

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

**Seventy-Eighth Session  
May 15, 2015**

The meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Ben Kieckhefer at 8:22 a.m. on Friday, May 15, 2015, in Room 4100 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**SENATE COMMITTEE MEMBERS PRESENT:**

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

**ASSEMBLY COMMITTEE MEMBERS PRESENT:**

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

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**STAFF MEMBERS PRESENT:**

Mark Krmpotic, Senate Fiscal Analyst  
Alex Haartz, Principal Deputy Fiscal Analyst  
Sarah Coffman, Senior Program Analyst  
Jeff Ferguson, Senior Program Analyst  
Leandra Copeland, Program Analyst  
Cathy Crocket, Program Analyst  
Jaimarie Dagdagan, Program Analyst  
Brody Leiser, Program Analyst  
Lona Domenici, Committee Manager  
Emily Cervi, Committee Assistant  
Susan McArthur, Committee Secretary

**OTHERS PRESENT:**

Greg Cox, Director, Department of Corrections  
Scott Sisco, Deputy Director, Support Services, Department of Corrections  
Jose Paulo Castillo III, Residential Care Home Community Alliance

**Chair Kieckhefer:**

We will begin with the budget closing for the Nevada Catalyst Fund, budget account (B/A) 101-1529.

COMMERCE AND INDUSTRY

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

GOED - Nevada Catalyst Fund — Budget Page ECONOMIC DEVELOPMENT-27  
(Volume II)

Budget Account 101-1529

**Jeff Ferguson (Senior Program Analyst):**

There are two major closing issues in the Nevada Catalyst Fund, B/A 101-1529. The first is decision unit E-126.

E-126 Sustainable and Growing Economy — Page ECONOMIC  
DEVELOPMENT-28

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Governor Brian Sandoval recommends a General Fund appropriation of \$7 million in FY 2016 to restore funding that is proposed to be transferred from the Catalyst Account to the General Fund in FY 2015 to meet State obligations. This recommendation is contained in section 6 of Senate Bill (S.B.) 506, which is currently in the Senate Committee on Finance.

**SENATE BILL 506**: Revises provisions relating to State financial administration.  
(BDR S-1207)

During its budget hearing, the Governor's Office of Economic Development (GOED) testified that the entire Catalyst Account has been obligated, as described on pages 5 and 6 of the "Senate Committee on Finance and Assembly Committee on Ways and Means Closing List No. 2" ([Exhibit C](#)). The \$7 million transfer is needed at the beginning of fiscal year (FY) 2016 to fund grants that already have been awarded.

The executive director of GOED has indicated that the \$7 million is required, regardless of the passage of S.B. 506.

**Assemblyman Edwards:**

Since we are at the end of FY 2015, the \$7 million has already been swept. If this amount were to be restored, where would it go?

**Mr. Ferguson:**

Senate Bill 506 would effectuate the transfer. It has not already been swept. The funds are currently in the Catalyst Account.

**Assemblyman Edwards:**

We are only 6 or 7 weeks away from the end of FY 2015. How would the \$7 million be spent by the end of June?

**Mr. Ferguson:**

It would not be spent before the end of FY 2015. The Catalyst Account awards performance-based grants to businesses. They have to meet certain criteria before the award is granted. The awards have been made, but the businesses have not met their job creation goals yet. In other words, the funds are obligated, but the checks have not been written.

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The table on page 6 of [Exhibit C](#), titled "Approved Catalyst Fund Grant Payments," lists the different companies for which grants have been approved, the amounts of the grants and the anticipated dates of the disbursements. The \$7 million is needed to pay these awards.

**Chair Kieckhefer:**

Is the \$7 million needed for the scheduled payments based on contractual obligations entered into by the State?

**Mr. Ferguson:**

That is correct.

**Assemblyman Edwards:**

Is the \$10 million slated to be awarded in FY 2016 contractually obligated in a similar manner to the \$7 million for this year?

**Mr. Ferguson:**

Yes, but the FY 2016 funding is for different companies and may be awarded using different criteria. The companies listed on page 6 have already received the Nevada Catalyst Fund grants, but the payments have not come due yet.

**Assemblyman Edwards:**

Was the money available to be swept, but is now no longer available?

**Chair Kieckhefer:**

The funding is still available to be swept. We just have not processed the bill. The money is being backed out, but is needed for future years, because GOED has obligated it for future years. We need to reappropriate the \$7 million, so GOED can meet its obligations.

**Assemblywoman Kirkpatrick:**

Is the Nevada Catalyst Fund a means by which the State can ensure companies meet certain performance measures before they receive grant monies? If so, are the agreements long-term?

**Mr. Ferguson:**

Yes. As can be seen on page 5 of [Exhibit C](#), in the table titled "Approved Catalyst Fund Grants," job creation goals and average wages paid are part of

the criteria for Nevada Catalyst Fund grants. The terms are shown in the last column of this table, and they range from 2 to 5 years. These lengths of time allow the company to locate or relocate in the State, build infrastructure and start to do business. In the meantime, the State has obligated those grant funds, and assuming the companies meet their job creation goals, the funds are then released from the account.

**Assemblywoman Dickman:**

Does the money in the Catalyst Account need to move to the General Fund in order to pay the obligations?

**Mr. Ferguson:**

Decision unit E-126 can be thought of as a loan to fund FY 2015 obligations. Then in FY 2016, the money would essentially be repaid to the Catalyst Account.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E-126 FOR A GENERAL FUND APPROPRIATION OF \$7 MILLION IN FY 2016 TO RESTORE FUNDING THAT IS PROPOSED TO BE TRANSFERRED FROM THE NEVADA CATALYST FUND, B/A 101-1529, TO THE GENERAL FUND IN FY 2015 TO MEET STATE OBLIGATIONS, AND TO GRANT AUTHORITY TO FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY DEPENDING ON PASSAGE AND APPROVAL OF S.B. 506.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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**Mr. Ferguson:**

The second major closing issue in the Nevada Catalyst Fund, B/A 101-1592, is decision unit E-125.

E-125 Sustainable and Growing Economy — Page ECONOMIC  
DEVELOPMENT-28

During its budget hearing, GOED testified that the \$10 million appropriation recommended for the Catalyst Account in FY 2016 would be focused on higher-paying jobs. The numbers for job creation goals would be reduced from FY 2015. However, S.B. 507, currently in the Senate Committee on Finance, would authorize the executive director of GOED and the Board of Economic Development to approve and issue transferable tax credits to new or expanding businesses in the State to promote economic development.

**SENATE BILL 507**: Revises provisions relating to economic development.  
(BDR 18-1204)

If S.B. 507 is approved, the \$10 million appropriation would no longer be needed in the Catalyst Account, because up to \$500,000 in FY 2016 and \$2 million in FY 2017 would be granted to new businesses in lieu of direct payments through the Nevada Catalyst Fund.

Senate Bill 507 also provides a maximum \$5 million in transferable tax credits in each fiscal year after FY 2017. Accordingly, if this bill passes, the \$10 million Catalyst Account appropriation in the Executive Budget could be removed as an expenditure, and \$500,000 in FY 2016 and \$2 million in FY 2017 would be reduced against General Fund revenue in those respective fiscal years.

**Assemblywoman Titus:**

I voted for the \$7 million appropriation to the Catalyst Account because those monies were already obligated. However, I am not a proponent of the Nevada Catalyst Fund, so I support elimination of this \$10 million General Fund appropriation.

**Assemblyman Edwards:**

I am not convinced that the Catalyst Fund is the best way to attract business to the State. I agree we should eliminate the General Fund appropriation of \$10 million, especially since a lot of the grants go to large companies and I would like to see more go to smaller businesses.

ASSEMBLYWOMAN TITUS MOVED TO ELIMINATE THE \$10 MILLION GENERAL FUND APPROPRIATION RECOMMENDED BY THE GOVERNOR IN DECISION UNIT E-125 OF THE NEVADA CATALYST FUND, B/A 101-1529, AND IF S.B. 507 IS NOT PASSED, TO APPROVE FUNDING BE RESTORED TO B/A 101-1529 THROUGH THE APPROPRIATIONS ACT.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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**Chair Kieckhefer:**

We will now hear the Subcommittees' reports, starting with the Department of Administration's Division of Enterprise Information Technology Services.

**Cathy Crocket (Program Analyst):**

I will read from the "Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on General Government, Department of Administration, Division of Enterprise Information Technology Services Closing Report" ([Exhibit D](#)).

The Subcommittees on General Government have completed the review of the Department of Administration Division of Enterprise Information Technology Services (EITS), and made the following recommendations for its 2015-2017 biennium budget.

The Subcommittees recommended approval of the Governor's recommendation to eliminate the temporary Information Technology (IT) Consolidation Department of Public Safety (DPS), B/A 721-1405, by transferring \$12 million in personnel and operating costs, including 48 positions, to other EITS budgets to complete the integration of the DPS IT services with EITS, effective July 1, 2015.

## FINANCE AND ADMINISTRATION

### ADMINISTRATION

Administration - IT - Info Tech Consolidation DPS — Budget Page ADMIN-102  
(Volume I)  
Budget Account 721-1405

The Subcommittees noted that EITS did not develop cost pools and service rates to appropriately charge a fully consolidated IT customer, such as the DPS, for the true costs of providing specialized IT services. Accordingly, the Subcommittees recommended the issuance of a letter of intent (LOI), instructing the Agency to analyze its billing model and provide a report to the Interim Finance Committee (IFC).

The Subcommittees also recommended approval of removing \$1.1 million in costs from standard EITS cost pools in other EITS budgets, and charging DPS directly for specialized IT services, resulting in a corresponding \$1.1 million decrease in the total amount EITS would charge State agencies for standard EITS services.

As part of the integration of DPS IT services into EITS budgets, the Subcommittees recommended approval of transferring costs of \$961,362 over the 2015-2017 biennium to transfer in four positions and related operating costs, including a \$43,250 increase in reserves to establish a project management unit.

Administration - IT - Office of CIO — Budget Page ADMIN-38 (Volume I)  
Budget Account 721-1373

To ensure that costs associated with DPS-specific IT services would not be inappropriately merged into the EITS Office of the Chief Information Officer cost allocation, the Subcommittees recommended approval of charging DPS \$412,365 of the total costs transferred in over the 2015-2017 biennium for DPS-specific IT services.

The Subcommittees recommended approval of the Governor's recommendation to transfer the manager of application services from the Application Support

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budget, B/A 721-1365; two IT strategic planning positions from the Governor's Finance Office Budget and Planning budget, B/A 101-1340; and an administrative assistant from the Telecommunications budget, B/A 721-1387.

Administration - IT - Application Support — Budget Page ADMIN-47 (Volume I)  
Budget Account 721-1365

## ELECTED OFFICIALS

Governor's Finance Office — Budget Page ELECTED-48 (Volume I)  
Budget Account 101-1340

Administration - IT - Telecommunications — Budget Page ADMIN-76 (Volume I)  
Budget Account 721-1387

As part of the integration of DPS IT services into EITS budgets, the Subcommittees recommended approval of the Governor's recommendation to transfer costs totaling \$7.5 million over the 2015-2017 biennium, including 35 positions, related operating costs, and a \$665,609 increase in reserves to the Application Support budget, B/A 721-1365.

To ensure that costs associated with DPS-specific IT services would not be inappropriately merged into existing EITS cost pools, the Subcommittees recommended approval of charging DPS \$1.6 million in FY 2016 and \$1.4 million in FY 2017 of the costs transferred in for specialized IT services.

The Subcommittees recommended approval of the Governor's recommendation to utilize contracted software developers for two DPS technology investment request projects, including the Nevada Criminal Justice Information System modernization project and the Nevada Offender Tracking Information System (NOTIS) replacement project.

However, the Subcommittees did not approve the Governor's recommendation to include the contract costs in the programmer/developer cost pool, resulting in a significant increase in the programmer/developer service rate charged to all State agencies. Rather, the Subcommittees approved charging DPS directly for contracted services. The Subcommittees approved additional user fee revenues

totaling \$560,597 over the 2015-2017 biennium for four new positions, including three positions for desktop support and one administrative assistant, as recommended by the Governor.

The Subcommittees recommended approval of eliminating costs from the Computer Facility budget account, B/A 721-1385, associated with cloud-based email, totaling \$913,053 over the biennium, consistent with recent actions by the IFC to continue utilizing a State-owned email system.

Administration - IT - Computer Facility — Budget Page ADMIN-58 (Volume I)  
Budget Account 721-1385

The Subcommittees recommended approval of \$1 million to enhance the State's disaster recovery capabilities for computer facility-related services, including one new position, as recommended by the Governor, with nonposition related costs placed in a separate expenditure category.

The Subcommittees recommended approval of the Governor's recommendation for a cloud-computing pilot project totaling \$105,266 over the biennium, as well as for a new UNIX-based archiving system to address a federal mandate imposed on the Department of Health and Human Services' (DHHS) Division of Welfare and Supportive Services (DWSS), at a cost of \$386,790 over the biennium. The Subcommittees noted that EITS does not have a mechanism to charge users for UNIX-based storage and recommended the issuance of a LOI instructing the Agency to evaluate whether there is a means of charging customers equitably for such storage.

As part of the integration of DPS IT services into EITS budgets, the Subcommittees recommended approval of transferring to the Computer Facility budget, B/A 721-1385, costs totaling \$3.2 million over the 2015-2017 biennium for four positions, related operating costs and a \$184,140 increase in reserves. To ensure that costs associated with DPS-specific IT services would not be inappropriately merged into existing EITS cost pools, the Subcommittees recommended approval of charging DPS \$777,000 over the 2015-2017 biennium for specialized IT services.

The Subcommittees recommended approval of additional user fee revenue in B/A 721-1386, the Data Communications and Network Engineering budget,

totaling \$1.1 million over the biennium to increase network capacity between Carson City and Las Vegas and for Ely, Pahrump and Reno, as recommended by the Governor.

Administration - IT - Data Comm & Network Engin — Budget Page ADMIN-68  
(Volume I)  
Budget Account 721-1386

Since it was determined that Winnemucca needed no increase in network capacity, the Subcommittees did not recommend approval of the Governor's recommendation to increase network capacity there, generating cost savings of \$34,656 over the biennium. The Subcommittees recommended approval of the Governor's recommendation to increase user fee revenue by \$577,604 over the biennium to locate network equipment in Las Vegas at a data colocation facility to provide an appropriate environment for equipment critical to the operations of State agencies.

As part of the integration of DPS IT services into EITS budgets, the Subcommittees recommended approval of transferring to B/A 721-1386 costs totaling \$1.3 million over the 2015-2017 biennium to transfer in four positions, related operating costs and a \$170,405 increase in reserves.

To ensure that costs associated with DPS-specific IT services would not be inappropriately merged into existing EITS cost pools, the Subcommittees recommended approval of charging DPS \$545,152 over the 2015-2017 biennium for specialized IT services. In addition, the Subcommittees recommended approval of transferring costs totaling \$203,761 over the biennium to DPS for maintenance costs associated with computer hardware that is physically located at DPS.

The Subcommittees recommended the issuance of a LOI, instructing the Agency to develop a timeline for evaluating the 134 identified stand-alone telephone systems for consolidation with the State core telephone system in the Telecommunications budget, B/A 721-1387.

Administration - IT - Telecommunications — Budget Page ADMIN-76 (Volume I)  
Budget Account 721-1387

The Subcommittees recommended approval of one IT manager position at 0.49 FTE, rather than one FTE as recommended by the Governor, to align budgetary authority with anticipated expenditures, at a cost savings of \$100,055 over the 2015-2017 biennium.

The Subcommittees recommended approval of replacing the communications portion of the existing State-owned microwave communications system with an outsourced, leased system, with lease payments expected to total \$18.7 million over a 12-year period in the Network Transport Services budget, B/A 721-1388.

Administration - IT - Network Transport Services — Budget Page ADMIN-84  
(Volume I)  
Budget Account 721-1388

However, to comply with statutory provisions governing internal services funds and EITS accounts, the Subcommittees did not recommend approval of the Governor's recommendation to appropriate \$2.1 million from the General Fund and \$3.9 million from the Highway Fund in FY 2017 to this budget to fund the initial lease payment. Rather, the Subcommittees recommended appropriating the General Fund and Highway Fund to the Special Appropriations budget, B/A 101-1301.

Administration - Special Appropriations — Budget Page ADMIN-9 (Volume I)  
Budget Account 101-1301

Furthermore, the Subcommittees recommended requiring EITS to pay back the General Fund and Highway Fund appropriations, with payback provisions to be included in the 2015 Appropriations Act and the issuance of a LOI to memorialize the payback provisions. The Subcommittees noted that microwave communication service rates would increase in future biennia to cover the costs of the leased system. To lessen the impact of rate increases to customers, the Subcommittees recommended phasing in increased service rates by approximately \$374,000 in FY 2016 and \$1.1 million in FY 2017.

In the Security budget, B/A 721-1389, the Subcommittees recommended approval of additional user fees of \$113,430 over the 2015-2017 biennium to add one new position that was not recommended in the Executive Budget.

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Administration - IT - Security — Budget Page ADMIN-95 (Volume I)  
Budget Account 721-1389

This position will provide dedicated support for the Nevada Card Access System to ensure that the costs of administering the system are not absorbed by other EITS cost pools.

As part of the integration of DPS IT services into EITS budgets, the Subcommittees approved additional user fees totaling \$175,438 to transfer to this budget one IT position and related operating costs, including \$31,303 to fund an associated increase in reserves. The Subcommittees also recommended approval of the Governor's recommendation to transfer an IT professional position from the Computer Facility budget to support desktop security.

The Subcommittees recommended approval of technical adjustments noted by Fiscal staff, and authorized staff to make other technical adjustments as necessary for all EITS budgets. Finally, the Subcommittees recommended approval of all other closing items within EITS budgets as recommended by the Governor, and authorized Fiscal staff to make technical adjustments as necessary.

ASSEMBLYMAN ANDERSON MOVED TO APPROVE THE  
RECOMMENDATIONS OF THE SUBCOMMITTEES FOR THE  
EITS 2015-2017 BUDGET AS DESCRIBED IN [EXHIBIT D](#).

SENATOR SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION PASSED UNANIMOUSLY.

SENATE: THE MOTION PASSED UNANIMOUSLY.

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**Brody Leiser (Program Analyst):**

I will read from the "Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on K-12/Higher Education/CIPs Closing Report, Nevada System of Higher Education" ([Exhibit E](#)).

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On May 7, 2015, the Subcommittees on K-12/Higher Education/CIPs completed its review of the Nevada System of Higher Education (NSHE) budget recommendations in the Executive Budget for the 2015-2017 biennium. The Subcommittees' actions resulted in a reduction of General Fund appropriations of \$500,000 in FY 2017. When making these recommendations, the Subcommittees considered the following budget accounts:

## EDUCATION

### NSHE

NSHE - System Administration — Budget Page NSHE-11 (Volume I)  
Budget Account 101-2986

NSHE - Special Projects — Budget Page NSHE-14 (Volume I)  
Budget Account 101-2977

NSHE - University Press — Budget Page NSHE-17 (Volume I)  
Budget Account 101-2996

NSHE - System Computing Center — Budget Page NSHE-19 (Volume I)  
Budget Account 101-2991

NSHE - State-Funded Perkins Loan — Budget Page NSHE-22 (Volume I)  
Budget Account 101-2993

NSHE - Education For Dependent Children — Budget Page NSHE-23 (Volume I)  
Budget Account 101-2978

NSHE - University of Nevada - Reno — Budget Page NSHE-24 (Volume I)  
Budget Account 101-2980

NSHE - Intercollegiate Athletics - UNR — Budget Page NSHE-30 (Volume I)  
Budget Account 101-2983

NSHE - Statewide Programs - UNR — Budget Page NSHE-33 (Volume I)  
Budget Account 101-2985

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NSHE - School of Medical Sciences — Budget Page NSHE-36 (Volume I)  
Budget Account 101-2982

NSHE - Health Laboratory and Research — Budget Page NSHE-41 (Volume I)  
Budget Account 101-3221

NSHE - Agricultural Experiment Station — Budget Page NSHE-44 (Volume I)  
Budget Account 101-2989

NSHE - Cooperative Extension Service — Budget Page NSHE-47 (Volume I)  
Budget Account 101-2990

NSHE - Business Center North — Budget Page NSHE-50 (Volume I)  
Budget Account 101-3003

NSHE - University of Nevada - Las Vegas — Budget Page NSHE-53 (Volume I)  
Budget Account 101-2987

NSHE - UNLV School of Medicine — Budget Page NSHE-59 (Volume I)  
Budget Account 101-3014

NSHE - Intercollegiate Athletics - UNLV — Budget Page NSHE-60 (Volume I)  
Budget Account 101-2988

NSHE - Statewide Programs - UNLV — Budget Page NSHE-63 (Volume I)  
Budget Account 101-3001

NSHE - UNLV Law School — Budget Page NSHE-66 (Volume I)  
Budget Account 101-2992

NSHE - Dental School - UNLV — Budget Page NSHE-70 (Volume I)  
Budget Account 101-3002

NSHE - Business Center South — Budget Page NSHE-73 (Volume I)  
Budget Account 101-3004

NSHE - Desert Research Institute — Budget Page NSHE-76 (Volume I)  
Budget Account 101-3010

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NSHE - Great Basin College — Budget Page NSHE-79 (Volume I)  
Budget Account 101-2994

NSHE - Western Nevada College — Budget Page NSHE-85 (Volume I)  
Budget Account 101-3012

NSHE - College of Southern Nevada — Budget Page NSHE-91 (Volume I)  
Budget Account 101-3011

NSHE - Truckee Meadows Community College — Budget Page NSHE-96  
(Volume I)  
Budget Account 101-3018

NSHE - Nevada State College At Henderson — Budget Page NSHE-101  
(Volume I)  
Budget Account 101-3005

NSHE - Performance Funding Pool — Budget Page NSHE-106 (Volume I)  
Budget Account 101-3013

The Subcommittees recommended the removal of a General Fund appropriation of \$500,000 in FY 2017 from the State-supported operating budget for the University of Nevada, Las Vegas (UNLV), with the understanding that the appropriation will be considered by the Subcommittees on May 18, 2015, as part of the Governor's recommended funding for Capital Improvement Program Project No. 15-C78.

Project No. 15-C78—Hotel College Academic Building (UNLV)

The Subcommittees recommended approval of the Governor's recommendation to continue funding the seven State-supported instructional budgets with the funding formula adopted by the 2013 Legislature and distributing General Fund appropriations based on the NSHE institutions FY 2014 weighted student credit hours (WSCH). The Subcommittees concurred with the Governor's recommendation to fund WSCH caseload adjustments, including the removal of "F" grades for nonattendance/efforts, with General Fund appropriations of \$12.2 million in each fiscal year of the 2015-2017 biennium.

As a component of the funding formula, the Subcommittees recommended approval of the Governor's recommendation that Great Basin College (GBC) and Western Nevada College (WNC) receive General Fund appropriations of \$1.1 million and \$835,470, respectively, in each fiscal year of the 2015-2017 biennium for small institution funding, and that the funding be appropriated prior to the calculation of the WSCH value as a preformula allocation.

The Subcommittees recommended approval of the Governor's recommendation to eliminate \$5.3 million in General Fund appropriations, which supported mitigation funding in FY 2015 for GBC in the amount of \$3 million and the WNC at \$2.3 million.

Additionally, the Subcommittees recommended approval of \$5 million and \$4.1 million in each year of the 2015-2017 biennium for UNLV and the University of Nevada, Reno (UNR), respectively, to fund research space operations and maintenance (O&M) funding, as recommended by the Governor. The Subcommittees concurred with the Governor's recommendation that the research space O&M funding be appropriated prior to the calculation of the WSCH value as a preformula allocation.

Finally, the Subcommittees recommended approval of the Governor's recommendation to approve performance funding levels as a 10 percent set-aside of \$40.6 million and a 15 percent set-aside of \$60.9 million of General Fund appropriations for the performance funding pool in FY 2016 and FY 2017, respectively. The Subcommittees recommended to include the FY 2016 performance funding in each institution's General Fund appropriation amount, and thus avoid the need for the institutions to submit work programs for IFC consideration to facilitate a known transfer of performance funding for FY 2016.

The formula funding levels recommended by the Subcommittees, compared to the institutions' FY 2015 General Fund appropriations prior to any final closing actions approved by the full Committees and technical adjustments, are shown in the tables on page 3 of [Exhibit E](#).

The Subcommittees recommended approval to continue the policy adopted by the 2013 Legislature and as recommended by the Governor, that

non-General Fund revenues, such as registration fees, nonresident tuition and miscellaneous student fees, should not offset the amount of General Fund appropriations that would otherwise be budgeted.

In addition, the Subcommittees recommended approval of student-driven non-General Fund revenue adjustments for the seven teaching institutions and three professional schools with adjustments based upon updated 2015-2017 biennium revenue projections provided by NSHE. During the discussion on student-derived revenues, the Subcommittees directed Fiscal staff to research potential alternatives to the current approval process, which NSHE is required to follow during the interim when student-derived revenue collections exceed budgeted authority. This is discussed under the unresolved closing issue item on pages 6 through 8 of [Exhibit E](#).

The Subcommittees recommended approval of the Governor's recommendation to provide start-up costs for the development of an allopathic medical school at UNLV with General Fund appropriations of \$1.2 million in FY 2016 and \$7.1 million in FY 2017. In addition, the Subcommittees recommended the issuance of a LOI, directing the NSHE to report to the IFC on a biannual basis, with the first report covering the period, July 1, 2015, to December 31, 2015, identifying milestones reached in the implementation of the new medical school, and directing staff to include any specific reporting requirements in the LOI so that expenditures can be analyzed in preparation of future biennia funding requests.

The Subcommittees recommended approval of the Governor's recommendation to approve the University of Nevada School of Medicine's budget, including the enhancement of \$2.5 million in General Fund appropriations over the 2015-2017 biennium to purchase video equipment and fund public medical education expansion through Project Echo Nevada and to expand medical education programs for students and resident physicians with the Renown Partnership. The Subcommittees also recommended that a LOI be issued, directing the NSHE to report to the IFC on a biannual basis identifying the accomplishments achieved by the Whittemore Peterson Institute through the funding in the University of Nevada School of Medicine budget.

The Subcommittees recommended approval of the UNLV Law School budget, including the Governor's recommendation of a \$1.5 million General Fund

appropriation enhancement in each year of the 2015-2017 biennium to offset a revenue reduction resulting from lower enrollments.

The Subcommittees concurred with the Governor's recommendation to fund the Desert Research Institute's (DRI) budget based upon implementation of the new DRI funding formula model. The formula, as approved, is a sliding scale calculation, with General Fund appropriations based on the level of grant activity awarded to DRI.

The Subcommittees recommended approval of the Governor's recommended 2015-2017 biennium funding levels for 16 NSHE nonformula, State-supported operating budgets, inclusive of establishing the trust account for the Education for Dependent Children in Subcommittees.

The Subcommittees recommended approval of Fiscal staff's request to make any technical adjustments as necessary.

The Subcommittees recommended that Fiscal staff be directed to include language in the 2015 Appropriations Act to continue NSHE's existing general authority to transfer General Fund appropriations between NSHE budget accounts subject to the recommendation of the Governor and the approval of the IFC.

The Subcommittees recommended that Fiscal staff be directed to include language in the 2015 Authorizations Act to authorize NSHE to balance forward any unexpended non-General Fund revenues to the next fiscal year for authorized purposes in NSHE State-supported operating budgets.

As previously mentioned, the Subcommittees directed Fiscal staff to research potential alternatives to the current approval process which NSHE is required to follow during the interim when student-derived revenue collections exceed budgeted authority. The 2013 Authorizations Act of the 77th Session requires IFC approval for any increases in nonresident tuition and miscellaneous student fee revenues and expenditures beyond the legislatively approved authority. In addition, IFC approval is required for any increases in registration fee revenue beyond the legislatively approved authority, if the increased revenue is to be expended for purposes other than incremental instructional faculty. However, the Authorizations Act permits the NSHE institutions to expend increases in

registration fee revenue beyond the legislatively approved authority for the cost of incremental instructional faculty without requiring IFC approval. Approval by the Department of Administration's Budget Office, on behalf of the Governor, is still required, however. The NSHE institutions are required to obtain the approval of the Board of Regents in all instances.

**Assemblyman Kirner:**

I have a number of concerns about this complex budget. Performance funding is not an incentive program; rather, it is a penalty-based program. I remain concerned about our community colleges and the formula that determines their funding. Community colleges are underfunded, as is the DRI. I support the closing of this budget account, but my concerns remain.

**Senator Smith:**

I agree that the Committees should close the budget, but I have concerns about how difficult it is for DRI to recruit and retain staff.

**Assemblyman Oscarson:**

I have reservations about the underfunding of community colleges and DRI, especially since the Committees have no plan to address this lack of funding. I do not know if I will vote to close this budget.

**Senator Goicoechea:**

I do not support closing this budget. If we reduce funding for community colleges, we might as well turn their lights off.

**Assemblywoman Titus:**

I will not vote to close this budget. We are focusing on priorities we should not be. The State is trying to attract industry that will need trained workers who do not necessarily need a university education. The University of Nevada does not provide the training these high technology businesses require. We need to fund the community colleges.

**Assemblyman Hickey:**

I do support closing this budget, but I concur with the concerns that have been expressed by Assemblywoman Titus in regard to funding for community colleges. The underfunding is an unintended consequence of defunding any

WSCH to which “F” grades were awarded. It was a good performance measure, but a poor funding mechanism.

I do not agree, however, with Assemblywoman Titus’ characterization of the University. It is aligning itself with the workforce development that Tesla and other high technology businesses require.

**Assemblywoman Swank:**

I want to voice my reservations about this budget. Having taught at universities and community colleges for 20 years, I believe we are underestimating the impact of not funding “F” grade WSCH. This policy will hinder the community colleges’ ability to provide workforce development.

**Assemblywoman Carlton:**

Community colleges do not have the same mission as the University, and—as we anticipated—this funding formula is inadequate. The performance funding needs to be addressed.

**Senator Woodhouse:**

I concur with Senator Smith’s comments regarding the lack of funding for DRI. I was recently at a Town Hall meeting with community college professors. Their top priority, aside from merit pay, is the defunding of “F” grade WSCH. These are valid concerns that the Legislature should be considering.

**Assemblyman Edwards:**

What is the rationale for the 10 percent and 15 percent set-asides described on page 2 of [Exhibit E](#)?

**Mr. Leiser:**

The performance funding is implemented in stages over a 4-year period. The first year was funded at a 5 percent level, the second year at a 10 percent level, the third year at 15 percent and the fourth year at a 20 percent funding level. The intent was the performance funding pool would be 20 percent thereafter.

**Assemblyman Edwards:**

Why were those percentages chosen?

**Chair Kieckhefer:**

Those numbers were chosen by the 2011-2012 Interim Study Committee. The Committee examined how other states funded performance, and we chose these percentages to focus college efforts on areas of high need.

**Assemblywoman Carlton:**

What was the fiscal impact on community colleges of defunding "F" grade WSCH?

**Mr. Leiser:**

Considering all other factors constant, including the small institution carve-out and O&M for research funding that is allocated preformula, the net impact across all seven institutions affected by the "F" grade performance measure was a reduction of \$202,202. That calculation took into consideration the caseload adjustment recommended by the Governor and approved by the Subcommittees.

If the "F"-grade adjustment were not made in FY 2016, the result would be a decrease in funding to UNR of approximately \$2.1 million. The decrease to UNLV would be a decrease of \$2.2 million.

The College of Southern Nevada would receive an increase of \$3.4 million. The GBC would receive an additional \$16,647, TMCC would receive \$808,072 more, WNC would receive \$238,851 more and Nevada State College would receive \$37,724 more.

For FY 2017, the adjustments would be similar, within approximately \$1,000 for the smaller institutions and within \$2,000 to \$3,000 for UNR and UNLV.

**Assemblywoman Carlton:**

These numbers are a key component of this budget and it is important that we have them on the record.

**Assemblyman Hickey:**

I participated in the interim study that recalculated the formula for NSHE funding. I do not believe our constituents would want the Committee to undo the "F" grade WSCH performance measures.

**Assemblywoman Swank:**

The Legislature had agreed to fund “F” grade WSCH in the 77th Session. The “F” grades under discussion are those awarded to students who have completed at least 60 percent of the course. Community college students are supposed to explore ideas and try out different classes. Many community college students are returning to school after long absences.

**Chair Kieckhefer:**

I disagree with Assemblywoman Swank’s characterization. The intent was not to fund “F” grades, but to gather more data. The “F” grades under discussion are those attached to WSCH for which students enrolled, but did not attend. Thus, no effort was expended in their instruction. Under this formula, credit hours earned by those who go to class, but fail, are still funded.

**Assemblywoman Swank:**

Often, community college students attend class for the first half of the term, filling classes to capacity, engendering considerable work on behalf of the professor. If the students drop out—as many do—before the 60 percent term-completion deadline, their credit hours are not funded. Therefore, colleges must employ other funding strategies, such as increasing class size. The end result is a poor student-to-teacher ratios.

**Assemblyman Oscarson:**

How much was removed from the DRI budget?

**Mr. Leiser:**

With the exception of O&M costs, a DRI-specific funding formula was applied to that budget. The result was a sliding scale budget based on the level of grant activity at DRI, as illustrated by the two tables on page 24 of [Exhibit E](#).

Under the recommended DRI funding formula, State support is calculated at 12 percent of the first \$25 million in grants and contracts. An additional 7.5 percent State funding would be calculated on the next \$5 million in grants and contracts, or the amount from \$25 million to \$30 million. The next \$5 million, or from \$30 million to \$35 million, is supported by 6 percent State funding and any additional grants and contracts above \$35 million are funded at 5 percent.

The reduction in funding recommended in the 2015-2017 biennium is a result of implementing the new sliding scale formula and the reduction of grants and contracts awarded to DRI, in part due to sequestration.

Overall, the recommended General Fund appropriation represents an 8.9 percent decrease in FY 2016 as compared to the amount legislatively approved for FY 2015. The FY 2017 General Fund appropriation represents a 9.4 percent decrease compared to FY 2015.

**Chair Kieckhefer:**

During the last interim, we required NSHE institutions to present work programs to the IFC, none of which were questioned in depth or altered by the Committee. Part of the rationale in changing funding formulas was to grant the institutions authority to expend increases in nonresident tuition, registration and miscellaneous student fees without IFC approval. It is enough to ask the NSHE institutions to report any changes to the revenue or expenditure authority that have been approved by the Board of Regents and the Budget Division during the 2017 Legislative Session.

**Assemblywoman Carlton:**

I disagree. The funding formulas are too new to relinquish control of these budgets. Every session, we see the Legislature release more of its influence over NSHE budgets, to which our constituents hold us accountable. The Legislature should require IFC approval for this interim and then revisit the issue next Session.

**Senator Smith:**

I respectfully disagree with my colleague. The NSHE institutions complied with the request of Legislature in the 77th Session. They raised more funds as we asked them to do. Therefore, we should not require the institutions to report to the IFC.

SENATOR SMITH MOVED TO APPROVE THE RECOMMENDATIONS OF THE SUBCOMMITTEES' CLOSING REPORT ON K-12/HIGHER EDUCATION/CIPS, NSHE; TO DIRECT FISCAL STAFF TO MODIFY THE LANGUAGE IN THE 2015 AUTHORIZATIONS ACT TO ALLOW THE NSHE INSTITUTIONS TO EXPEND INCREASES IN NONRESIDENT TUITION, REGISTRATION FEE AND MISCELLANEOUS STUDENT FEE

REVENUES WITHOUT IFC APPROVAL, REGARDLESS OF HOW THE INCREASED REVENUE IS TO BE EXPENDED; THE NSHE INSTITUTIONS WOULD STILL BE REQUIRED TO RECEIVE APPROVAL FROM THE BOARD OF REGENTS FOR SUCH INCREASES AND TO SUBMIT WORK PROGRAMS FOR APPROVAL BY THE EXECUTIVE BUDGET OFFICE TO AUGMENT REVENUE AND EXPENDITURE AUTHORITY WITHIN A FISCAL YEAR; IF THIS OPTION IS APPROVED, THE NSHE INSTITUTIONS ARE REQUIRED TO PROVIDE INFORMATIONAL REPORTS TO THE IFC ON A BIENNIAL BASIS, IDENTIFYING ANY SUCH AUGMENTATIONS IN REVENUES AND EXPENDITURES AND THE ASSOCIATED PURPOSES.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

**Assemblywoman Kirkpatrick:**

Can we request NSHE appear before the IFC if the Committee wants to see them during the interim? Community colleges and DRI are collaborating with private industry to train the workforce, and the Committee needs to be kept abreast of their progress.

**Chair Kieckhefer:**

The reporting requirements apply not only to the next Session, but through the IFC as well.

**Assemblyman Oscarson:**

I am concerned about the underfunding of community colleges, and I am also concerned with the medical school component of this budget. Therefore, I cannot support the NSHE budget.

**Assemblywoman Dickman:**

I share Assemblyman Oscarson's concerns. I do not want to delay the budget closing, but I am very conflicted about it.

**Assemblywoman Benitez-Thompson:**

In this budget, the Committees are not providing funding to the levels we would like. However, we are at 80 percent to 90 percent of where the funding should be. In my time at the Legislature, I have seen many difficult budget cuts. In fact, a flat budget is now considered a budget increase. For the first time in

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a number of years, we are at least able to give some increases to higher education, even if it is, ultimately, an inadequate amount.

**Chair Kieckhefer:**

Overall, this budget represents an increase of approximately 9 percent to NSHE, which is a step in the right direction.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN CARLTON, DICKMAN, OSCARSON AND TITUS VOTED NO.)

SENATE: THE MOTION CARRIED. (SENATORS LIPPARELLI AND GOICOECHEA VOTED NO.)

\* \* \* \* \*

**Mr. Leiser:**

I will read from the "Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on K-12/Higher Education/CIPs Closing Report, Western Interstate Commission for Higher Education" ([Exhibit F](#)).

The Subcommittees on K-12/Higher Education/CIPs have completed the review of the Western Interstate Commission for Higher Education (WICHE) budget recommendations in the Executive Budget for the 2015-2017 biennium. The Subcommittees' actions resulted in the addition of General Fund appropriations of \$177 in each year of the 2015-2017 biennium.

The Subcommittees recommended approval of the Governor's recommendation to restore WICHE as an independent entity no longer under NSHE administrative structure, with an adjustment to add the Department of Administration's Division of Human Resource Management payroll assessment for the two WICHE staff.

WICHE

W.I.C.H.E. Administration — Budget Page WICHE-3 (Volume I)  
Budget Account 101-2995

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The Subcommittees concurred with the Governor's recommended Professional Student Exchange Program and Health Care Access Program (HCAP) slot changes, including a structural change to the HCAP in support of behavioral mental health expansion through the creation of psychology internships and post-graduate psychiatric nurse slots. The Subcommittees also recommended approval of continuing a LOI issued by the 2013 Legislature permitting WICHE to administratively adjust the number of slots per profession to meet student demand, as well as allow WICHE to balance forward unexpended fee revenues received after May 15 of each year, as long as the balanced forward revenues are expended on increasing the number of HCAP slots.

W.I.C.H.E. Loan & Stipend — Budget Page WICHE-6 (Volume I)  
Budget Account 101-2681

The Subcommittees authorized Fiscal staff to make technical adjustments to the WICHE budgets as necessary.

ASSEMBLYWOMAN TITUS MOVED TO APPROVE THE WICHE BUDGET AS RECOMMENDED BY THE SUBCOMMITTEES AND AS PRESENTED IN [EXHIBIT F](#).

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Jaimarie Dagdagan (Program Analyst):**

I will read from the "Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on General Government Closing Report, Department of Business and Industry" ([Exhibit G](#)).

The Subcommittees on General Government have completed the review of budgets for the Department of Business and Industry (B&I). The closing recommendations resulted in additional General Fund appropriations of \$451,776 in FY 2016 and \$729,175 in FY 2017. During the review, the

Subcommittees addressed the major closing issues summarized below and proposed the following recommendations.

The Subcommittees recommended approval of the Governor's recommendation for General Fund appropriations of \$382,868 in FY 2017 to transfer four existing positions from the B&I Director's Office, currently funded with cost allocation revenue, to establish a new Office of Business Finance and Planning that would support the growth, development and diversification of business and industry throughout the State.

#### BUSINESS AND INDUSTRY

B&I - Office of Business and Planning — Budget Page B & I-8 (Volume II)  
Budget Account 101-4677

The Subcommittees recommended approval of the Governor's major budget initiative to centralize the B&I Las Vegas offices and to establish a "one-stop shop" Business Center in FY 2017.

B&I - Business and Industry Administration — Budget Page B & I-10 (Volume II)  
Budget Account 101-4681

In approving the centralization of B&I offices in the south, the Subcommittees also recommended the issuance of a LOI, directing the B&I Director's Office to report to the IFC regarding the status of the Business Center location and the detailed costs to finalize the move, as soon as a new location and associated costs are identified.

The Subcommittees concurred with the Governor's recommendation to retain and expand the Consumer Affairs Unit within the B&I Director's Office, resulting in a transfer of National Mortgage Settlement Funds (NMSF) from the Office of the Attorney General of \$1.2 million over the 2015-2017 biennium to support four existing positions and add one chief compliance investigator position, one part-time administrative assistant position and one compliance audit investigator position with associated operating costs. The recommendation was made contingent upon passage and approval of A.B. 481, which extends the Consumer Affairs Unit through June 30, 2017.

**ASSEMBLY BILL 481**: Provides additional authority for the enforcement of laws prohibiting deceptive trade practices. (BDR 52-1168)

The Subcommittees recommended approval of a new cost allocation plan as recommended by the Governor and recommended the issuance of a LOI to direct the B&I Director's Office to work with the Budget Division and Fiscal staff to develop an equitable and consistent cost allocation methodology during the 2015-2016 interim.

The Subcommittees concurred with the Governor's recommendation to eliminate the Nevada Home Retention Program budget, B/A 101-4679, since the \$49 million in NMSF were transferred to the nonprofit organization Home Means Nevada in FY 2014. The Subcommittees also recommended the issuance of a LOI directing the B&I Director's Office to provide a semiannual report to the IFC regarding the status of the 211 notes purchased from the U.S. Department of Housing and Urban Development, neighborhood stabilization efforts and the status of closing out the Home Means Nevada Program, including projected program assets anticipated for deposit to the General Fund at the end of the 2015-2017 biennium.

B&I - Nevada Home Retention Program — Budget Page B & I-24 (Volume II)  
Budget Account 101-4679

The Subcommittees recommended approval of the Governor's recommendation to consolidate the budgets of Insurance Examiners budget, B/A 504-3817; Insurance Education and Research budget, B/A 504-3824; and the Insurance Cost Stabilization budget, B/A 504-3833, into the Insurance Regulation budget, B/A 504-3813.

B&I - Insurance Examiners — Budget Page B & I-48 (Volume II)  
Budget Account 504-3817

B&I - Insurance Education & Research — Budget Page B & I-61 (Volume II)  
Budget Account 504-3824

B&I - Insurance Cost Stabilization — Budget Page B & I-70 (Volume II)  
Budget Account 504-3833

B&I - Insurance Regulation — Budget Page B & I-34 (Volume II)  
Budget Account 504-3813

The recommendation includes the removal of the insurance recovery fee, property and casualty assessment and fine revenues and the modification of the corporate assessment from a fixed fee to a sliding-scale fee based on the amount of insurance premiums written in the State, which together decreases projected revenue by \$609,807 over the biennium, contingent upon passage of A.B. 486.

**ASSEMBLY BILL 486**: Revised provisions governing the budget accounts of the Division of Insurance of the Department of Business and Industry and certain fees collected by the Division. (BDR 57-1169)

The Subcommittees also recommended approval of the Governor's recommendation to utilize reserves of \$578,170 over the 2015-2017 biennium for a new unclassified insurance counsel/hearing officer; a program officer; an insurance examiner; and an IT professional to address a growing workload in the areas of consumer protection, licensing, auditing and IT.

The Subcommittees recommended the approval of the Governor's recommendation to consolidate the Insurance Examiners budget, B/A 504-3817, into the Insurance Regulation budget, B/A 504-3813, as well as the Governor's recommendation to eliminate the Desk Audit Program, including two insurance examiner position, and \$489,860 in associated fee revenue and expenditures.

B&I - Insurance Examiners — Budget Page B & I-48 (Volume II)  
Budget Account 504-3817

The Subcommittees recommended approval of the Governor's recommendation and Budget Amendment No. A150523821 to eliminate the associated revenue and expenditure in the Insurance Recovery budget, B/A 504-3821, but retain a reserve balance of \$40,000 to continue to provide a consumer protection measure for insured persons, with authority for staff to make adjustments dependent upon passage and approval of A.B. 486.

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B&I - Insurance Recovery — Budget Page B & I-59 (Volume II)  
Budget Account 504-3821

The Subcommittees recommended approval of the Governor's recommendation to consolidate the Insurance Education and Research budget, B/A 504-3824, into the Insurance Regulation budget, B/A 504-3813, and granted staff authority to make adjustments dependent upon passage and approval of A.B. 486.

B&I - Insurance Education & Research — Budget Page B & I-61 (Volume II)  
Budget Account 504-3824

The Subcommittees recommended approval of the Governor's recommendation to eliminate the National Association of Insurance Commissioners (NAIC) budget, B/A 504-3828, and granted staff authority to include \$15,385 for annual NAIC membership expenditures and transfer the projected reserve balance of \$34,643 to the Insurance Regulation budget, B/A 504-3813. The Subcommittees also granted staff authority to make adjustments dependent upon passage and approval of A.B. 486.

B&I - Nat. Assoc. of Insurance Commissioners — Budget Page B & I-67  
(Volume II)  
Budget Account 504-3828

The Subcommittees recommended approval of the Governor's recommendation to consolidate the Insurance Cost Stabilization budget, B/A 504-3833, into the Insurance Regulation budget, B/A 504-3813, with authority for staff to make adjustments dependent upon passage and approval of A.B. 486.

B&I - Insurance Cost Stabilization — Budget Page B & I-70 (Volume II)  
Budget Account 504-3833

The Subcommittees recommended approval of the Governor's recommendation for an allocation from the Fund for Workers' Compensation and Safety (FWCS) in the amount of \$2.6 million over the 2015-2017 biennium to replace aging databases used for claim indexing, licensing and enforcement activities.

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B&I - Industrial Relations — Budget Page B & I-93 (Volume II)  
Budget Account 210-4680

The Subcommittees also recommended approving the Governor's recommendation for allocations from the Fund for Workers' Compensation and Safety (FWCS) of \$137,665 over the 2015-2017 biennium to fund a new dedicated IT professional position and associated operating costs.

The Subcommittees concurred with the Governor's recommendation to transfer \$175,000 which represents all costs, associated with the maintenance of the low-income housing database, including an economist position and associated operating costs to the Low Income Housing Trust Fund budget, B/A 101-3838, to align expenditures with the funding source.

B&I - Housing Division — Budget Page B & I-124 (Volume II)  
Budget Account 503-3841

B&I - Low Income Housing Trust Fund — Budget Page B & I-133 (Volume II)  
Budget Account 101-3838

The Subcommittees recommended approval of the Governor's recommendation to replace the 12-year old Weatherization Assistance Program database with a Web-based, management information system resulting in a decrease in reserves of \$360,000 over the 2015-2017 biennium.

B&I - Weatherization — Budget Page B & I-141 (Volume II)  
Budget Account 101-4865

The Subcommittees recommended approval of the Governor's amended budget (Budget Amendment No. 2), which recommends the Real Estate Administration budget, B/A 101-3823, remain funded with both General Fund appropriations and fees, rather than convert to a fee-funded budget as recommended in the Executive Budget, as submitted.

B&I - Real Estate Administration — Budget Page B & I-162 (Volume II)  
Budget Account 101-3823

The amended budget results in General Fund appropriations of \$1.2 million over the 2015-2017 biennium to fund the difference between fee revenues collected and expenditures for the Real Estate budget, B/A 101-3823.

The Subcommittees concurred with the Governor's recommendation to eliminate 7.4 positions currently supported with one-time NMSF. The positions provide administrative and enforcement functions for real estate, appraiser, and timeshare licensing. The Subcommittees also recommended approval of the Governor's recommendation to increase and establish new developer and timeshare fees totaling \$965,560 over the 2015-2017 biennium as set forth in A.B. 478. The Subcommittees recommended approval of the Governor's amended budget to restore and/or retain two administrative assistant positions proposed for elimination, contingent upon passage and approval of A.B. 478.

**ASSEMBLY BILL 478**: Revises certain fees collected by the Real Estate Division of the Department of Business and Industry and imposes certain new fees to be collected by the Division. (BDR 10-1173)

The Subcommittees recommended the restoration of all or any of the remaining 5.4 FTEs proposed for elimination using NMSF, contingent upon closing actions for the Judicial Branch Foreclosure Mediation Program (FMP). While the Subcommittees supported restoring positions, it deferred a final recommendation until this budget is heard in this meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means.

The Subcommittees recommended approval of General Fund appropriations of \$25,424 over the 2015-2017 biennium to relocate five employees in the Carson City office as recommended by the Governor.

The Subcommittees recommended approval of the Governor's recommendation to increase the per unit Homeowner's Association (HOA) fee revenue in FY 2017 and to increase reserves by \$628,260.

The Subcommittees also recommended approval of the Governor's recommendation of \$8,500 in new fee revenue to increase reserves by \$8,500 in each year of the biennium. Both recommendations were recommended for approval contingent upon passage and approval of A.B. 474, which provides for an HOA fee increase and a new community manager application fee.

**ASSEMBLY BILL 474**: Revises certain fees paid by homeowners' associations.  
(BDR 10-1170)

The Subcommittees recommended approval of the Athletic Commission becoming a self-funded Agency beginning in the 2015-2017 biennium, as recommended by the Governor, and the establishment of a 90-day operating reserve of \$185,000 by the end of FY 2017, with license fee revenues of \$638,674 in FY 2016 and \$758,744 in FY 2017, budgeted in the Reserve category. The recommendation is contingent upon the passage and approval of A.B. 476.

**ASSEMBLY BILL 476**: Revises provisions relating to unarmed combat.  
(BDR 41-1172)

B&I - Athletic Commission — Budget Page B & I-190 (Volume II)  
Budget Account 101-3952

If the Senate Committee on Finance and the Assembly Committee on Ways and Means approve the Governor's recommendation, language would need to be added to the Authorization Act authorizing a General Fund advance until fee revenues are received in FY 2016, to be repaid within the fiscal year. The amount of the General Fund advance would not exceed budgeted operating expenditures. This issue has been identified by staff and previously was not heard by the Subcommittees.

The Subcommittees also recommended approval of the Governor's recommendation for \$44,250 in each year of the 2015-2017 biennium to increase the contract rates for the chief inspector and inspectors from \$75 per event and \$25 per weigh-in, respectively, to \$150 per event and \$50 per weigh-in.

The Subcommittees recommended approval of the Governor's recommendation to decrease reserves by \$1 million over the 2015-2017 biennium for a technology investment request to replace the core legacy systems used by the Taxicab Authority (TA) for licensing, inspections, dispatch and medallion tracking.

B&I - Taxicab Authority — Budget Page B & I-204 (Volume II)  
Budget Account 245-4130

The Subcommittees also recommended the issuance of a LOI directing the Agency to update the IFC on or before February 1, 2016, regarding the status of the technology investment request, and the implementation and operation of a computerized real-time data system as prescribed in *Nevada Revised Statute* (NRS) 706.8825.

The Subcommittees recommended approval of the Governor's recommendation to add one new IT professional position and associated operating costs with a technical adjustment resulting in decreased revenues of \$179,550 over the biennium to implement a computerized real-time data system and provide IT support dedicated to the TA.

The Subcommittees modified the Governor's recommendation to establish a Long-Haul Enforcement Team to address long-haul issues at the McCarran International Airport. Specifically, due to concerns regarding reserve levels, the Subcommittees recommended approving reserve funds totaling \$611,482 over the 2015-2017 biennium to add four compliance enforcement investigators with associated operating costs instead of six positions and associated operating costs as recommended by the Governor.

In addition, the Subcommittees recommended the issuance of a LOI directing the Agency to update the IFC on or before February 1, 2016, regarding improvements or progress made to address the long-haul issues in Las Vegas as a result of the establishment of the new Long-Haul Enforcement Team. The letter would also direct the Agency to update the IFC on the status of a computerized real-time data system and how that system might be used to prevent the long-haul issues, thereby eliminating the need for the Long-Haul Enforcement Team.

The Subcommittees recommended approval of the Governor's recommendation for one unclassified administrative attorney and associated operating costs resulting in decreased reserves of \$160,318 over the biennium to serve as a full-time TA hearing officer, contingent upon passage and approval of A.B. 477.

**ASSEMBLY BILL 477**: Revises provisions concerning the duties of the Taxicab Administrator. (BDR 58-1192)

The Subcommittees recommended approval of the Governor's recommendation for a consulting services contract that would provide a one-time medallion allocation and rate analysis for the TA, which decreases reserves by \$138,000 in FY 2016.

The Subcommittees recommended the issuance of a LOI directing the Nevada Transportation Authority to update the IFC on or before February 1, 2016, regarding the status of the implementation and operation of a computerized real-time data system as prescribed by NRS 706.1516.

B&I - Transportation Authority — Budget Page B & I-222 (Volume II)  
Budget Account 101-3922

The Subcommittees recommended approval of the Governor's recommendation for General Fund appropriations totaling \$60,420 over the 2015-2017 biennium to replace an aging case management system with a commercial off-the-shelf software system.

B&I - Labor Commissioner — Budget Page B & I-240 (Volume II)  
Budget Account 101-3900

The Subcommittees also recommended approval of the Governor's recommendation for General Fund appropriations totaling \$49,263 over the 2015-2017 biennium to fund the costs associated with relocating the Carson City office to a new facility.

The Subcommittees recommended approval of allocations from the FWCS, totaling \$44,122 in FY 2016 and \$59,799 in FY 2017 to fund a new legal

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research assistant position and associated costs, as recommended by the Governor.

B&I - NV Attorney For Injured Workers — Budget Page B & I-251 (Volume II)  
Budget Account 101-1013

The Subcommittees also recommended approval of the Governor's recommendation for an allocation from the FWCS totaling \$54,670 over the 2015-2017 biennium to increase contracted security guard services in the Las Vegas office.

The Subcommittees recommended approval of the Governor's recommendation to replace the software systems used to support the permit, inspection and investigative functions of the Division for a total cost of \$243,220 over the 2015-2017 biennium, which is split 25 percent each between the four Manufactured Housing Division budgets.

B&I - Manufactured Housing — Budget Page B & I-267 (Volume II)  
Budget Account 271-3814

B&I - Mobile Home Lot Rent Subsidy — Budget Page B & I-274 (Volume II)  
Budget Account 630-3842

B&I - Mobile Home Parks — Budget Page B & I-279 (Volume II)  
Budget Account 271-3843

B&I - Mfg Housing Education/Recovery — Budget Page B & I-285 (Volume II)  
Budget Account 271-3847

The Subcommittees recommended approval of the Governor's recommendation to retain four positions and associated operating costs currently supported with one-time NMSFs for the Mortgage Fraud Enforcement Unit, resulting in decreased reserves of \$570,125 over the 2015-2017 biennium.

B&I - Mortgage Lending — Budget Page B & I-313 (Volume II)  
Budget Account 101-3910

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The Subcommittees recommended approval of technical adjustments noted by staff and authorized Fiscal staff to make other technical adjustments as necessary for all B&I budgets. The Subcommittees also recommended approval of all other closing items within the B&I budgets as recommended by the Governor and authorized staff to make technical adjustments as necessary.

The Subcommittees recommended closing the following B&I budgets as recommended by the Governor with minor or technical adjustments:

B&I - New Markets Performance Guarantee — Budget Page B & I-22 (Volume II)  
Budget Account 101-4678

B&I - Low Income Housing Trust Fund — Budget Page B & I-133 (Volume II)  
Budget Account 101-3838

B&I - Real Estate Education and Research — Budget Page B & I-172 (Volume II)  
Budget Account 216-3826

B&I - Real Estate Recovery Account — Budget Page B & I-178 (Volume II)  
Budget Account 216-3827

B&I - Transportation Authority Admin Fines — Budget Page B & I-230  
(Volume II)  
Budget Account 101-3923

B&I - Financial Institutions — Budget Page B & I-296 (Volume II)  
Budget Account 101-3835

**Chair Kieckhefer:**

Do the Committees need to decide whether to use the NMSF to fund the 5.4 FTE positions proposed for elimination from the Real Estate Administration budget account, B/A 101-3823?

**Ms. Dagdagan:**

Yes, that is correct.

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ASSEMBLYMAN ANDERSON MOVED TO USE THE NMSF TO FUND THE 5.4 FTE POSITIONS PROPOSED FOR ELIMINATION FROM THE REAL ESTATE ADMINISTRATION.

SENATOR GOICOECHEA SECONDED THE MOTION.

**Assemblyman Kirner:**

Will funds from NMSF become available when the FMP is eliminated?

**Chair Kieckhefer:**

That is correct.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE SUBCOMMITTEES' RECOMMENDATIONS AS DESCRIBED IN [EXHIBIT G](#); AND TO DIRECT FISCAL STAFF TO MODIFY THE LANGUAGE IN THE 2015 AUTHORIZATIONS ACT TO ALLOW THE ATHLETIC COMMISSION TO BECOME A SELF-FUNDED AGENCY; AND TO ESTABLISH A 90-DAY OPERATING RESERVE IN THE ATHLETIC COMMISSION BUDGET, B/A 101-3952, AS DEFINED IN [EXHIBIT G](#).

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Crocket:**

I will read from the "Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on Human Services Closing Report, Department of Health and Human Services Director's Office and Division of Health Care Financing and Policy" ([Exhibit H](#)).

The Subcommittees on Human Services has completed its review of the Department of Health and Human Services (DHHS) Director's Office and Division of Health Care Financing and Policy (DHCFP), and made the following recommendations for the 2015-2017 biennium budget.

The closing actions taken by the members of the Subcommittees have resulted in a decrease in General Fund appropriations of \$11,403,120 in FY 2016 and \$6,425,653 in FY 2017. The following comments describe the more significant recommendations of the Subcommittees.

The Subcommittees recommended to continue budgeting for Clark County Intergovernmental Transfer revenues at the current voluntary contribution rates, based on 50 percent of supplemental and enhanced payments received by non-State governmentally owned or operated hospitals in Clark County, after considering a potential voluntary contribution rate decrease.

## HUMAN SERVICES

## HEALTH CARE FINANCING AND POLICY

HHS-HCF&P - Intergovernmental Transfer Program — Budget Page  
DHHS-HCF&P-10 (Volume II)  
Budget Account 101-3157

The Subcommittees recommended approval of the Governor's recommendation, as amended, to continue an enhanced Managed Care Organization (MCO) payment program approved by the IFC during the interim, to provide additional Medicaid reimbursements to safety net medical service providers for targeted services provided to Medicaid recipients enrolled in an MCO, including inpatient and outpatient hospital services and mental health services.

The enhanced payment program is projected to provide additional Medicaid reimbursements totaling \$122.1 million over the biennium to safety net providers, including the University Medical Center of Southern Nevada and the DHHS's Division of Public and Behavioral Health (DPBH). The enhanced payment program would generate a net benefit to the State of \$9.4 million over the biennium, reducing the need for General Fund appropriations by the same amount in the Medicaid budget.

The Subcommittees recommended approval of the Governor's recommendation to continue the Indigent Accident Fund Upper Payment Limit (UPL) program and the Private Hospital Collaborative UPL program in the 2015-2017 biennium. The programs, which are projected to provide supplemental payments to hospitals totaling \$73.3 million over the biennium, were approved by the IFC during the interim.

The Subcommittees recommended approving 29 of the 41 new positions recommended by the Governor for the Division, including eight positions for the Long Term Support Services Unit to address federally mandated changes to home-and community-based services, four positions for the district offices to provide additional support for customer service and care coordination, three positions for the IT Business Process Management Unit to manage information system modifications, three positions for the Surveillance and Utilization Review section to establish a Las Vegas office, two positions for the Rates and Cost Containment Unit to analyze fiscal data and complete federally mandated reports, two positions for the Hearings section to address a growing hearing workload, two positions for the IT Project Management section to manage IT projects, one position for the Clinical Policy Team to manage policy for Autism Spectrum Disorder (ASD) services, one position for the Budget and Accounting Unit to complete federally mandated reports, one position to manage the Compliance section, one position for the Provider Support section to evaluate access to health care issues, and one position for the Fiscal Integrity Unit to audit fiscal agent invoices.

HHS-HCF&P - Administration — Budget Page DHHS-HCF&P-13 (Volume II)  
Budget Account 101-3158

The Subcommittees did not recommend approving the remaining 12 new positions recommended by the Governor for the Division, including 5 positions for the Surveillance and Utilization Review section, 2 positions for the Fiscal Integrity Unit, two positions for the district offices, 2 positions for the Long Term Support Services Unit for waiver services, and one position for the Clinical Policy Team for pharmacy policy, reducing General Fund appropriations by \$246,223 in FY 2016 and \$304,994 in FY 2017.

The Subcommittees recommended approval of the Governor's recommendation to implement the first portion of the third and final phase of the Medicaid Management Information System replacement project, including General Fund appropriations totaling \$3.3 million over the biennium. The Subcommittees recommended approval of transferring operation of the Waiver for Persons with Physical Disabilities to the Aging and Disability Services Division, as recommended by the Governor, including 25 existing positions and associated operating costs.

The Subcommittees recommended approving revised Medicaid caseload and cost-per-eligible projections based on February actual caseload and cost-associated technical adjustments, resulting in a net General Fund decrease of \$23.5 million over the biennium from the General Fund appropriations included in the Executive Budget.

HHS-HCF&P - Nevada Medicaid, Title XIX — Budget Page DHHS-HCF&P-41  
(Volume II)  
Budget Account 101-3243

The updated caseload projections estimate average monthly Medicaid caseload of 587,831 in FY 2016 and 577,330 in FY 2017.

The Subcommittees recommended approving revised Federal Medical Assistance Percentage (FMAP) projections, which result in a slight decrease in the FY 2017 standard FMAP rate, from the 65.3 percent recommended in the Governor's recommended budget to 65.25 percent, requiring additional General Fund appropriations of \$921,436 in FY 2017.

The Subcommittees recommended approval of mandatory provider reimbursement rate increases as recommended by the Governor, and associated technical adjustments, requiring additional General Fund appropriations totaling \$1.5 million over the biennium.

The Subcommittees recommended approval of physician, physician assistant, and certified nurse practitioner provider reimbursement rate increases as recommended by the Governor to align reimbursement rates more closely with the 2014 Medicare fee schedule.

The Subcommittees recommended approving an increase in the reimbursement rate for radiology services, from the 90 percent and 94 percent of the 2014 Medicare fee schedule as recommended by the Governor in FY 2016 and FY 2017, respectively, to 100 percent of the 2014 Medicare fee schedule effective FY 2016, requiring additional General Fund appropriations of \$5.3 million over the biennium.

The Subcommittees also recommended approving a further rate increase for laboratory services, from the 50 percent of the 2014 Medicare fee schedule recommended by the Governor to 95 percent of the 2014 Medicare fee schedule, requiring additional General Fund appropriations of \$3.0 million over the biennium.

In total, the Subcommittees' recommendations bring total General Fund appropriations for physician, physician assistant, and certified nurse practitioner provider reimbursement rate increases to \$31.5 million over the biennium.

The Subcommittees recommended approval of the Governor's recommendation to increase the reimbursement rate for acute inpatient hospital services by 2.5 percent in FY 2017. The Subcommittees also recommended approval of a 2.5 percent reimbursement rate increase in FY 2016 and an additional 2.5 percent reimbursement rate increase in FY 2017, requiring additional General Fund appropriations of \$9.2 million over the biennium.

The Subcommittees recommended issuing a LOI, instructing the Agency to report to the IFC on options for providing Medicaid reimbursement for telemedicine, community paramedicine and community health worker services.

The Subcommittees recommended approval of the Governor's recommendations to increase the reimbursement rate for home-based nursing services by 25 percent beginning in FY 2017, and to increase the reimbursement rate for Intellectual Disabilities and Related Conditions waiver services by 5.7 percent in FY 2017. In closing the Aging and Disability Services Division budgets on May 12, 2015, the money committees approved beginning the Intellectual Disabilities and Related Conditions waiver services rate increase in FY 2016 rather than FY 2017, requiring an adjustment to this budget.

The Subcommittees recommended approval of the Governor's recommendation to provide additional funding totaling \$42.6 million, including \$14.8 million in General Fund appropriations to implement coverage for applied behavior analysis (ABA) services to address a recent federal mandate requiring states to provide behavior intervention services to children with ASD. The Division intends to begin covering these services in January 2016. In the 2015-2017 biennium, the Division anticipates that 1,900 children will receive ABA services funded by the Division. The Subcommittees recommended issuing a LOI, instructing the Agency to report to the IFC on its implementation of ABA services.

The Subcommittees recommended approval of the Governor's recommendation to implement a number of cost saving measures for the Medicaid program, generating cost savings totaling \$65.3 million, including \$22.1 million in General Fund savings over the biennium. The Governor's recommended cost savings measures include implementing a Health Care Guidance Program to provide care management for certain fee-for-service recipients with chronic conditions, reducing the dental fluoride provider reimbursement rate, reducing the nonemergency transportation broker capitation rate, implementing policy changes to ensure that personal care services and basic skills training are medically necessary, implementing a federally mandated asset verification system for aged, blind and disabled Medicaid recipients, continuing the expansion of the preferred drug list until June 30, 2017, increasing third-party liability recoveries and increasing improper payment recoveries. Considering the magnitude of the recommended cost saving measures, the Subcommittees recommended issuing a LOI instructing the Agency to report semiannually to the IFC on the degree to which budgeted cost savings materialize over the biennium.

The Subcommittees recommended approval of the Governor's recommendation, including \$1.4 million in General Fund appropriations over the biennium, to increase waiver slots for the State's three approved Medicaid waiver programs, including an increase of 51 slots for the waiver for Persons with Disabilities, an increase of 93 slots for the Intellectual Disabilities and Related Conditions waiver and an increase of 173 slots for the Home and Community Based waiver for the Frail Elderly.

Based on revised caseload projections, the Subcommittees recommended approval of additional General Funds totaling \$397,771 over the biennium to

support an uncapped average monthly Nevada Check Up caseload of 16,670 in FY 2016 and 16,667 in FY 2017, compared to the average monthly caseload of 13,974 throughout the upcoming biennium originally recommended in the Executive Budget.

HHS-HCF&P - Nevada Check-Up Program — Budget Page DHHS-HCF&P-36  
(Volume II)  
Budget Account 101-3178

The Subcommittees recommended approval of expanding Check Up eligibility to allow State employees who meet existing income eligibility requirements to enroll their children in the program, effective January 2016, contingent upon the approval of a State plan amendment, requiring additional General Fund appropriations of \$148,655 over the biennium. This eligibility change is anticipated to increase Check Up average monthly caseload by 1,410 in FY 2016 and 2,373 in FY 2017, based on projections produced by the Director's Office.

The Subcommittees noted that the federally funded portion of the Check Up program is supported by an annual allotment of funding from federal Title XXI of the Social Security Act and that the State would spend its annual allotments more quickly, considering a pending increase in the enhanced federal medical assistance percentage rate. Accordingly, the Subcommittees recommended approval of a LOI, instructing the Agency to report to the IFC quarterly on its Title XXI allotment.

The Subcommittees recommended approving revised FMAPs, which include a slight decrease in the FY 2017 enhanced FMAP rate, from the 98.71 percent recommended in the Governor's budget to 98.68 percent, requiring additional General Fund appropriations of \$9,175 in FY 2017.

The Subcommittees approved mandatory and discretionary rate increases consistent with rate increases approved for the Medicaid budget, requiring additional General Fund appropriations of \$69,973 over the biennium.

The Subcommittees recommended approval of the Governor's recommendation to provide coverage for ASD services for Check Up recipients. The Subcommittees recommended maintaining this decision unit at the level

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included in the Executive Budget, including General Fund appropriations of \$64,675 over the biennium to align statewide funding budgeted for ASD services with the number of service providers that are expected to be available in the 2015-2017 biennium.

The Subcommittees recommended approval of all other closing items in the Agency's budgets, with technical adjustments, as recommended by the Governor.

The Subcommittees recommended closing the following DHHS budgets as recommended by the Governor, with minor technical adjustments:

HHS-HCF&P - Increased Quality of Nursing Care — Budget Page  
DHHS-HCF&P-34 (Volume II)  
Budget Account 101-3160

HHS-DO - UPL Holding Account — Budget Page DHHS-DIRECTOR-20  
(Volume II)  
Budget Account 101-3260

HHS-DO - Indigent Hospital Care — Budget Page DHHS-DIRECTOR-41  
(Volume II)  
Budget Account 628-3244

**Assemblywoman Titus:**

In the interest of full disclosure, I recused myself from the voting in the budget hearing because some components of this budget would affect my employer, although my employer would not benefit any more than any other institution.

ASSEMBLYMAN OSCARSON MOVED TO APPROVE THE  
SUBCOMMITTEES' RECOMMENDATIONS AS DESCRIBED IN [EXHIBIT H](#).

SENATOR SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Crocket:**

Subsequent to the budget closing and the work on closing adjustments, an additional adjustment to the Medicaid budget, B/A 101-3243, was identified related to the caseload increase for the newly eligible Medicaid population. To ensure that the legislatively approved cost-per-eligible accurately reflects anticipated costs, Fiscal staff recommends that federal Title XIX of the Social Security Act authority in the Medicaid budget be reduced by \$102.7 million in FY 2016 and \$100.1 million in FY 2017, and that General Fund appropriations be reduced by \$2.6 million in FY 2016. The Agency has agreed that these adjustments are reasonable.

**Chair Kieckhefer:**

Are these adjustments related to the cost-per-eligible and caseload projections for the newly eligible Medicaid population?

**Ms. Crocket:**

The caseload projections remain the same. However, in examining decision units M-101 and M-200, Fiscal staff determined that an adjustment was necessary.

M-101 Agency Specific Inflation — Page DHHS-HCF&P-42

M-200 Demographics/Caseload Changes — Page DHHS-HCF&P-43

**Chair Kieckhefer:**

Is the difference between the federal funds and the State funds attributable to the increased caseloads being for the newly eligible population, who are funded primarily through federal funds?

**Ms. Crocket:**

That is correct. In FY 2016, the FMAP rate is 100 percent, and in FY 2017 the rate is 97.5 percent, so the State will be responsible for 2.5 percent of the costs in FY 2017.

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**Assemblyman Sprinkle:**

After FY 2017, what will the FMAP rate be?

**Ms. Crocket:**

The FMAP rate will gradually be reduced to 90 percent.

**Assemblyman Edwards:**

Will the primary impact be to hospital and doctor reimbursement?

**Ms. Crocket:**

No. The adjustment aligns federal authority with the Agency's anticipated costs.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE  
TECHNICAL ADJUSTMENT TO DECISION UNITS M-101 AND M-200 IN  
B/A 101-3243, AS RECOMMENDED BY FISCAL STAFF.

SENATOR LIPPARELLI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Leandra Copeland (Program Analyst):**

I will read from the "Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on Human Services Closing Report, Department of Health and Human Services, Division of Welfare and Supportive Services" ([Exhibit I](#)).

The Subcommittees on Human Services developed the following recommendations for DWSS. The closing recommendations of the Subcommittees resulted in General Fund reductions of \$445,484 in FY 2016 and \$1,553,963 in FY 2017, compared to the amounts included in the Executive Budget. The following comments describe the more significant recommendations of the Subcommittees.

The Subcommittees recommended approval of six of the seven new positions recommended by the Governor to address additional workload related to caseload increases.

## WELFARE AND SUPPORTIVE SERVICES

### HHS-Welfare - Administration — Budget Page DHHS-DWSS-12 (Volume II) Budget Account 101-3228

Instead of all positions starting in October 2015, as originally recommended, the Subcommittees recommended three positions to start in October 2015, with the remaining three to start in January 2016. The total funding for this recommendation is \$3 million over the 2015-2017 biennium, including General Fund appropriations of \$1.2 million.

The Subcommittees also recommended approval of the Governor's recommendation for the 2015-2017 biennium of \$1.1 million, of which \$283,500 is General Fund appropriations, to implement a federally-mandated electronic financial asset verification system for aged, blind and disabled Medicaid applicants and recipients.

The Subcommittees recommended approval of the Governor's recommendation of \$499,264, including a General Fund appropriation of \$290,273 in FY 2017 for a document/content management system.

The Subcommittees also recommended approval of the Governor's recommendation of \$246,647, including General Fund appropriations of \$78,953, over the biennium for a new unclassified deputy administrator.

The Subcommittees recommended approval of the revised March 2015 caseload adjustments, which result in decreased Temporary Assistance for Needy Families (TANF) funding of \$7.1 million in each year of the biennium. Considering the revised caseload adjustments, the Agency estimates remaining TANF block grant funds of \$18.1 million at the end of FY 2017.

### HHS-Welfare - TANF — Budget Page DHHS-DWSS-24 (Volume II) Budget Account 101-3230

The Subcommittees recommended approval of the March 2015 caseload and payment reprojections, resulting in General Fund appropriation decreases of \$336,431 in FY 2016 and \$319,418 in FY 2017. The Subcommittees recommended issuance of a LOI, requiring the Division to report to IFC prior to implementing the annual federal Supplemental Security Income cost-of-living payment adjustments scheduled for January 2016 and January 2017.

HHS-Welfare - Assistance To Aged and Blind — Budget Page DHHS-DWSS-27  
(Volume II)  
Budget Account 101-3232

The Subcommittees recommended approval of 89 out of 139 new positions recommended in the Executive Budget. Additionally, the Subcommittees recommended that 17 of the new positions, or 20 percent, should be intermittent.

HHS-Welfare - Field Services — Budget Page DHHS-DWSS-29 (Volume II)  
Budget Account 101-3233

After the Agency's reevaluation of DWSS office capacity, it was determined that there was sufficient office space to absorb the recommended new positions. Accordingly, the Subcommittees did not recommend approval of two new offices as recommended in the Executive Budget.

The Subcommittees recommended approval of the Governor's recommendation of \$875,000, of which \$399,206 is General Fund appropriations, in FY 2016 to increase the number of offices using a lobby management system from 10 to 20 offices and to purchase 50 medium-capacity scanners. The Subcommittees also recommended issuance of a LOI requiring the Agency to submit a report biannually to the IFC concerning the status of the Supplemental Nutrition Assistance Program timeliness and quality control measures and any sanctions that may have resulted from failure to comply with federal application processing standards.

The Subcommittees recommended approval of the Governor's recommendation for two administrative assistants and two family service specialist positions funded with a combination of federal funds and State share of collection reserves totaling \$435,102 over the biennium.

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HHS-Welfare - Child Support Enforcement Program — Budget Page  
DHHS-DWSS-37 (Volume II)  
Budget Account 101-3238

The Subcommittees also recommended approval of the Governor's recommendation for a combination of federal funds and State share of collection reserves totaling \$400,000 in each year of the biennium to replace the existing collection and distribution system with a new software solution.

Finally, the Subcommittees recommended approval of the Governor's recommendation of \$194,118 in federal funds and a \$100,000 General Fund appropriation in FY 2017 for the initial planning and processing for a request for proposal to modernize the child support enforcement component in the Nevada Operations of Multi-Automated Data Systems (NOMADS).

The Subcommittees recommended approval of the Governor's recommendation of federal funds totaling \$4.7 million in FY 2016 and \$5.8 million in FY 2017 to support activities associated with issuing benefits to unserved clients. The Subcommittees recommended approval of the Governor's recommendation for federal funds of \$1.1 million in each year of the biennium to provide childcare assistance for 240 additional children over the biennium in the at-risk category.

HHS-Welfare - Child Assistance and Development — Budget Page  
DHHS-DWSS 46 (Volume II)  
Budget Account 101-3267

The Subcommittees recommended approval of the Governor's recommendation for universal energy charge revenues totaling \$302,111 in FY 2016 and \$408,054 in FY 2017 to replace 25 contract staff with 9 full-time and 16 intermittent positions in order to maintain a more stable workforce, thereby enabling the Agency to meet its goal of processing 95 percent of energy assistance applications within 60 days.

HHS-Welfare - Energy Assistance Program — Budget Page DHHS-DWSS-51  
(Volume II)  
Budget Account 101-4862

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The Subcommittees also recommended approval of a combination of federal Low Income Home Energy Assistance grant funds and universal energy charge revenue totaling \$3.8 million in FY 2016 and \$4.5 million in FY 2017 to fund the projected caseload increase in eligible energy assistance recipients for the 2015-2017 biennium as originally recommended in the Executive Budget.

The Subcommittees also recommended approval of all other closing items within the DWSS budgets as recommended by the Governor with technical adjustments and authorized Fiscal staff to make technical adjustments as needed.

The Subcommittees recommended closing the Child Support Federal Reimbursement budget as recommended by the Governor with technical adjustments as needed.

HHS-Welfare - Child Support Federal Reimbursement — Budget Page  
DHHS-DWSS-44 (Volume II)  
Budget Account 101-3239

**Assemblywoman Bustamante Adams:**

What are the purposes of the electronic asset verification system and document/content management system as described on pages 1 and 2 of [Exhibit I](#)?

**Ms. Copeland:**

The asset verification system checks the financial assets of Medicaid applicants and recipients for the aged, blind and disabled population. It is federally mandated. The document/content management system is intended to deduplicate files, using a check-in, check-out system that ensures only one copy of each file exists.

ASSEMBLYMAN OSCARSON MOVED TO APPROVE THE  
RECOMMENDATIONS OF THE SUBCOMMITTEES AS DESCRIBED IN  
[EXHIBIT I](#).

SENATOR LIPPARELLI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Sarah Coffman (Senior Program Analyst):**

I will read from the "Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on Public Safety, Natural Resources and Transportation Closing Report, Nevada Department of Corrections" ([Exhibit J](#)).

The Subcommittees on Public Safety, Natural Resources and Transportation have completed the review of the Nevada Department of Corrections' (NDOC) budget request for the 2015-2017 biennium. The closing recommendations of the Subcommittees resulted in General Fund increases of \$385,880 in FY 2016 and \$489,485 in FY 2017.

The Department's budget is primarily driven by the projected number of inmates to be housed. The Executive Budget provided funding to house an average of 12,816 inmates in FY 2016 and 12,882 in FY 2017, based on inmate population projections derived in October 2014. The budget, as modified by the Subcommittees, will provide funding to house an average of 12,890 inmates in FY 2016 and 12,948 in FY 2017, which is based on revised inmate population projections updated in February 2015.

The Subcommittees recommended the approval of the Governor's recommended inmate housing plan, which includes the closure of Northern Nevada Restitution Center and the opening of Northern Nevada Transitional Center. The October 2014 projection was slightly underestimated, compared to the actual inmate population experienced between October 2014 and February 2015. The revised inmate population projections result in a General Fund increase of \$7,851 in FY 2016 and a General Fund decrease of \$36,067 in FY 2017 from the amounts provided in the Executive Budget.

The Subcommittees recommends approval of the Governor's recommendation to adjust the NDOC's shift relief factors for both 7-day and 5-day per week protective service posts for all major institutions and conservation camps, as well as the transitional housing center and the restitution center.

Correspondingly, the Subcommittees also recommended approval of the Governor's recommendation to support 100 new protective service staff positions throughout the Department, resulting from the adjustment in the Department's shift relief factor. In addition, the Subcommittees recommended issuing a LOI, directing the Department to report to the IFC quarterly on its vacant positions.

The Subcommittees recommended approval of the Governor's recommendation for four new positions, including a case work specialist supervisor and an administrative assistant to meet additional workload requirements resulting from the Department of Justice actively enforcing the provisions of the federal Prison Rape Elimination Act, a program officer position to act as a single point of contact for all public information requests made to the NDOC, and an IT professional to begin designing and developing a new offender tracking system that would eventually replace NOTIS.

#### PUBLIC SAFETY

#### CORRECTIONS

##### NDOC - Director's Office — Budget Page CORRECTIONS-13 (Volume III) Budget Account 101-3710

In addition, the Subcommittees recommended approval of Budget Amendment No. A150773710 to provide the NDOC with General Fund appropriations of \$176,800 in each year of the biennium to employ a master service agreement contractor over the next 2 years to fix various errors in the Department's computer systems while existing IT development staff focuses its efforts on fixing its new offender sentence management application.

The Subcommittees voted to approve the Governor's recommendation of \$13.8 million in FY 2016 and \$14.1 million in FY 2017 for inmate-driven medical expenditures, as amended, which includes inflationary adjustments of \$678,143 in FY 2016 and \$928,242 in FY 2017 recommended for outside medical care, prescription drugs, dental supplies and medical supplies.

##### NDOC - Prison Medical Care — Budget Page CORRECTIONS-24 (Volume III) Budget Account 101-3706

In addition, the Subcommittees recommend approval of the Governor's recommendation for General Fund appropriations of \$126,626 in FY 2016 and \$144,115 in FY 2017 to implement a new Hospice and Palliative Care Program and staff it with two new night-shift licensed practical nurse positions. Finally, the Subcommittees approved a laboratory technician at High Desert State Prison to assist an existing laboratory technician in drawing blood and collecting tissue samples from new and existing inmates.

The Subcommittees recommends approval of five new positions for its Correctional Programs budget, including: a mental health counselor at Lovelock Correctional Center to conduct inmate risk assessments and provide evidence-based programming; a mental health counselor at Ely State Prison to provide psycho-educational programming, mental illness assessments and crisis management to maximum-custody inmates; two re-entry program officer positions to provide re-entry programming to inmates at Lovelock Correctional Center and High Desert State Prison; and a social worker position at Northern Nevada Correctional Center to provide case management services for inmates with severe mental illness, as well as inmates participating in the proposed Hospice and Palliative Care Program.

NDOC - Correctional Programs — Budget Page CORRECTIONS-31 (Volume III)  
Budget Account 101-3711

In addition, the Subcommittees recommended approval of the Governor's recommendation to eliminate the existing Substance Abuse Program at Casa Grande Transitional Center, in addition to the two substance abuse counselors that manage the program, due to reductions in grant funds used to support the program and positions.

The Subcommittees recommended approval of the Governor's recommendation to fund the salary, benefits and operating expenditures of a new equipment mechanic who would assist an existing equipment mechanic at High Desert State Prison in providing maintenance for the Department's southern fleet, consisting of 150 vehicles and 30 off-road/heavy equipment type vehicles.

NDOC - High Desert State Prison — Budget Page CORRECTIONS-44 (Volume III)  
Budget Account 101-3762

The Subcommittees recommended approval of the Governor's recommendation to fund the salary, benefits and operating expenditures of a new heat plant specialist position to assist an existing heat plant specialist in monitoring and maintaining the boilers and other heat generating equipment at Southern Desert Correctional Center.

NDOC - Southern Desert Correctional Center — Budget Page CORRECTIONS-60  
(Volume III)  
Budget Account 101-3738

The Subcommittees recommended approval of the Governor's recommendation to fund the salary, benefits and operating expenditures of a new administrative assistant position to administer a new electronic case filings system at Lovelock Correctional Center. In addition, the Subcommittees recommended General Fund appropriations of \$10,000 in FY 2016 for building improvements to construct a secure room for the e-filing system within the law library at Lovelock Correctional Center.

NDOC - Lovelock Correctional Center — Budget Page CORRECTIONS-67  
(Volume III)  
Budget Account 101-3759

The Subcommittees recommended approval of the Governor's recommendation to fund the salary, benefits and operating expenditures of a new retail storekeeper position at Ely State Prison to download music purchased by inmates for their MP3 players.

NDOC - Offenders' Store Fund — Budget Page CORRECTIONS-152 (Volume III)  
Budget Account 240-3708

In addition, the Subcommittees recommended approval of the Governor's recommendation to upgrade four half-time retail storekeeper positions that tend to the offender stores at Wells, Carlin, Humboldt and Tonopah Conservation Camps to full-time positions.

Finally, the Subcommittees recommended approval of the Governor's recommendation to provide retained earnings of \$152,970 in FY 2016 to

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support additional computer programming expenditures needed to create a data warehouse for its historical inmate banking data.

The Subcommittees recommended approval of all other closing items within the NDOC's budgets that were presented to the Subcommittees, as recommended by the Governor, and authorized Fiscal staff to make technical adjustments as necessary, including those recommended in Budget Amendment No. A1500633710.

The Subcommittees recommend closing the following NDOC budgets as recommended in the Executive Budget, with minor or technical adjustments:

NDOC - Ely State Prison — Budget Page CORRECTIONS-38 (Volume III)  
Budget Account 101-3751

NDOC - Northern Nevada Correctional Center — Budget Page CORRECTIONS-52  
(Volume III)  
Budget Account 101-3717

NDOC - Warm Springs Correctional Center — Budget Page CORRECTIONS-77  
(Volume III)  
Budget Account 101-3716

NDOC - Florence McClure Womens Correctional Center — Budget  
Page CORRECTIONS-83 (Volume III)  
Budget Account 101-3761

**Chair Kieckhefer:**

The Subcommittees approved the NDOC shift relief factor as described in Option One on page 16 of [Exhibit J](#). The intent was to approve all 100 positions, but require the funding for 50 of them to be deposited in the IFC Contingency Account and to require the Department to propose a plan for use, implementation and justification for those positions.

**Assemblywoman Carlton:**

All 100 of the new protective service staff positions are needed. During the budget hearing, there was a discussion about NDOC having to prove a vacancy rate before they could ask for new positions. I did not agree with that proposed

requirement. These institutions will always have vacancies. They are allowed to move personnel from institution to institution to resolve whatever personnel issues may arise.

When NDOC requests funding from IFC for the additional 50 positions, the Committee must not hold their vacancy rate against them. I am adamant that NDOC needs these 100 positions to make sure that the public and the employees in the institutions are protected.

**Assemblyman Sprinkle:**

I share my colleague's concerns. These 100 new positions are an absolute safety issue. I hesitate to require NDOC to request the additional positions from IFC, because NDOC needs them.

**Assemblywoman Dickman:**

I am concerned about the IFC requirement because it was my understanding that the Subcommittees approved 100 new protective service staff positions.

**Senator Goicoechea:**

I support the recommendation for 100 new positions, and I support holding back funding for half of them in the IFC Contingency Account. Ely State Prison has 35 vacant positions, and NDOC will not be able to fill those positions without an enhancement, whether it be a transfer bonus or by some other means. Ely State Prison is the maximum security prison for the State, so filling those positions is a priority.

**Assemblyman Edwards:**

The Committees are in agreement that all 100 positions are necessary. Holding the funding in the IFC Contingency Account is not meant to deny half of them; the Committees simply want to hear NDOC's hiring plan.

**Assemblywoman Kirkpatrick:**

Is it the intent of the Committees that NDOC immediately begin hiring and then return to the IFC for permission to hire?

**Senator Goicoechea:**

The NDOC needs to be at or above a 10 percent vacancy rate before it can begin hiring, not just at Ely State Prison, but at other facilities as well. However,

unless we can find some enhancement program, those prisons will not achieve that low a vacancy rate.

**Chair Kieckhefer:**

The vacancy rate will not be targeted by IFC. The NDOC simply will need to provide a plan as to how they intend to meet their hiring needs. The vacancy rate, in and of itself, will not be the triggering mechanism.

**Senator Goicoechea:**

I concur.

**Chair Kieckhefer:**

What is NDOC's hiring implementation strategy?

**Ms. Coffman:**

The table titled "New Positions Recommended by the Governor for the 2015-2017 Biennium Based on Proposed Revisions to the NDOC Shift Relief Factors," on page 12 of [Exhibit J](#), details the specific starting dates for the 100 new positions.

The first starting date is effective October 2015 for 22 positions. If the Committee deposits 50 percent of the funding in the IFC Contingency Account, it would that mean that only 11 positions could be filled in October? Similarly, there are 23 positions slated to be filled in January 2016. Would that number be reduced by 50 percent?

**Greg Cox (Director, Department of Corrections):**

In order to avoid the fiscal shock to the State of hiring 100 positions at once, the NDOC developed two phased-in hiring dates in FY 2016 and two in FY 2017. This plan coincides with the Committees' desire that we appear before the IFC each quarter to report on recruitment and retention efforts.

The shift relief factor is a mathematical equation based on the legislatively approved staffing plan. However, that shift relief factor has not been adjusted since 1979, even though two holidays have been added to the calendar since then.

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The NDOC requires a competent relief factor for our current operation, something we have not had.

**Chair Kieckhefer:**

Could NDOC meet its hiring needs if the Committees authorize your FY 2016 recommended new positions, and then NDOC will create a work program for FY 2017?

**Scott Sisco (Deputy Director, Support Services, Department of Corrections):**

Yes, that plan would be better than cutting the numbers of positions for each hiring date by 50 percent, especially since not all of these positions are housed in the same budget.

Except for Ely State Prison, each of the positions shown in the first column of the table on page 12 can be filled immediately. If the Committees authorize the 45 positions recommended for the October 2015 and January 2016 hiring dates, NDOC could fill them and then request the money for the remaining 55 positions from the IFC in FY 2017.

**Assemblywoman Carlton:**

If the positions slated for each hiring date are reduced by 50 percent, the desired shift relief factor will not be realized. The Committees do not wish to penalize NDOC for their vacancy rate, which is out of its control. Nor do we want to compromise public safety.

**Assemblywoman Dickman:**

If 45 positions are approved for in FY 2016, what will be the result if NDOC actually needs 75 positions?

**Mr. Sisco:**

The Governor recommended 45 positions for FY 2016 and 55 positions in FY 2017. We are satisfied that the latter number will be funded by the IFC in FY 2017.

**Chair Kieckhefer:**

The Committees' intent is to stay abreast of NDOC's hiring implementation plan, not to prevent its hiring of the Governor's recommended new positions.

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**Senator Goicoechea:**

The Committees would like to confer with NDOC before the beginning of FY 2017.

**Mr. Cox:**

We will appear before the Committees and provide any information it desires. The NDOC needs the Legislature's assistance to meet its hiring needs.

ASSEMBLYWOMAN CARLTON MOVED TO AMEND THE RECOMMENDATION OF THE SUBCOMMITTEES TO REVISE THE SHIFT RELIEF FACTOR BY APPROVING THE GOVERNOR'S RECOMMENDED 45 NEW PROTECTIVE SERVICE STAFF POSITIONS AND ASSOCIATED COSTS FOR FY 2016, AND TO AUTHORIZE THE GOVERNOR'S RECOMMENDED 55 NEW PROTECTIVE SERVICE STAFF POSITIONS AND ASSOCIATED COSTS FOR FY 2017 FOR WHICH FUNDING WILL BE RELEASED FROM IFC UPON NDOC'S REPORT OF HIRING IMPLEMENTATION FOR FY 2016 AND HIRING STRATEGY FOR FY 2017.

SENATOR ROBERSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

ASSEMBLYMAN EDWARDS MOVED TO APPROVE THE RECOMMENDATION OF THE SUBCOMMITTEES AS DESCRIBED IN [EXHIBIT J](#), AS AMENDED.

SENATOR LIPPARELLI SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Ms. Dagdagan:**

I will read from the "Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on Public Safety, Natural Resources and Transportation Closing Report, Department of Public Safety, Division of Parole and Probation" ([Exhibit K](#)).

The Subcommittees on Public Safety, Natural Resources, and Transportation has completed its review of DPS' Division of Parole and Probation (P&P). The closing recommendations resulted in additional General Fund appropriations of \$82,644 in FY 2016 and \$38,790 in FY 2017. During its review, the Subcommittees addressed the major closing issues summarized below, and proposed the following recommendations.

The Subcommittees recommended approval of the Governor's recommendation for General Fund appropriations of \$3.8 million over the 2015-2017 biennium to add 27 sworn positions and 3 nonsworn positions and associated operating costs based on the October 2014 caseload projections provided by the JFA Institute.

**PUBLIC SAFETY**

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The Subcommittees also recommended the issuance of a LOI, directing P&P to provide semiannual reports to the IFC on the number of offenders in the low risk supervision unit (LRS), the number of offenders in the LRS by category and the number of officers and other personnel assigned to manage the LRS in conjunction with the status of filling vacant DPS officer II positions.

The Subcommittees recommended approval of Fiscal staff's recommendation to retain, as permanent positions, the 21 temporary P&P specialist positions recommended for elimination by the Governor, and to not approve the Governor's recommendation to add 12 new P&P specialist positions, resulting in a net increase of 9 additional permanent P&P specialist positions over the 2015-2017 biennium when compared to the Executive Budget.

These actions result in an increase in General Fund appropriations of \$383,221 and county reimbursements of \$894,184 over the Governor's recommendation. The Subcommittees also recommended the issuance of a LOI, directing P&P to update the IFC on a quarterly basis for each command area on the number of referred and completed presentence investigation (PSI) reports for in-custody and out-of-custody cases, the status of meeting statutorily required timelines for completing PSIs, the status of filling vacant P&P specialist positions, the number of continuances requested and any changes in the PSI process imposed by the courts.

The Subcommittees recommended concurrence with the Governor's recommendation for General Fund appropriations of \$510,334 over the 2015-2017 biennium to add five P&P specialist positions and associated operating costs for the Fugitive Apprehension Unit, prerelease program and postconviction investigations.

The Subcommittees recommended approval of the Governor's recommendation for General Fund appropriations of \$127,966 over the 2015-2017 biennium to add one polygraph examiner position, including associated operating costs and equipment to conduct annual polygraph tests on sex offenders, which is currently conducted by the Investigation Division.

The Subcommittees recommended approval of the Governor's recommendation with technical adjustment for General Fund appropriations of \$1.7 million over the 2015-2017 biennium to replace the Offender Tracking and Information System case management software used by the P&P for risk and needs assessments of offenders, and to develop strategies for case supervision.

The Subcommittees also recommended approval of all other closing items as recommended by the Governor, with a minor technical adjustment, and authorized Fiscal staff to make other technical adjustments as necessary.

**Assemblywoman Carlton:**

The dollars spent on polygraph examinations could be better spent elsewhere, especially now that the Department procures DNA swabs.

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**Assemblywoman Dickman:**

The county reimbursements required by the Department are a burden on the counties.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE THE  
RECOMMENDATIONS OF THE SUBCOMMITTEES AS DESCRIBED IN  
[EXHIBIT K](#).

SENATOR GOICOECHEA SECONDED THE MOTION

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Jose Paulo Castillo III (Residential Care Home Community Alliance):**

I will read from my prepared remarks ([Exhibit L](#)).

**Chair Kieckhefer:**

Senate Bill 146 has passed the Senate and is currently in the General Government Subcommittee of the Assembly Committee on Ways and Means.

**SENATE BILL 146**: Revises provisions relating to the payment of wages to certain employees. (BDR 53-629)

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**Chair Kieckhefer:**

Seeing no other members of the public wishing to testify, this meeting is adjourned at 11:26 a.m.

RESPECTFULLY SUBMITTED:

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Susan McArthur,  
Committee Secretary

APPROVED BY:

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Senator Ben Kieckhefer, Chair

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

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Assemblyman D. Paul Anderson, Chair

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

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit / # of pages</b>		<b>Witness / Entity</b>	<b>Description</b>
	A	2		Agenda
	B	5		Attendance Roster
	C	6	Jeff Ferguson, Fiscal Analysis Division, Legislative Counsel Bureau	Senate Committee on Finance and Assembly Committee on Ways and Means Closing List No. 2
	D	59	Cathy Crocket, Fiscal Analysis Division, Legislative Counsel Bureau	Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on General Government, Department of Administration, Division of Enterprise Information Technology Services
	E	29	Brody Leiser, Fiscal Analysis Division, Legislative Counsel Bureau	Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on K-12/Higher Education/CIPs Closing Report, Nevada System of Higher Education
	F	11	Brody Leiser, Fiscal Analysis Division, Legislative Counsel Bureau	Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees K-12/Higher Education/CIPs Closing Report, Western Interstate Commission for Higher Education
	G	118	Jaimarie Dagdagan, Fiscal Analysis Division, Legislative Counsel Bureau	Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on General

				Government Closing Report, Department of Business and Industry
	H	76	Cathy Crocket, Fiscal Analysis Division, Legislative Counsel Bureau	Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on Human Services Closing Report, Department of Health and Human Services Director's Office and Division of Health Care Financing and Policy
	I	41	Leannndra Copeland, Fiscal Analysis Division, Legislative Counsel Bureau	Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on Human Services Closing Report, Department of Health and Human Services, Division of Welfare and Supportive Services
	J	74	Sarah Coffman, Fiscal Analysis Division, Legislative Counsel Bureau	Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on Public Safety, Natural Resources and Transportation Closing Report, Nevada Department of Corrections
	K	14	Jaimarie Dagdagan, Fiscal Analysis Division, Legislative Counsel Bureau	Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on Public Safety, Natural Resources and Transportation Closing Report, Department of Public Safety, Division of Parole and

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				Probation
	L	4	Jose Paulo Castillo III	Senate and Assembly Budget Committee meeting