and he urged the DHRM to develop performance measurements for the position as soon as possible.

Assemblyman Edwards said in his prior employment he worked in the human resource area and understood the benefits of the climate studies. He expressed concern that there was insufficient money to pay for benefits for state employees. He believed that the state should save money to pay for better benefits for state employees.

Chair Kirner reminded the Subcommittees that Assemblyman Edwards had made the following motion that lacked a second:

ASSEMBLYMAN EDWARDS MOVED TO NOT APPROVE THE NEW PERSONNEL ANALYST POSITION FOR ORGANIZATIONAL CLIMATE STUDIES BECAUSE CURRENT STAFF PERFORMED THE CLIMATE STUDIES AND COULD CONTINUE TO PERFORM THOSE STUDIES DURING THE 2015-2017 BIENNIUM, AND THE STATE DID NOT NEED TO SPEND \$133,768 ON THIS EFFORT.

THE MOTION FAILED FOR LACK OF A SECOND.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION OF \$133,768 IN ADDITIONAL PERSONNEL ASSESSMENT CHARGES OVER THE 2015-2017 BIENNIUM TO FUND A NEW PERSONNEL ANALYST POSITION TO CONDUCT ORGANIZATIONAL CLIMATE STUDIES.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Edwards voted no. Assemblyman Hickey and Senator Roberson were not present for the vote.)

Mr. Drost said the third major closing item was a new personnel analyst position for DHRM human resources services section. The human resources services section provided centralized personnel services for the Department of Administration, Department of Taxation, Department of Business and Industry, State Department of Agriculture, Department of Education, Department of Tourism and Cultural Affairs, Silver State Health Insurance Exchange,

Public Employees' Benefits Program, and numerous boards and commissions. The Governor recommended a new personnel analyst for the human resources services section. The DHRM indicated the position was needed to support the current workload that included 2,463 positions being served by the 11 human resources services section staff. The current ratio of positions served to human resources services section staff was 224:1, and the new position would decrease the ratio to 205:1, which was more in line with other large agencies.

Mr. Drost asked whether the Subcommittees wished to approve the Governor's recommendation of \$135,703 in additional cost-allocation reimbursement over the 2015-2017 biennium to fund a new personnel analyst position for the human resources services section.

Senator Goicoechea said the position would be paid from cost-allocation assessments and was not a direct reduction of General Funds.

Mr. Drost added that the funding for the position was a combination of revenue sources including cost allocations, fees, and some General Funds.

Assemblyman Edwards asked for the cost-allocation details of the funding for the position. He wondered what percentage of General Funds would pay for this position.

Assemblyman Anderson said the cost-allocation amounts were different for every state agency depending on the agencies' funding sources. The budgets had not been approved, and it would be difficult to estimate the cost allocations reflected in each budget.

Mr. Dale agreed and explained that he did not have a breakdown of the cost-allocation amounts for each state agency. He said the human resources assessment was about \$750 per employee per year. He was unsure of the percentage of General Funds used to pay for the new position. The internal service funds received money from the state agencies, but the latest estimate was approximately 25 percent of state revenues was provided by federal sources, the remainder was split between General Fund and fees collected from the general population.

SENATOR GOICOECHEA MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION OF \$135,703 IN ADDITIONAL
COST-ALLOCATION REIMBURSEMENT OVER THE

2015-2017 BIENNIUM TO FUND A NEW PERSONNEL ANALYST POSITION FOR THE HUMAN RESOURCE SERVICES SECTION, DIVISION OF HUMAN RESOURCE MANAGEMENT, DEPARTMENT OF ADMINISTRATION.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Mr. Drost said the fourth major closing issue was a new personnel analyst to develop and manage a veterans recruitment program. The new position was recommended by the Governor's Interagency Council on Veterans Affairs that sought to increase collaboration between local, state, and federal agencies and improve services to veterans, service members, and their families. The position would assist veterans to secure suitable positions by attending job fairs for veterans and counseling veteran job applicants. The position would ensure that veterans were properly trained and mentored once hired and would develop a crosswalk between military positions and similar state classified positions.

Mr. Drost said the Fiscal Analysis Division staff asked the agency whether it could perform those duties with its existing recruitment unit staff, and the agency indicated it was unable to assume the additional workload.

Mr. Drost asked whether the Subcommittees wished to approve the Governor's recommendation of \$137,633 in additional personnel assessments over the 2015-2017 biennium to fund a new personnel analyst position to develop and manage a veterans recruitment program.

ASSEMBLYMAN ANDERSON MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION OF \$137,633 IN ADDITIONAL PERSONNEL ASSESSMENTS OVER THE 2015-2017 BIENNIUM TO FUND A NEW PERSONNEL ANALYST POSITION TO DEVELOP AND MANAGE A VETERANS RECRUITMENT PROGRAM.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Mr. Drost explained that there were five other closing items in BA 1363. He noted the personnel and payroll assessments and asked that Fiscal Analysis Division staff be granted authority to make technical adjustments to the Division of Human Resource Management, Department of Administration personnel assessments, payroll assessments, and the human resource services section cost allocations to ensure adequate reserve levels based on closing decisions made by the 2015 Legislature. He asked whether the Subcommittees wished to approve other closing items as recommended by the Governor and authorize Fiscal Analysis Division staff to make technical adjustments as necessary.

SENATOR GOICOECHEA MOVED TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY, INCLUDING TECHNICAL ADJUSTMENTS TO THE DIVISION OF HUMAN RESOURCE MANAGEMENT, DEPARTMENT OF ADMINISTRATION, PERSONNEL AND PAYROLL ASSESSMENTS, AND THE HUMAN RESOURCE SERVICES SECTION COST ALLOCATIONS TO ENSURE ADEQUATE RESERVE LEVELS BASED ON CLOSING DECISIONS MADE BY THE 2015 LEGISLATURE.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - OFFICE OF BUSINESS AND PLANNING (101-4677)
BUDGET PAGE B & I-8

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the major closing issue for budget account 4677 was the establishment of the new Office of Business and Planning. The Governor recommended transferring four positions from the Las Vegas office currently funded with cost-allocation revenue from the Department of Business and Industry Administration budget account (BA) 4681 to establish a new Office of Business Finance and Planning (OBFP) budget funded with State General Fund appropriations in fiscal year (FY) 2017. The recommendation would authorize the Director to create a center for

business advocacy that would support the growth, development, and diversification of business and industry throughout the state.

Ms. Dagdagan explained the specific services that the OBFP would provide included small business advocacy, business and industry roundtables, the small business portal, access to capital, charter school bonds, the new market tax credit program, the private activity bond program, and hosting the Governor's Conference on Small Business. The agency testified that although the 1995 Legislature approved the creation of the business advocacy center within the Department, it had not been created. Instead, the agency had performed the services funded by the Department of Business and Industry's administration cost allocation. The agency indicated the recommendation to fund the positions with General Fund appropriations would align the funding appropriately with the duties of the positions.

Ms. Dagdagan asked whether the Subcommittees wished to approve the Governor's recommendation to establish the new Office of Business Finance and Planning funded with General Fund appropriations in fiscal year 2017.

Assemblyman Edwards asked about the ultimate goal of the new office.

Ms. Dagdagan responded that the business services that were currently provided by the Department of Business and Industry and were funded with cost allocations charged to the different agencies within the Department. This recommendation changed the funding from cost allocations to General Fund appropriations and created a separate budget account solely dedicated to those business services.

SENATOR GOICOECHEA MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION TO ESTABLISH THE NEW OFFICE OF
BUSINESS FINANCE AND PLANNING FUNDED WITH
GENERAL FUND APPROPRIATIONS IN FISCAL YEAR 2017.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for
the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - BUSINESS AND INDUSTRY ADMINISTRATION (101-4681)
BUDGET PAGE B & I-10

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that there were three major closing issues for budget account 4681. The first major closing issue was the Las Vegas office relocation. The Governor recommended relocating 396 Department of Business and Industry (B&I) employees currently situated in 11 different buildings throughout the Las Vegas area and 36 employees from 2 state-affiliated nonprofit organizations to centralize the offices into a new business center. The business center would provide a one-stop shop for services for businesses and customers and eliminate bandwidth problems and multiple servers in different locations. The proposed relocation would cost \$1,537,530 in fiscal year (FY) 2017. The proposal would relocate three B&I agencies currently renting space in the Grant Sawyer State Office Building and seven B&I agencies currently renting space in the Bradley Building. The State Public Works Division, Department of Administration, found that the 40-year old Bradley Building had mechanical and electrical systems that were unreliable and not energy efficient. The building failed to meet current life-safety codes and lacked space for meetings, conferences, and public waiting areas. Multiple break-ins had occurred, and heating and air conditioning failures resulted in four B&I divisions losing 12 working days last year.

Ms. Dagdagan asked whether the Subcommittees wished to approve the Governor's recommendation to centralize the Department of Business and Industry Las Vegas offices, establish a business center in fiscal year 2017, and approve a letter of intent directing the Department to update the Interim Finance Committee on or before February 1, 2016, regarding the status of the business center location and the detailed costs to finalize the move.

Assemblywoman Swank asked for a spreadsheet showing one column of the current B&I expenses for all the rents and building expenses and a second column showing all the savings by agency. She agreed with the concept of a business center but was unsure about the potential savings.

Chair Kirner advised that the proposal would not create any savings. The recommendation to create a business center would place persons in a safe environment and move them out of a bad location. The cost of the move was

\$397,226 for the State General Fund, \$34,484 for the State Highway Fund, and \$1,105,820 for other revenues.

Senator Goicoechea said B&I would be required to report to the Interim Finance Committee (IFC) about details of the move. The IFC could stop the move if it determined that the move was not appropriate.

Assemblywoman Swank said she supported the concept but wanted to see details of the costs.

Senator Woodhouse supported the concept of a business center but believed the Subcommittees had not received sufficient details about the proposed move.

Chair Kirner agreed the members needed the detailed costs to finalize the move, and the agency would return to IFC in February 2016 to provide that information.

ASSEMBLYMAN ANDERSON MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO CENTRALIZE THE DEPARTMENT OF BUSINESS AND INDUSTRY LAS VEGAS OFFICES AND ESTABLISH A BUSINESS CENTER IN FISCAL YEAR 2017 AND APPROVE A LETTER OF INTENT DIRECTING THE DEPARTMENT TO UPDATE THE INTERIM FINANCE COMMITTEE ON OR BEFORE FEBRUARY 1, 2016, REGARDING THE STATUS OF THE BUSINESS CENTER LOCATION AND THE DETAILED COSTS TO FINALIZE THE MOVE.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY ON THE ASSEMBLY SIDE AND FAILED ON THE SENATE SIDE. (Senator Woodhouse voted no. Senator Roberson was not present for the vote.)

Bruce Breslow, Director, Department of Business and Industry, testified that a cost savings would result from the move. He said \$3.7 million could be spent immediately on repairs to upgrade the Bradley Building or \$5.2 million might be needed for all repairs depending on which system failed. Mr. Breslow said the Department would request formal bids in response to its request for proposal (RFP). The proposed rents should be reasonable. If the move was not cost effective, IFC could decide whether B&I should stay or move.

The RFP would be released after the budgets closed. The report could be made to IFC.

Chair Kirner asked whether a report could be made to IFC before the February 2016 meeting.

Terry Reynolds, Deputy Director, Programs, Department of Business and Industry, testified that the agency expected the responses to the RFP by the middle of July 2015 and would complete its analysis in cooperation with the State Public Works Division, Department of Administration.

Senator Goicoechea said his concern was that no action be taken until approved by IFC.

Mr. Breslow agreed to provide a report to IFC when the RFP responses had been reviewed by the State Public Works Division.

Chair Kirner asked whether Assemblyman Anderson would revise his motion to include a report to IFC at the earliest opportunity before February 2016.

Senator Goicoechea asked whether Assemblyman Anderson would amend his motion to require B&I to report to IFC about the RFP responses before any action was taken.

ASSEMBLYMAN ANDERSON AMENDED THE PREVIOUS MOTION AND MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO CENTRALIZE THE DEPARTMENT OF BUSINESS AND INDUSTRY LAS VEGAS OFFICES AND ESTABLISH A BUSINESS CENTER IN FISCAL YEAR 2017 AND APPROVE A LETTER OF INTENT DIRECTING THE DEPARTMENT TO REPORT TO THE INTERIM FINANCE COMMITTEE AT THE EARLIEST OPPORTUNITY AFTER RECEIVING THE RESPONSES TO THE REQUEST FOR PROPOSAL REGARDING THE STATUS OF THE BUSINESS CENTER LOCATION AND THE DETAILED COSTS TO FINALIZE THE MOVE.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Dagdagan advised that the next major closing issue was the expansion of the Consumer Affairs Unit. The Governor recommended adding two compliance investigator positions and a part-time administrative assistant position. The recommendation was contingent upon approval of closing actions in the transfer of National Mortgage Settlement funds from the Office of the Attorney General and the passage of Assembly Bill 481 that would temporarily restore the Consumer Affairs Unit through June 30, 2017.

Ms. Dagdagan asked whether the Subcommittees wished to approve the Governor's recommendation to use the National Mortgage Settlement funds totaling \$439,734 over the 2015-2017 biennium with the technical adjustment noted by the Fiscal Analysis Division staff to support one chief compliance investigator position, one compliance audit investigator position, and a part-time administrative assistant position, with associated operating costs, to expand the Consumer Affairs Unit within the Department of Business and Industry.

SENATOR GOICOECHEA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO USE THE NATIONAL MORTGAGE SETTLEMENT FUNDS TOTALING \$439,734 OVER THE 2015-2017 BIENNIUM WITH THE TECHNICAL ADJUSTMENT NOTED BY THE FISCAL ANALYSIS DIVISION STAFF TO SUPPORT ONE CHIEF COMPLIANCE INVESTIGATOR POSITION, ONE COMPLIANCE AUDIT INVESTIGATOR POSITION, AND A PART-TIME ADMINISTRATIVE ASSISTANT POSITION, WITH ASSOCIATED OPERATING COSTS, TO EXPAND THE CONSUMER AFFAIRS UNIT WITHIN THE DEPARTMENT OF BUSINESS AND INDUSTRY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Edwards voted no.)

Ms. Dagdagan advised that the third major closing issue was the revised cost allocation. To comply with the Letter of Intent issued by the 2011 Legislature, the Department of Business and Industry submitted a revised cost allocation. The new cost-allocation plan charged at the division level rather than the budget account level. The Department allowed the allocation to the various divisions' budget accounts to be approved by the divisions' administrators. Fiscal Analysis Division staff believed that method might result in an inequitable or inconsistent allocation. The Subcommittees might wish to issue a letter of

intent directing the agency to work with the Budget Division, Department of Administration, and the Fiscal Analysis Division staff to develop a cost-allocation methodology during the 2015-2017 interim that allocated the Director's Office costs by budget account rather than by division.

Lisa Figueroa, Administrative Services Officer, Department of Business and Industry, testified that the Department tried to develop a more equitable cost allocation. The previous cost allocation was based on each division's full-time-equivalent (FTE) positions. The Department also worked on a pooled approach, and the cost of the information technology staff was allocated based on a time-tracking method. The fiscal processing unit and management staff were allocated based on transactions per agency. The payroll unit was allocated based on FTE counts by agency. The previous cost-allocation formula was complex and applied across each budget account. The Department continued to reevaluate the formula. The Department decided to charge costs to each agency and allow the division administrator to determine the appropriateness of costs charged to each specific budget account.

Ms. Figueroa stated that various agencies had different methods of completing the cost allocations. A cost-allocation formula based on each budget account would result in a negative cash flow for some of the agencies and cause programs to go bankrupt because of the many decision units in some budget accounts. The Department requested the opportunity to reassess new cost-allocation methods and use existing reports that were available from the Office of the State Controller.

Chair Kirner said issuing a letter of intent would be the best solution.

Jim R. Wells, C.P.A., Interim Director, Department of Administration, testified that cost allocation was one problem that he intended to study during the 2015-2017 interim. Consistency was needed for the method used to allocate costs among the state agencies. He wanted to study the best practices.

SENATOR GOICOECHEA MOVED TO ISSUE A LETTER OF INTENT DIRECTING THE DEPARTMENT OF BUSINESS AND INDUSTRY TO WORK WITH THE BUDGET DIVISION, DEPARTMENT OF ADMINISTRATION, AND FISCAL ANALYSIS DIVISION STAFF TO DEVELOP AN EQUITABLE AND CONSISTENT COST-ALLOCATION METHODOLOGY DURING THE 2015-2017 INTERIM.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Ms. Dagdagan explained that there were nine other closing items in BA 4681. Other closing item number 8 included an unclassified position salary increase, and Fiscal Analysis Division staff requested authority to adjust that item based on the decisions of the Senate and Assembly finance committees later.

Assemblyman Edwards asked about other closing item 8 and whether the salary of the deputy director position would increase by \$60,191.

Ms. Dagdagan clarified that B&I requested an increase to the salary of the deputy director of administration from \$81,584 to \$107,465 per year. According to B&I, the increase would align the salary with the other deputy directors of programs in B&I, and the duties would be commensurate with the salary.

Assemblyman Edwards wondered whether B&I would increase the duties of the deputy director position.

Ms. Dagdagan said B&I indicated there had been an increase in the duties after the B&I consolidation. The duties of the deputy included administration, fiscal services, human resources, and administration oversight.

Assemblyman Edwards expressed concern over the large increase in salary. He said state employees had taken so many cuts, and it seemed unfair to give a large increase without the position doing more work.

Ms. Dagdagan stated that Fiscal Analysis Division staff recommended the other closing items be approved as recommended by the Governor with authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

SENATOR GOICOECHEA MOVED TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - NEW MARKETS PERFORMANCE GUARANTEE (101-4678)
BUDGET PAGE B & I-22

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that there were no major closing issues for budget account 4678. There was one other closing item related to The Executive Budget recommendation of a reserve balance of \$6.25 million in each year of the 2015-2017 biennium. The reserves would maintain the 0.5 percent equity investment or long-term debt security deposit (performance fee) provided by qualified community development entities pursuant to *Nevada Revised Statutes* (NRS) 231A.270. Fiscal Analysis Division staff noted a fiscal year (FY) 2015 work program was approved by the Interim Finance Committee (IFC) to move the \$6.25 million from reserves to the performance refund category. A technical adjustment was included in the budget to move \$5.25 million from reserves to the performance refund category.

ASSEMBLYMAN HICKEY MOVED FOR APPROVAL OF BUDGET ACCOUNT 4678 AS RECOMMENDED BY THE GOVERNOR AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - NEVADA HOME RETENTION PROGRAM (101-4679)
BUDGET PAGE B & I-24

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that there were no major closing issues for budget account 4679. The one other closing item was the elimination of the

Nevada Home Retention Program budget. The \$49 million of National Mortgage Settlement funds was transferred to a nonprofit organization, Home Means Nevada, in fiscal year (FY) 2014.

Ms. Dagdagan asked whether the Subcommittees wished to approve eliminating budget account 4679 as recommended by the Governor and issuing a letter of intent directing the Department of Business and Industry to report to the Interim Finance Committee on a semiannual basis regarding the status of the 211 notes purchased from the U.S. Department of Housing and Urban Development (HUD); neighborhood stabilization efforts; the status of closing out the Home Means Nevada program; and the projected program assets anticipated for deposit to the General Fund.

Assemblywoman Swank said she was opposed to the elimination of the program. A recent report indicated that Nevada led all states and Las Vegas led all metropolitan areas in the percentage of homes with mortgages deeply underwater [the mortgage debt higher than the value of the home]. The report showed that 38 percent of such homes statewide and 41 percent in the Las Vegas area had mortgage debt that was at least 25 percent higher than the value of the residences.

Assemblyman Anderson said the home retention program was not eliminated, but the budget account was proposed for elimination. The program was still ongoing and active.

SENATOR GOICOECHEA MOVED TO APPROVE ELIMINATING BUDGET ACCOUNT 4679 AS RECOMMENDED BY THE GOVERNOR AND ISSUING A LETTER OF INTENT DIRECTING THE DEPARTMENT OF BUSINESS AND INDUSTRY TO REPORT TO THE INTERIM FINANCE COMMITTEE ON A SEMIANNUAL BASIS REGARDING THE STATUS OF THE 211 NOTES PURCHASED FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; NEIGHBORHOOD STABILIZATION EFFORTS; THE STATUS OF CLOSING OUT THE HOME MEANS NEVADA PROGRAM; AND THE PROJECTED PROGRAM ASSETS ANTICIPATED FOR DEPOSIT TO THE GENERAL FUND.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - HOUSING DIVISION (503-3841)
BUDGET PAGE B & I-124

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the one major closing issue for budget account 3841 was the recommendation to transfer all costs related to the maintenance of the low income housing database, including an economist position and associated operating costs, from budget account (BA) 3841 to the Low Income Housing Trust Fund budget account (BA) 3838. The Department of Business and Industry (B&I) indicated that the proposed transfer would align the economist position with the funding sources, streamline accounting processes, and provide greater oversight of the costs related to maintaining the database.

Ms. Dagdagan asked whether the Subcommittees wished to approve the Governor's recommendation to transfer the maintenance of the low income housing database, including an economist position, to the Low Income Housing Trust Fund budget.

SENATOR GOICOECHEA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO TRANSFER THE MAINTENANCE OF THE LOW INCOME HOUSING DATABASE, INCLUDING AN ECONOMIST POSITION, TO THE LOW INCOME HOUSING TRUST FUND BUDGET.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Ms. Dagdagan advised that there were eight other closing items, and Fiscal Analysis Division staff recommended budget account 3841 be closed as recommended by the Governor with authority for Fiscal Analysis Division staff to make technical adjustments as needed.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF BUDGET ACCOUNT 3841 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - LOW INCOME HOUSING TRUST FUND (101-3838)
BUDGET PAGE B & I-133**

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that there were no major closing issues for budget account 3838, but there were four other closing items. Fiscal Analysis Division staff recommended the budget be closed as recommended by the Governor with the technical adjustments noted and authorize Fiscal Analysis Division staff to make other technical adjustments as necessary.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF BUDGET ACCOUNT 3838 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

**COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - WEATHERIZATION (101-4865)
BUDGET PAGE B & I-141**

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the one major closing issue for budget account 4865 was the technology investment request to replace a 12-year-old database

system currently used by the Department of Business and Industry. The new database system would combine operational and administrative functions into one software platform and support reporting requirements of the programs' funding source for the weatherization program. The old database system produced inaccurate energy savings data that might result in the loss of program funding.

Ms. Dagdagan asked whether the Subcommittees wished to approve the Governor's recommendation to use \$300,000 in reserve funds to replace the Nevada's Weatherization Assistance Program database with a web-based management information system in fiscal year 2016 and ongoing maintenance costs of \$60,000 in fiscal year 2017.

ASSEMBLYMAN ANDERSON MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO USE \$300,000 IN RESERVE FUNDS TO REPLACE THE NEVADA WEATHERIZATION ASSISTANCE PROGRAM DATABASE WITH A WEB-BASED MANAGEMENT INFORMATION SYSTEM IN FISCAL YEAR 2016 AND ONGOING MAINTENANCE COSTS OF \$60,000 IN FISCAL YEAR 2017.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Ms. Dagdagan said there were four other closing items for BA 4865. Fiscal Analysis Division staff recommended other closing items be closed as recommended by the Governor with authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

ASSEMBLYMAN ANDERSON MOVED FOR APPROVAL OF OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - MANUFACTURED HOUSING (271-3814)
BUDGET PAGE B & I-267

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the one major closing issue for budget account 3814 was the technology investment request to replace the software systems used by the Manufactured Housing Division, Department of Business and Industry. The budget requested decreasing reserves to fund 25 percent of the total replacement cost of \$243,220. The total cost of the replacement was split evenly between the four budget accounts of the Manufactured Housing Division. She noted the full Assembly and Senate finance committees approved the closing of the three other budget accounts, and the approval of the technology investment request was contingent upon approval of funding in budget account 3814.

Ms. Dagdagan asked whether the Subcommittees wished to approve the Governor's recommendation to use \$243,220 in reserve funds over the 2015-2017 biennium split 25 percent each between the four Manufactured Housing Division budgets for the comprehensive software system replacement used by the Division as outlined in the technology investment request.

ASSEMBLYMAN ANDERSON MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO USE \$243,220 IN RESERVE FUNDS OVER THE 2015-2017 BIENNIUM SPLIT 25 PERCENT EACH BETWEEN THE FOUR MANUFACTURED HOUSING DIVISION BUDGETS FOR THE COMPREHENSIVE SYSTEM REPLACEMENT USED BY THE DIVISION AS OUTLINED IN THE TECHNOLOGY INVESTMENT REQUEST.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Ms. Dagdagan advised that the two other closing items for BA 3814 related to the B&I centralization and cost allocations.

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Ms. Dagdagan said Fiscal Analysis Division staff recommended budget account 3814 be closed as recommended by the Governor with authority for Fiscal staff to make technical adjustments as necessary.

SENATOR GOICOECHEA MOVED FOR APPROVAL OF BUDGET ACCOUNT 3814 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

COMMERCE & INDUSTRY
DEPT OF BUSINESS & INDUSTRY
B&I - FINANCIAL INSTITUTIONS (101-3835)
BUDGET PAGE B & I-296

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that there were no major closing issues for budget account 3835, but there were seven other closing items.

Ms. Dagdagan noted the reserve balance represented approximately eight months of expenses, but the Division of Financial Institutions, Department of Business and Industry, policies required the Division to maintain a one-year reserve. The reserve recommendation appeared reasonable. In addition, one technical adjustment was needed to reclassify five financial institution examiner positions.

Ms. Dagdagan asked whether the Subcommittees wished to approve the other closing items as recommended by the Governor with the technical adjustment noted and authority for Fiscal Analysis Division staff to make other technical adjustments as necessary.

ASSEMBLYMAN ANDERSON MOVED TO APPROVE THE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR WITH THE TECHNICAL ADJUSTMENT NOTED AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson was not present for the vote.)

Chair Kirner opened public comment. Hearing no public comment, Chair Kirner closed the public comment portion of the meeting and adjourned the hearing at 11:03 a.m.

RESPECTFULLY SUBMITTED:

Janice Wright
Committee Secretary

APPROVED BY:

Assemblyman Randy Kirner, Chair

DATE: _____

Senator Pete Goicoechea, Chair

DATE: _____

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EXHIBITS

Committee Name: Subcommittees on General Government

Date: April 23, 2015

Time of Meeting: 8:35 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster