

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

**Seventy-Ninth Session  
May 8, 2017**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 8:14 a.m. on Monday, May 8, 2017, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/79th2017](http://www.leg.state.nv.us/App/NELIS/REL/79th2017).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Maggie Carlton, Chair  
Assemblyman Jason Frierson, Vice Chair  
Assemblyman Paul Anderson  
Assemblyman Nelson Araujo  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Irene Bustamante Adams  
Assemblywoman Olivia Diaz  
Assemblyman Chris Edwards  
Assemblyman John Hambrick  
Assemblyman James Oscarson  
Assemblywoman Ellen B. Spiegel  
Assemblyman Michael C. Sprinkle  
Assemblywoman Heidi Swank  
Assemblywoman Robin L. Titus

**GUEST LEGISLATORS PRESENT:**

Assemblywoman Amber Joiner, Assembly District No. 24

**STAFF MEMBERS PRESENT:**

Cindy Jones, Assembly Fiscal Analyst  
Sarah Coffman, Principal Deputy Fiscal Analyst  
Jeff A. Ferguson, Senior Program Analyst  
Brody Leiser, Senior Program Analyst  
Anne Bowen, Committee Secretary  
Lisa McAlister, Committee Assistant

Minutes ID: 1075



After the call of the roll, Chair Carlton admonished all individuals planning to testify that the Committee on Ways and Means was a money committee and no policy discussion would be tolerated.

Chair Carlton opened the hearing on Assembly Bill 468.

**Assembly Bill 468: Revises provisions relating to mortgage brokers and mortgage bankers. (BDR 54-1028)**

Chair Carlton explained that Assembly Bill (A.B.) 468 came to the Assembly Committee on Ways and Means from the Assembly Committee on Commerce and Labor without recommendation. The bill had a fiscal impact, but there were policy implications that needed to be dealt with before the Assembly Committee on Ways and Means could deal with the fiscal side of the bill. Chair Carlton opened the hearing and prepared to take action on A.B. 468 so that its exemption stayed in place and the bill could be referred back to the Assembly Committee on Commerce and Labor to finish the policy discussion. Chair Carlton said that depending on the amendments that were placed on the bill it could possibly come back to the Assembly Committee on Ways and Means.

Chair Carlton requested questions from the Committee members and, seeing none, accepted a recommendation from the Committee to refer the bill back to the Assembly Committee on Commerce and Labor.

ASSEMBLYWOMAN SPIEGEL MOVED TO DO PASS AND REREFER  
ASSEMBLY BILL 468 TO THE ASSEMBLY COMMITTEE ON  
COMMERCE AND LABOR.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Benitez-Thompson was not present for the vote.)

Chair Carlton closed the hearing on A.B. 468. The Chair then opened the hearing on Assembly Bill 348 (1st Reprint).

**Assembly Bill 348 (1st Reprint): Revises provisions governing courses of instruction in sex education. (BDR 34-285)**

Assemblywoman Amber Joiner, Assembly District No. 24, presented Assembly Bill (A.B.) 348 (1st Reprint) and read the following statement into the record:

The purpose of A.B. 348 [R1] is to update the standards for sex education in our public schools. This statute, [*Nevada Revised Statutes*] NRS 389.036, has not been revised since 1987. As you can imagine, science has advanced since then. So, for example, the current law requires that we educate students about

AIDS, but not about how to protect themselves against HIV. Some districts have kept curriculum up-to-date with these advances, but others have not, or are only teaching part of what they should be teaching in sex education in order for our students to stay healthy and avoid unintended pregnancies.

We have also discovered that across the state students are not receiving consistent information, and in some cases, we have no idea what schools are teaching. This bill would require that the Council to Establish Academic Standards for Public Schools add sex education standards to the health standards that are currently a law. It would also add additional reporting requirements that have been added to ensure that the curriculum is being taught. I believe that the public process of updating the standards is the reason for the \$8,000 fiscal note from the Department of Education. I have asked the Department whether changing the effective date or any deadlines in the bill would eliminate the need for that fiscal note; if, for example, we were able to conduct the hearings for these updated standards at the same time as other standards are updated.

Assemblywoman Joiner referred to the school districts' fiscal costs and said that some districts said there was no cost and others said there would be a cost. The current law required school districts to adopt curricula and materials, and at least one school district had reported that if the effective date were delayed a year until after the state standards were adopted, it might be able to reduce the fiscal note.

In summary, Assemblywoman Joiner said A.B. 348 (R1) would ensure that all students have access to factual and medically accurate information about how their bodies work and how to stay healthy. She believed that the cost to update these standards was well worth the investment.

Chair Carlton noted that the bill had a fiscal note for \$8,000 for travel. She wondered whether that was still in effect or whether videoconferencing was available.

Assemblywoman Joiner said the Department of Education had informed her that \$8,000 was the standard amount for the public hearings, which was what they typically did. At the Legislature, meetings were often videoconferenced and it saved a lot of money, so she said she would be open to that possibility for the Department, which could testify on the standard procedure.

Assemblyman Sprinkle said he would specifically be referencing Clark County and Douglas County. Looking at the fiscal notes, Assemblyman Sprinkle found it interesting that there were two school districts with significant fiscal notes and no other school districts submitted fiscal notes. He said he did not understand the difference between school districts and the fiscal notes and wondered whether his question was better directed at the school districts for an answer.

Assemblywoman Joiner said she agreed and thought it was odd, especially since current law required that school districts have a sex education curriculum. The school districts regularly updated curricula and purchased textbooks and other items. It should be part of the typical district budget; however, Assemblywoman Joiner was open to possibly changing the effective date if that would help. For example, one school district had informed her that with the current effective date, it would have to adopt a new curriculum this coming school year, and then when the state standards came out, it might have to change it again. That created additional costs for the school districts.

Assemblywoman Swank commented that she was not sure whether her question was too policy-oriented, but she wondered whether the cost to the state of unintended pregnancies and sexually transmitted diseases (STDs) was known.

Assemblywoman Joiner said she believed the revisions were worth the investment of a few thousand dollars, especially considering the cost to Medicaid for unintended pregnancies. Nevada was seventh in the nation in the number of teen pregnancies, and there was direct evidence that when young people were taught how to prevent pregnancies, they did not happen as often. She added that Nevada also had a rise in STDs, and clearly prevention was a lot more affordable than treatment.

Assemblyman Anderson commented that when looking at the tie between a piece of education at this level versus its effects, the results were often anecdotal. He said if school districts were already required by law to provide sex education to students, why was any sort of expenditure necessary by the state to rebuild standards.

Assemblywoman Joiner explained that currently the law required a sex education curriculum in the school districts, but putting that curriculum into the core standards at the state level was new in this bill. The reason for that change was to add the sex education curriculum to the health requirements so that it became definite that the school districts knew they had to teach it. Assemblywoman Joiner said it was becoming clear that not all children were receiving sex education. The other important reason to include it in state standards was that the law dated to 1987. If state standards were adopted as a minimum threshold for all students, there would be more consistency statewide, but it would also ensure that the curriculum was medically and scientifically accurate. Currently, the law did not require that.

Chair Carlton asked Assemblywoman Joiner whether she was proposing an amendment to the bill today and also asked her to provide the Committee with any documentation concerning the bill and sex education in Nevada.

Assemblyman Edwards asked whether Assemblywoman Joiner anticipated more cost to either the state or the school districts.

Assemblywoman Joiner informed the Committee that all of the school districts had the opportunity to submit fiscal notes, and only a couple of responses showing a cost were received, although several were received with zero costs. It seemed to vary statewide

depending on how up-to-date the current curriculum was and how much the districts believed it already conformed to the standards in the bill. She said she did not anticipate any additional costs other than those costs already in the bill.

Responding to Chair Carlton's question regarding whether an amendment to the bill would be proposed today, Assemblywoman Joiner said she had hoped to see whether the school districts testified as they had indicated in conversations. She said she planned to have something in writing for the Committee before it went into work session.

Assemblyman Frierson questioned the phrase "age appropriate" in the bill, specifically with respect to the fiscal effect. He asked for elaboration on the determination of what was age appropriate, who made that determination, and how different districts might have a different fiscal effect or none at all.

According to Assemblywoman Joiner, the decision regarding age appropriateness was staying at the district level. The state was not creating those standards, and local communities would decide the age appropriateness of different provisions. Assemblywoman Joiner said the state was not assuming what was appropriate for each community, but there were minimum standards of scientific information that children should have about their bodies. Once that standard was established, the individual districts and communities would adopt the various curricula and age appropriateness.

Assemblyman Frierson stated he had received a significant amount of correspondence about 5-year-olds receiving sex education. He said he wanted to mention this because he would not dare suggest which age level any particular school district would decide was appropriate.

Assemblywoman Titus said she was curious about the cost of parental notification performed online relative to the cost for the Internet systems.

Assemblywoman Joiner stated that no fiscal notes had been received since the first reprinted amendment, and she had not heard any concerns from the school districts about the first reprint causing additional costs. The first reprint added a few reporting requirements so the state was aware, for example, of how many students did not return the permission slips. That was the type of data currently missing, and the state was not receiving consistent reporting. That reporting was something the school districts already kept in-house, so to provide that information to the Legislature would probably not incur an additional cost. As far as providing it on the Internet, Assemblywoman Joiner said that was permissive. The larger school districts already had many permissions that could be given online, and sex education could be added. The proposal was to make it easier for parents to be informed because this was a big concern of parents. There should be no additional cost relating to the website because it was only for parents to provide permission.

Chair Carlton said it would be appropriate to bring up representatives of the Department of Education, the Clark County School District, and the Douglas County School District if they were available to discuss the fiscal note.

Steve Canavero, Ph.D., Superintendent of Public Instruction, Department of Education, introduced David Brancamp, Director, Office of Standards and Instructional Support, Department of Education. Mr. Canavero said there were two components to the fiscal note. The first component was a single three-day meeting to have an initial discussion to revise the standards, and from that point forward, the standards and the meetings would become virtual. He noted the first meeting would also be videoconferenced for public comment.

The second aspect of the fiscal note was to cover substitute teacher costs. Mr. Canavero said as professionals were pulled out of the classroom and into the discussion, the districts had to offset or defray the cost for providing substitute teachers to cover the absence of teachers or principals while they attended the standards revision meeting. The breakdown was \$5,000 for one three-day meeting, \$3,000 to cover the cost for substitutes, and \$180 for ancillary costs relating to meeting supplies.

Chair Carlton asked about the schedule of review for the standards.

David Brancamp, Director, Office of Standards and Instructional Support, Department of Education, said the current set of standards were in play and the standards usually had a short review at the three-year mark and had another review after seven years. Mr. Brancamp explained that three years from now a small committee would review what was available and ask the school districts and education professionals whether something had occurred at a national level that needed attention. He said that after the review, the larger committee would be reconvened.

Craig M. Stevens, Director of Intergovernmental Relations, Government Affairs, Clark County School District, thanked the Subcommittees for allowing him the chance to talk about the Clark County School District's fiscal note. The reason for the fiscal note was the expansion of items that would be included in the state standards within A.B. 348 (R1). The costs in the fiscal note concerned revision of the curriculum, new textbooks and materials, and professional development. Mr. Stevens said section 3 of the bill would require Clark County School District (CCSD) to begin incorporating the changes on July 1, 2017. It would be a complete rush job to get ready for the very next school year, but allowing the school districts to wait until the new standards were complete would be helpful and beneficial.

Mr. Stevens explained that the reason for the fiscal note was because section 1.5, subsection 1, paragraph (b), listed items currently not being done within the standard at the CCSD. The school district would have to align its curriculum with the new items, and then once the new standard was complete, if there were differences the school district would have to realign again. Mr. Stevens said that paragraphs (c), (e), (g), (i), and (k) in section 1.5, subsection 1 of A.B. 348 (R1) also contained items the school district was currently not doing, and it would need to create new material, go through the sex education committee, get everything approved, buy materials, and provide professional development to district employees.

Assemblywoman Spiegel asked whether Mr. Stevens had any idea of how much the CCSD spent annually accommodating teen moms. Mr. Stevens said he did not have that number with him, but he would be happy to provide it to the Committee at a later time.

Assemblyman Sprinkle asked why the three-day meeting could not be videoconferenced instead of flying representatives to Reno.

Mr. Brancamp said it was helpful when the committee members could be together and face each other when there was a potential controversy or a heated discussion. The first meetings were usually done in person, so the committee members could accomplish a lot in three days rather than trying to find time after school when members often had other commitments.

Assemblyman Sprinkle said, specific to Clark County, that he thought he understood the difficulty when the bill became effective; however, he still did not understand why there was a \$248,000 fiscal effect in future biennia.

Mr. Stevens said Clark County would have to immediately implement a standard based on the bill, and then the standards would be updated by the Department of Education requiring the adoption of new material, new curriculum, and new professional development. He doubted that Clark County would have its curriculum exactly the same as the standard.

Assemblyman Sprinkle asked whether the CCSD Board of Trustees anticipated a significant decrease or removal of the fiscal note if an amendment were to come forward changing the effective dates.

Mr. Stevens said that would be accurate if the CCSD had some time to plan and work with the Department of Education to determine what the standards would be and to adopt curriculum and materials and professional development.

Assemblyman Edwards recalled that there were two or three years in a student's school life when the sex education program would be taught to keep it age appropriate. He estimated that would involve one-quarter of all the students who might need new textbooks. In Clark County that would amount to approximately 40,000 or 50,000 new textbooks. Assemblyman Edwards asked how that cost was accounted for, and whether the school district had to pay for the textbooks.

Mr. Stevens explained that sex education, or health, was taught in grades 5 and 8 and in high school, and Assemblyman Edwards was correct in how many students that would involve. The adoption of textbooks was on a cycle, so when a new curriculum was adopted, the Clark County School District would adopt the new material. Mr. Stevens noted many students would have to receive updated information.

Assemblyman Edwards said by his calculations, the school district would transition out 25,000 textbooks a year for at least three years. He asked whether that cost would be paid by

the school district or through some portion of the state contribution. Mr. Stevens replied that it would come from the school district; however, the fiscal note on the bill was because the school district would need additional funds from the state to cover costs.

Assemblywoman Diaz remarked that over the years she had heard that Washoe County School District had a comprehensive curriculum already being used. She wondered whether Washoe County School District could share with the other school districts what it had developed, thereby minimizing the fiscal effect.

Mr. Stevens said that while the Clark County School District was always happy to work with other school districts, Clark County was a very different community from Washoe County. Because this was such a local issue, it was sometimes difficult to adopt another county's curriculum when the values were so different.

Assemblywoman Diaz stated she understood that, but thought Nevada was trying to move toward medically accurate sex education. To her, when moving toward something that was medically and scientifically appropriate, she did not see how local values were pertinent.

Chair Carlton said she was going through some of the things listed that were currently not taught. There were a number of things that Chair Carlton said she would have naturally assumed were included in health class, but apparently were not.

Mary Pierczynski, Ed.D., representing the Nevada Association of School Superintendents and the Nevada Association of School Administrators, said she was trying to get further clarification on the fiscal notes as well, especially from Douglas County. She said it was her understanding Douglas County was looking at the adoption of new textbooks and training, which was why the fiscal note on the bill was so large.

Chair Carlton called for testimony in support of A.B. 348 (R1).

Holly Welborn, Policy Director, American Civil Liberties Union of Nevada (ACLU), read the following statement into the record:

We have long supported policies that lead to healthy outcomes for our kids. Our organization, through a series of public records requested in 2013 and 2015, discovered that each school district had vastly different sex education policies and curricula, and that in some counties the course materials were so out-of-date that they were medically inaccurate and they were discriminatory.

To our knowledge, six of the seven counties that we worked with were able to update their curriculum without incurring any additional costs. The one county that did have additional costs was able to find funding through a grant. There are resources that are available on line, and in different districts, such as in 2013, there were fiscal notes on a very similar bill, but through sharing



curriculum, many entities removed the fiscal notes. It is our opinion that might be a plausible solution for solving some of these budget problems.

Regardless, our position is that the fiscal impact is minimal and is substantially outweighed by the benefits this bill would bring to Nevada students.

Elisa Cafferata, representing Nevada Advocates for Planned Parenthood Affiliates, Inc., stated this was the first time she had testified on this bill, but she wanted to speak to the fiscal notes. She believed the sponsor of the bill was willing to move the dates to ensure that the standards development piece could be done in the normal cycle, so there would not be an additional cost. When the bill had been reviewed in previous sessions, the vast majority of the issues were already covered in the health curriculum: for example, germ theory. Children as young as fourth grade, which was the first year that Washoe County introduced this information, knew that they should wash their hands to prevent the spread of disease. Ms. Cafferata said that concept was already covered in the standards, and it would take very little to update the standards. Several of the standards should have been updated because of laws that the state had adopted: for example, the bullying laws and the ability to communicate, to negotiate, to deal with things like consent and treat people fairly should already be incorporated into state standards. She did not think there should be a large fiscal note.

Ms. Cafferata referred to the fiscal notes from the school districts around the state and said the fact that they varied so widely was indicative that there was information available online from other school districts, and it would be easy to develop a curriculum without spending any additional money. If the textbooks being used in Douglas County and Clark County were so outdated that they did not cover sex education issues, that was a different problem for the school districts. She said some school districts were using outdated textbooks, but she did not believe the cost should be put entirely on the sex education bill to bring the health textbooks up to date.

Daniel Leonardini, Intern, ACLU of Nevada, testified in support of A.B. 348 (R1).

Ashley Clift Jennings, private citizen, testified in support of A.B. 348 (R1). Ms. Jennings believed it was important to consider sex education as a family planning issue and a way to protect our youth. She also believed sex education would save money concerning family planning.

Marlene Lockard, representing the Nevada Women's Lobby, testified in support of A.B. 348 (R1). She stated the Nevada Women's Lobby strongly supported this legislation. The statistics had been provided and the information was there: better education saved the state money.

Chair Carlton called for testimony in support of A.B. 348 (R1) in Carson City and, seeing none, called for anyone wanting to testify in support from Las Vegas. Seeing none, Chair Carlton called for anyone in opposition to the bill in Carson City.

Janine Hansen, President, Nevada Families for Freedom, read the following statement into the record:

We oppose any additional tax dollars going for sex education. We believe it is driven by the policy change, which we oppose, and that is that it removes from the county school districts and the local sex education advisory committees the responsibility for establishing standards of content and gives to the unaccountable, unelected, and inaccessible Council to Establish Academic Standards for Public Schools the responsibility for doing this and taking it away from local school districts and local parents. We are extremely concerned about that. The reason it is there is because parents and local school districts wanted to be able to determine what they did locally would be in accordance with their values.

In addition, there is a significant policy change, which was not in the bill, which was heard in the Committee on Education, and that is that it changes the opt-in program. This is an extremely important issue. It is important to know that this completely changes the opt-in and that it is convoluted and phony.

In addition to that, we are concerned about how this law changes that it may only be taught by a teacher or school nurse. That is the current law and A.B. 348 (R1) allows the door to come open so that Planned Parenthood or their surrogate can be in the classroom. We oppose any additional money going for the sex education program when it is not necessary, when parents and local school districts have the authority to change curriculum at any time so the additional costs on the state and local level are totally unnecessary and do not respond to the local people who are responsible and elected to these positions.

Karen England, representing Nevada Family Alliance, testified in opposition to A.B. 348 (R1). Ms. England said she was testifying on behalf of her family, taxpayers in Washoe County, because of involvement in the Washoe County School District Sexuality, Health and Responsibility Education (S.H.A.R.E.) Advisory Committee and talk of the new curriculum. There was a lot of confusion about A.B. 348 (R1), and no fiscal reports had been submitted since the amendments. The amendments went further than just saying how many were opting in and how many were opting out. The reporting and the mandatory information the schools were required to provide was more of a burden than the current reporting. Ms. England asserted that the Washoe County School District was millions of dollars in debt,

and to solve the fiscal crisis, Washoe County was considering larger class sizes and changing the school calendar. She was concerned that Washoe County said there would be zero fiscal effect on expanding the new curriculum.

Melissa Clement, private citizen, testified in opposition to A.B. 348 (1st Reprint) and read the following statement into the record:

I hope to lend a voice to the thousands of Washoe County and statewide parents who are taxpayers who feel voiceless. I am a parent of one graduate in the Washoe County School District. Next month I will be the parent of another one, and I have five more years to go in this school district. Needless to say, I am invested in the decision on A.B. 348 [R1]. Parents like me generally trust their schools and school boards to provide academic instruction. We trust school boards as well as the Legislature to carefully weigh each tax dollar and prioritize, because in this case, you are dealing with our state's most valuable resources—our children. For too long, Nevada has ranked at the bottom of so many educational lists, but now you are considering spending those precious resources, not on textbooks, class size reductions, or increased teacher salaries, all things that would help bring us from the bottom to the top. Instead, you are going to spend these valuable dollars on sex education, which is controversial, because almost every family has different values. Most parents do not know that you are even considering the contents of this bill, and like we have seen at our school district level, decisions on the content of this controversial topic will be made by an unelected, inaccessible group, the Council to Establish Academic Standards. That has a fiscal impact on we parents because we cannot voice our concerns. In the past few months I have sat through many sex education discussions. A great deal of the discussion revolves about parents who are irresponsible, out of touch, and often abusive. Discussions have occurred about how to implement changes, huge changes that may subsume the rights and responsibilities of parents without their knowledge.

Over 200 parents attended meetings opposing proposed changes to Washoe County School District's sex education. They were ignored, but at least they had the opportunity to express their concerns. Now many of the most controversial standards can be decided far from these parents' homes. Washoe County School District, as has been mentioned, has a \$40 million budget shortfall. Parents in our district are angry. How did that shortfall happen? What will be the consequence to our children? What programs or teachers will be cut? And where is the Washoe County School District today to verify that there is no fiscal impact that is going to cause that shortfall to go up? Add on top of this concern an unfunded mandate that will take limited resources from our children, and we are rightfully angry. Although Washoe County School District's fiscal note remains zero, we all know otherwise. There will be a cost for our students in terms of loss of

instructional time. Dollars will necessarily flow to training and curriculum. Our children get out 45 minutes early on Wednesdays to allow for professional development for teachers. How much of that time will be devoted to the substantial, substantive changes in sex education? Time that could have been used to learn and develop new teaching strategies to better instruct our children in math, science, and language. We ask our teachers to do a lot, and with each legislative session, both federal and state, we ask them to do more with less. The reporting aspects of this bill are huge. It is reporting on a class level, on a school level, on a district level. Once schools move past the basics, most of which are already in current statute, the state does in fact take a side in the value question.

Deborah Earl, Vice-President, Power2Parent (P2P), Las Vegas, testified in opposition to A.B. 348 (R1) and said parents had serious concerns about the unfunded mandates in the bill. Parents in Nevada did not believe these mandates were necessary or worth the cost. Ms. Earl said parents approved of the current sexual risk avoidance curriculum so much that in the Clark County School District alone, 95 percent of them opt their children into that portion of health sciences. According to the Department of Health and Human Services, the teenage birth rate had declined continuously over the past 20 years using the current curriculum, which would not add additional costs because it was already in place and working. In September 2015, over 1,000 parents and concerned community members packed the Las Vegas Academy auditorium to reject attempts by Clark County School District Trustee Carolyn Edwards to add these same controversial topics and conditions of teaching to the curriculum. Ms. Earl stated that when asked who was against these proposals, approximately 900 stood against changing the curriculum. Additionally, the fiscal notes were incomplete as only three counties reported. The total funds needed for the three counties that responded were just under \$1 million.

Erin Phillips, President, Power2Parent, testified in opposition to A.B. 348 (R1) and read the following statement into the record:

I am a mother of five children, three who are currently in the Clark County School District. It is difficult to understand how so many school districts have reported zero costs or not reported at all. I have yet to see an updated fiscal note attached to this bill, which was mentioned earlier, but the amendments require reporting that will certainly create a need for more public dollars. With this in mind, it begs the question, how can we get a clear picture of what our costs might be? With the reorganization of the school district and the other empowerment models, the trend in the state has been to create more control at the local levels. That reorganization bill was passed unanimously as a bipartisan bill. Each school district has its own needs and should maintain the ability to serve their populations in an individualized way. Empowering parents and local school boards creates a culture of accountability and trust that meets the needs of the individual students and allows for more students to receive essential sex education. Because it has been rejected over and over by

many parents across the state, passing this bill will only generate distrust and anger that will drive many parents to opt their children out. Because of the unknown costs associated with this bill and the thousands of parents who have opposed it, I am asking you to do the same. Please vote no on A.B. 348 (R1).

Jorge Sanchez, private citizen, testified in opposition to A.B. 348 (R1).

Patrice Tew, private citizen, testified in opposition to A.B. 348 (R1). Ms. Tew stated she was a Clark County School District trustee from 2012 to 2016, and she hoped the Assembly Committee on Ways and Means recognized the magnitude of voices that were in opposition to the bill.

Sara Ramirez, private citizen, testified in opposition to A.B. 348 (R1).

Jenifer Mendez, private citizen, testified in opposition to A.B. 348 (R1).

Lynn Chapman, State Vice President, Nevada Families for Freedom, testified in opposition to A.B. 348 (R1).

Don Nelson, private citizen, testified in opposition to A.B. 348 (R1). Mr. Nelson agreed with the other opponents to the bill.

Chair Carlton closed the hearing on A.B. 348 (R1) and opened the hearing on budget account 2631.

**ELECTED OFFICIALS**  
**LEGISLATIVE BRANCH**  
**LEG - LEGISLATIVE COUNSEL BUREAU (327-2631)**  
**BUDGET PAGE LEGISLATIVE-9**

Rick Combs, Director, Legislative Counsel Bureau (LCB), presented budget account (BA) 2631, Legislative Counsel Bureau.

Mr. Combs said that with the Chair's permission he would skip to the adjustments he was recommending rather than reiterating all of the budget items. There were a number of priority positions that the LCB had been unable to add in the Governor recommends phase of the budget because of constraints at that time. Mr. Combs had asked the Senate Committee on Finance and the Assembly Committee on Ways and Means for authority to bring the adjustments back at closing, and the Committees were amenable to doing that. Mr. Combs' handout, [Exhibit C](#), "Legislative Counsel Bureau (BA 2631) Proposed Adjustments to Governor Recommends 2017-2019 Biennium," showed four additional positions. The first additional position was a paralegal for the Legal Division of the LCB at a cost of \$70,316 in fiscal year (FY) 2018 and \$74,143 in FY 2019. The second position requested was for an IT technician position at a cost of \$77,813 in FY 2018 and \$81,708 in FY 2019. A new

police officer position was requested at a cost of \$68,272 in FY 2018 and \$68,394 in FY 2019. Finally, there was a request to restore funding for the chief deputy auditor position. Mr. Combs noted there had been discussion about restoring staff to the Audit Division of the LCB, that had not been restored since the recession. Those added positions would amount to \$379,833 in FY 2018 and \$390,580 in FY 2019.

Mr. Combs acknowledged there was an error in the base budget relating to personnel costs. The adjustment to the base budget would cover the first priority added position, which was the paralegal position for the Legal Division. The adjustment would also cover a portion of the cost for the other positions.

Mr. Combs said the only other adjustment being requested was bureauwide funds for out-of-state travel and training. During the recession, this area was reduced, and Mr. Combs was finding that in trying to provide professional development opportunities for employees, there was an effect on morale. He was requesting that out-of-state travel be included in the LCB budget.

If all the budget adjustments in [Exhibit C](#) were approved, the total would be \$314,517 in FY 2018 and \$321,437 in FY 2019. Mr. Combs was also requesting authority for other technical adjustments. He noted that historically, he had asked for authority to make technical adjustments when the budget was closed, because it was generally closed with a few weeks left before the end of the session and there was a lot that could happen. Currently, there was \$30,000 budgeted in this account for interim studies for the upcoming biennium. That amount was sufficient for five to six interim studies if they were all normal four meetings per interim study. This would be the limit of what would be available, and Mr. Combs requested authority to make adjustments. He explained that if the study bills began coming out in greater volume or there was a larger number of meetings per interim, Committee authority would be requested to add to the budget if there was time. If there was no time before *sine die*, the request would be to use the balance in the Legislative Fund to bring that back to the Legislative Commission at the time the budgets were set for each of those committees.

There were also a number of bills that required the creation of new statutory committees, and Mr. Combs requested authority to make adjustments depending on how those bills proceeded through the legislative process.

Finally, there were additional duties and responsibilities that were placed on LCB near the end of each session, and Mr. Combs requested authority to add the additional funds that were approved by the Legislature after the budget was closed.

The next document was [Exhibit D](#), a copy of a memorandum dated March 22, 2017, that Mr. Combs submitted to the members of the Committee as well as the members of the Senate Committee on Finance regarding the travel policy for legislators to attend meetings of national organizations.

Mr. Combs noted that the policy that was in effect prior to May 29, 2009, when a freeze was put on legislative travel, would go back into effect unless the Legislative Commission took action to extend that freeze or, in some other way, revised the travel policy.

Chair Carlton referred to the travel policy and noted that legislators were members of a number of national organizations and paid dues to those organizations so members could attend meetings. An amount had been set for legislators to participate in conferences and she believed it had been set at \$1,000 per year, times 63, times two years. The amount would be used for registration costs and/or travel and any other associated expenditures. Before the economic downturn, there was a much more robust budget for conferences, but Chair Carlton did not believe the Legislature needed to go back to that. She wanted to offer a base amount of support for legislators who might not have the resources to attend a conference to ensure they received professional development and training.

Assemblyman Sprinkle referred to [Exhibit D](#) and said according to that document, unless the Legislative Commission extended the freeze, the 2008 policy would be reinstated on July 1, 2017.

Mr. Combs said that was correct; if this Legislature did not do anything to restore the funding, he would take an extension of that freeze to the Legislative Commission, because there would not be any funding to pay for it. He was not saying the Legislative Commission would necessarily approve his recommendation, but at that point, he believed the members would not have much choice if funding had not been approved. If a policy similar to what Chair Carlton was suggesting was put into place, Mr. Combs would need to take a policy to the Commission that would fit the funding approved by the Assembly Committee on Ways and Means and Senate Committee on Finance. He said no matter how the budget was ultimately closed, he would need to take a revision of that policy to the Legislative Commission because currently the policy would allow certain people to attend two meetings a year and be fully reimbursed.

Chair Carlton requested Committee members' thoughts on the proposal to allow a base travel amount for legislators to attend national conferences.

Assemblyman Anderson said he believed it was important for legislators, especially as citizen legislators, to reach out, be part of organizations, and receive the training and input from across the nation. He wondered whether there were any limitations on what a legislator would be able to use those funds for, such as attending conferences put on by smaller organizations that also provided continuing education.

Chair Carlton stated her original thought was for legislators to attend conferences and training sessions planned by the national organizations that legislators were members of and participated in, because those were the ones that provided professional development training. Additionally, dues were paid to a number of those organizations. Because Nevada legislators

were members, she thought it would be good to allow members the opportunity to attend those training sessions. The cost would typically include registration, travel, and/or accommodations. Sometimes a legislator would be sponsored for one of those three expenses, but sometimes registration fees could range between \$600 and \$800 just for registration. A large amount of that money would go just to being a participant in the conference.

Assemblyman Anderson said that if he understood Chair Carlton's comment correctly, the delineation would be wherever there were legislative memberships on a national scale, that was where those funds could be used.

Chair Carlton said that would be her proposal because those were the organizations that the state paid for legislators to be members of, and she would want to focus on those if everyone was comfortable with that approach.

Assemblywoman Titus stated that she appreciated the need for additional training, and when legislators attended the meetings, many of them were reimbursed and sometimes there were scholarships. However, the whole cost was not always covered, and she thought it would be wise to clarify which conferences and training sessions Nevada legislators were authorized to attend.

Chair Carlton believed the comfort level was organizations which legislators were already members of and paid dues to.

Assemblyman Edwards said he believed it was a smart policy and everyone could benefit, including constituents, if they had legislators who were aware of helpful knowledge that could be used. He said he fully supported the initiative.

Chair Carlton commented that apparently the process for the Assembly Committee on Ways and Means would be to take a vote on the recommendation, give it to Mr. Combs who would include it in his documents, and present it before the Legislative Commission to be approved because the Committee would be changing the current travel policy, which would change the sunset provision. Mr. Combs said Chair Carlton was correct.

Mr. Combs said that if the Committee was in agreement with the adjustments that were shown in [Exhibit D](#), the Committee could make a motion to approve the adjustments with the addition of the \$63,000 per year for legislator travel.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE ADJUSTMENTS  
MADE TO BUDGET ACCOUNT 2631 AS RECOMMENDED BY THE  
DIRECTOR OF THE LEGISLATIVE COUNSEL BUREAU WITH THE  
ADDITION OF \$63,000 PER YEAR FOR LEGISLATOR TRAVEL TO  
NATIONAL CONFERENCES.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.



Assemblywoman Titus noted that the Legislative Commission would determine how the money was distributed, but she was concerned that one legislator could not apply for more than a set amount. She asked whether that would be clarified by the Legislative Commission.

Chair Carlton commented that the proposal was for \$1,000 per legislator, per year, to be used toward the travel, registration, and accommodations for the national conferences.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**ELECTED OFFICIALS  
LEGISLATIVE BRANCH  
LEG - NEVADA LEGISLATURE INTERIM (327-2626)  
BUDGET PAGE LEGISLATIVE-13**

Rick Combs, Director, Legislative Counsel Bureau (LCB), presented budget account (BA) 2626, Nevada Legislature Interim. Mr. Combs submitted [Exhibit E](#), "Nevada Legislature Interim, Budget Account 327-2626, Governor's Recommended Budget, 2017-2019 Biennium."

Mr. Combs said the only requested adjustment in this budget was that the Secretary of the Senate was elected as the vice-chair of the Mason's Manual Commission this past month and was requesting an additional \$2,500 in travel associated with duties in that position for each year of the upcoming biennium.

ASSEMBLYMAN OSCARSON MOVED TO APPROVE A TRAVEL  
ADJUSTMENT RECOMMENDED BY THE DIRECTOR OF THE  
LEGISLATIVE COUNSEL BUREAU AND CLOSE BUDGET ACCOUNT  
2626 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

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

BUDGET CLOSED.

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**ELECTED OFFICIALS**  
**LEGISLATIVE BRANCH**  
**LEG - PRINTING OFFICE (741-1330)**  
**BUDGET PAGE LEGISLATIVE-17**

Rick Combs, Director, Legislative Counsel Bureau (LCB), presented budget account (BA) 1330, Printing Office.

Mr. Combs stated that the final budget was BA 1330, the Printing Office. He recommended this account be closed as recommended by the Governor.

ASSEMBLYMAN SPRINKLE MOVED TO CLOSE BUDGET  
ACCOUNT 1330 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

BUDGET CLOSED.

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**ELECTED OFFICIALS**  
**ELECTED OFFICIALS**  
**GOVERNOR'S OFFICE OF ENERGY (101-4868)**  
**BUDGET PAGE ELECTED-18**

Jeff A. Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented budget account (BA) 4868, Governor's Office of Energy.

Mr. Ferguson stated BA 4868 had the positions for the office and was funded with transfers from the other two budget accounts, which would be heard subsequently. There were no major closing issues in this budget. One other closing item was replacement equipment, and Fiscal Analysis Division staff recommended approval of the other closing item as recommended by the Governor with authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

ASSEMBLYMAN SPRINKLE MOVED TO CLOSE BUDGET  
ACCOUNT 4868 AS RECOMMENDED BY THE GOVERNOR WITH  
AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE  
TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

BUDGET CLOSED.

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**ELECTED OFFICIALS**  
**ELECTED OFFICIALS**  
**RENEWABLE ENERGY ACCOUNT (101-4869)**  
**BUDGET PAGE ELECTED-22**

Jeff A. Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented budget account (BA) 4869, Renewable Energy Account.

Mr. Ferguson stated that BA 4869 did not have any decision units in it, but there were three major closing issues. The first major closing issue was the base budget, which recommended funding of \$2.5 million in each year of the biennium for three programs. The first program was the direct energy assistance loan (DEAL) program. The second program was the Home Energy Retrofit Opportunity for Seniors (HEROS) program. The third base-budget program was the Performance Contract Audit Assistance Program (PCAAP).

The DEAL program would provide funding of \$750,000 in each year of the biennium. This program provided State of Nevada employees with interest-free loans for energy efficiency upgrades that were paid off via monthly payroll deductions. The HEROS program provided \$750,000 in each year of the biennium to assist in reducing energy costs for Nevada seniors by improving the energy efficiency of their homes. Mr. Ferguson said the PCAAP program provided funding of \$1 million in each year of the biennium to provide monetary assistance for financial-grade operational audits to eligible Nevada governmental entities that chose to enter into a performance contract for operating cost-savings measures.

Mr. Ferguson asked whether the Committee wished to approve base budget expenditures of \$2.5 million in each year of the 2017-2019 biennium for the DEAL, HEROS, and PCAAP programs as recommended by the Governor.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE BASE BUDGET EXPENDITURES OF \$2.5 MILLION IN EACH YEAR OF THE BIENNIUM FOR THE DEAL, HEROS, AND PCAAP PROGRAMS IN BUDGET ACCOUNT 4869 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Mr. Ferguson stated the second major closing issue was that the Governor recommended \$9,600 in each year of the biennium for the Nevada Electric Highway Demand Charge Offset Program, which would expand the state's electric vehicle charging station infrastructure.

Assemblyman Oscarson remarked that there was a charging station in his Assembly district, which saw more use all the time. He was excited about the potential to expand the program.

ASSEMBLYMAN OSCARSON MOVED TO APPROVE BASE BUDGET EXPENDITURES OF \$9,600 IN EACH YEAR OF THE 2017-2019 BIENNIUM FOR THE DEMAND CHARGE PROGRAM AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

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

Mr. Ferguson said that during the budget hearing, the Governor's Office of Energy indicated that, while not recommended in The Executive Budget, it was in the process of considering one-time funding to assist Nevada to secure a site near Fallon for the proposed Frontier Observatory for Research in Geothermal Energy (FORGE) project. Subsequent to the budget hearing, budget amendment A171694869 was received to add \$1 million in fiscal year (FY) 2018 for the FORGE project.

This project would develop technology, techniques, and knowledge needed to make Enhanced Geothermal Systems (EGS) a commercially viable electricity generation option for the United States. Mr. Ferguson said the testimony during the budget hearing was that five initial applicants were narrowed down to two, one near Fallon and one in Utah. The federal Department of Energy (DOE) provided \$9.5 million, but it would not cover the cost of drilling an exploratory hole and characterizing the site through the findings from that hole. The state of Utah provided funding for its potential site. Accordingly, the Nevada FORGE team approached the Office of Energy, Office of the Governor to request \$1 million in support from the State of Nevada.

In addition to providing the coring of the test hole, the Governor's Office of Energy indicated \$1 million would also demonstrate to the DOE that Nevada was a strong supporter and integral team player in the Fallon FORGE site. In February 2017, the Fallon FORGE site passed the go/no go review. Mr. Ferguson said the reserves in this account would decrease from \$9.5 million at the end of the 2017-2019 biennium based on the Governor's budget to \$8.5 million with the proposed amendment, which was still an ample reserve amount.

Assemblywoman Titus stated that the FORGE project was in her district and it was an incredible opportunity between public and partner businesses to move Nevada forward in

renewable energy and alternative energy sources. Assemblywoman Titus highly recommended the project, but she was curious as to when the project would be awarded to either Nevada or Utah.

Mr. Ferguson said based on information provided by the Governor's Office of Energy, the DOE would select a single site in April 2018.

Assemblywoman Bustamante Adams asked whether the money would go back into the reserves if Nevada was not selected.

Mr. Ferguson said no, the money would basically be spent on drilling a very large and deep hole to characterize the host rock at the site. The money would be spent, but there would still be data resulting from the drilling and characterization, and Mr. Ferguson assumed there would still be a power generation station in Fallon, but it would not be the Department of Energy's premier site.

ASSEMBLYWOMAN SPIEGEL MOVED TO PROVIDE RESERVE REDUCTIONS OF \$1 MILLION IN FISCAL YEAR 2018 TO PROVIDE FUNDING FOR THE FORGE PROJECT IN BUDGET ACCOUNT 4869 AS RECOMMENDED BY THE GOVERNOR AND SET FORTH IN BUDGET AMENDMENT A171694869.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

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

Mr. Ferguson noted there were no other closing items in this budget account, but Fiscal Analysis Division staff requested authority to make technical adjustments to the budget as necessary.

ASSEMBLYMAN SPRINKLE MOVED TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS IN BUDGET ACCOUNT 4869 AS NECESSARY.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

BUDGET CLOSED.

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**ELECTED OFFICIALS**

**ELECTED OFFICIALS**

**RENEWABLE ENERGY, EFFICIENCY AND CONSERVATION LOAN (101-4875)  
BUDGET PAGE ELECTED-24**

Jeff A. Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented budget account (BA) 4875, Renewable Energy, Efficiency and Conservation Loan.

Mr. Ferguson stated there were no major closing issues in BA 4875. There were two other closing items, and the first one was an update on loans issued. Mr. Ferguson explained that the amount of funding available for the Renewable Energy, Efficiency and Conservation Loan Program had declined significantly since the program's inception because of the number of loans that had not been repaid and had gone into default.

The Fiscal Analysis Division staff had reviewed the historic balance of interest income generated by this budget. Mr. Ferguson said it appeared that the agency had generated sufficient interest income to meet the fund transfers recommended by the Governor that would go from this budget to the Office of Energy, Office of the Governor.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE RENEWABLE ENERGY, EFFICIENCY AND CONSERVATION LOAN PROGRAM AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS TO BUDGET ACCOUNT 4875 AS RECOMMENDED.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

BUDGET CLOSED.

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**ELECTED OFFICIALS**

**ELECTED OFFICIALS**

**OFFICE OF SCIENCE, INNOVATION AND TECHNOLOGY (101-1003)  
BUDGET PAGE ELECTED-31**

Jeff A. Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented budget account (BA) 1003, Office of Science, Innovation and Technology.

Mr. Ferguson said the final budget was the Office of Science, Innovation and Technology, budget account (BA) 1003. There were three major closing issues in this budget, and in the first one the Governor recommended State General Fund appropriations of \$25,000 in each year of the biennium to fund a contract for website development and associated marketing to promote science, technology, engineering and math (STEM) education and workforce programs.

The Office of Science, Innovation and Technology, Office of the Governor, testified that it had received federal funding to launch the website, but there was no funding to make any changes or add any new functions. To date, marketing for the STEM program had been by word-of-mouth or by using the Office of the Governor to generate coverage in the media.

The Governor's recommendation was intended to expand the marketing of STEM, provide for continued security and content updates to the website, and fund phase 3 of the website. Phase 3 would add functionality, including more resources for teachers, businesses, and universities, allow students to create portfolios, and provide video content on the website.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE STATE GENERAL FUND APPROPRIATIONS OF \$25,000 IN EACH YEAR OF THE 2017-2019 BIENNIUM TO FUND A CONTRACT FOR WEBSITE DEVELOPMENT AND ASSOCIATED MARKETING TO PROMOTE STEM CAREERS AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Mr. Ferguson said the Governor recommended State General Fund appropriations of \$1 million for each year of the biennium for STEM challenge grants. He noted that the 2015 Legislature had approved \$2 million for fiscal year (FY) 2017; however, during the 29th Special Session, (2015), \$1 million of that amount was transferred to the new Workforce Innovations for a New Nevada (WINN) budget.

The Governor's recommendation would bring STEM Challenge grant funding to \$1.95 million in each year of the 2017-2019 biennium, which was similar to what the Legislature had approved for FY 2017.

The Committee requested additional information about the makeup of the Grant Review Committee and how funding decisions were made, and how the STEM funding for the current biennium was awarded geographically. In response, the Office indicated that the Grant Review Committee's membership was composed of five agencies: the Department of Employment, Training and Rehabilitation; the Governor's Office of Economic Development;

the Department of Education's Office of Career and Technical Education; the Office of Grant Procurement, Coordination and Management; and the Office of Science, Innovation and Technology. The STEM grants were awarded based on seven criteria: assessment of need; work plan; impact analysis; sustainability plan; how outcome data would be collected and evaluated by the applicant; budget narrative and plan; and letters of commitment from partners. With respect to how the funding was awarded geographically, it was broken down by Clark County, rural Nevada, and Washoe County.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE STATE GENERAL FUND APPROPRIATIONS OF \$1 MILLION IN EACH YEAR OF THE 2017-2019 BIENNIUM FOR STEM CHALLENGE GRANTS IN BUDGET ACCOUNT 1003 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Mr. Ferguson said the final major closing issue in budget account (BA) 1003 was the transfer of the Wide Area Network Incentive Program from the Department of Education to the Office of Science, Innovation and Technology (OSIT), Office of the Governor. This transfer would include State General Fund appropriations of \$1 million in each year of the 2017-2019 biennium. These General Fund appropriations were recommended to match or leverage available federal funding to secure telecommunications and Internet access for Nevada schools and libraries. The funding was tied to each school's free and reduced-price lunch population. According to OSIT, the funds would be used to develop a statewide E-rate consortium to leverage E-rate dollars from the Federal Communications Commission (FCC). E-rate was the commonly used name for the Schools and Libraries program of the Universal Service Fund, which was administered by the Universal Service Administrative Company under the direction of the FCC.

Mr. Ferguson said the match would be anywhere from 10 to 20 percent of the cost of each project. Addressing why the program should be moved from the Department of Education to OSIT, the OSIT determined that the Department of Education had not been using the associated funding for the E-rate program because it was primarily concerned with the educational uses of Internet access once it had been established. The agency indicated it would provide technical assistance to the schools to allow them to produce grants that would be more attractive and more inclined to be accepted. As an example, when comparing Nevada with Utah and Arizona, Nevada had received funding for 37.2 percent of the projects it applied for while Arizona received 81.4 percent and Utah received 94.5 percent. Mr. Ferguson indicated Arizona had improved its acceptance rate from 35.8 percent in 2013 to 81.4 percent in 2015, mainly because the state provided technical assistance to eligible schools and libraries.



Assemblyman Oscarson commented that the expansion of broadband and fiber throughout the state was a great opportunity for OSIT.

ASSEMBLYMAN OSCARSON MOVED TO APPROVE THE TRANSFER OF THE WIDE AREA NETWORK INCENTIVE PROGRAM AND ASSOCIATED STATE GENERAL FUND APPROPRIATIONS OF \$1 MILLION IN EACH YEAR OF THE 2017-2019 BIENNIUM FROM THE DEPARTMENT OF EDUCATION TO THE OFFICE OF SCIENCE, INNOVATION AND TECHNOLOGY, OFFICE OF THE GOVERNOR, AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Anderson and Frierson were not present for the vote.)

BUDGET CLOSED.

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**ELECTED OFFICIALS**  
**ELECTED OFFICIALS**  
**W.I.C.H.E. ADMINISTRATION (101-2995)**  
**BUDGET PAGE ELECTED-75**

Brody Leiser, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented budget account (BA) 2995, WICHE Administration.

Mr. Leiser said he would be presenting the two Western Interstate Commission for Higher Education (WICHE) budgets for closing. These budgets were heard before the money committees on March 13, 2017. The first budget, the WICHE Administration budget, contained no major closing issues, but there were five other closing items that all appeared reasonable to Fiscal Analysis Division staff.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE BUDGET ACCOUNT 2995 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Anderson, Bustamante Adams, and Frierson were not present for the vote.)

BUDGET CLOSED.

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**ELECTED OFFICIALS**  
**ELECTED OFFICIALS**  
**W.I.C.H.E. LOAN & STIPEND (101-2681)**  
**BUDGET PAGE ELECTED-81**

Brody Leiser, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented budget account (BA) 2681, W.I.C.H.E. Loan and Stipend.

Mr. Leiser stated there was one major closing issue in BA 2681, the Professional Student Exchange Program (PSEP) and the Health Care Access Program (HCAP), which recommended participant slot changes. The Governor was recommending 67 slots in fiscal year (FY) 2018 with an increase to 85 slots in FY 2019. The increase in the number of slots was mostly the result of the recommendation to add new two-year nursing and social worker HCAP slots.

Mr. Leiser noted that the recommended slots for the upcoming biennium had been approved by the Nevada WICHE (Western Interstate Commission for Higher Education) Commission and were the result of a health-care workforce needs assessment. The Commission considered input from workforce specialists, such as the Governor's Office of Economic Development, the Nevada System of Higher Education, and the Department of Health and Human Services. The Commission reviewed job market data concerning job openings throughout the state in the various professional fields, collaborated with the regional WICHE office on the PSEP slots, and considered the projected budgetary authority in determining the recommended number of slots.

Mr. Leiser stated that in the interest of time, he would go through the notable changes in each of the areas that were discussed by the agency during the budget presentation. In the PSEP program, there was one notable change, the recommendation for two new occupational therapy slots in each year of the 2017-2019 biennium. Those slots would receive support fees over a two-year period and were identified based on a need for professionals in the occupational therapy field in Nevada.

Under the HCAP program, there were three areas for discussion. The first area concerned the new slots, and as noted, there were four new Master of Science in Nursing slots recommended in each year of the 2017-2019 biennium. Those slots would receive support fees over a two-year period and were recommended to focus on the state's need for graduate-level nurses.

Mr. Leiser said the second area was the recommendation for five new social worker slots to support graduate-level degrees, such as a Master of Social Work. Those five slots were recommended for each year of the 2017-2019 biennium.

Finally, the Governor recommended continuation of funding approved by the 2015 Legislature for the Nevada Psychology Internship Consortium (NV-PIC), which was a partnership between the Department of Health and Human Services, and Division of Public and Behavioral Health and WICHE. Those slots provided a one-year, full-time doctoral psychology internship and provided a range of clinical experiences at the Southern Nevada Adult Mental Health Services, Northern Nevada Adult Mental Health Services, Carson City Rural Clinic, and Lakes Crossing Center.

The Governor's recommended budget included funding in both this budget and in the Division of Public and Behavioral Health, Department of Health and Human Services, Administration budget to support the NV-PIC.

As submitted, the Governor's recommended budget intended to fund six psychology internship slots in each year between WICHE and the Division of Public and Behavioral Health. However, in reviewing the recommended funding levels, there were operational costs for such things as training, technical assistance, and travel costs that were omitted from the budget. As a result, Fiscal Analysis Division staff worked with the Office of Finance, Office of the Governor, the Division of Public and Behavioral Health, and WICHE to determine the level of support that could be provided based on the funding recommended by the Governor.

In preparation for the Division of Public and Behavioral Health's budget closing, a revised plan was submitted that intended to collectively fund four internships in FY 2018 and five internships in FY 2019. However, even with the revised plan there was still insufficient funding in the Governor's recommended budget to support the five internships in FY 2019 and the associated operating costs. In making its recommendation to the full money committees, the Senate Finance and Assembly Ways and Means Subcommittees on Human Services recommended that four internships be funded in each year of the 2017-2019 biennium. Fiscal Analysis Division staff had made a technical adjustment in this budget to reflect that \$112,500 in each fiscal year of the 2017-2019 biennium as a transfer to the Division of Public and Behavioral Health Administration budget where all expenditures for the program would be recorded.

Assemblyman Oscarson said this appeared to be in line with the discussions in the Assembly Committee on Health and Human Services about the shortages and about the accessibility for providers in the entire state, but particularly in the rural areas. He believed this had addressed some of those concerns, and he appreciated the thoughtful discussion.

Assemblywoman Bustamante Adams asked whether there was documentation about where the students were placed once they returned to Nevada to practice. In addition, she wondered whether there was any information about those students that decided not to return and instead went to other states.

Mr. Leiser replied that he did not have detailed information about where individuals were located throughout the state. He said he could consult with WICHE to get that information for the Committee. Mr. Leiser did know that the HCAP participants who returned to the state to provide service were placed in underserved areas, which could be anywhere from the rural areas to underserved communities within Clark County.

Assemblywoman Bustamante Adams said she would be interested in that information because she believed in the program, but wanted to know whether students were actually being put in underserved areas, especially within Clark County.

Mr. Leiser said he knew there was a shortage of these types of services in Clark County, so he believed that a number of participants were working there. While he did not have the numbers for how many people did not return to the state, he could say that in FY 2016 there were 69 participants who were providing services within the state. It was projected for FY 2017 that 71 participants who had received awards were going to provide services under the program.

Assemblywoman Diaz requested that if the information was available, that it be categorized by where the participants were coming from in the state and their ethnicity.

Assemblywoman Titus said she appreciated the excellent overview Mr. Leiser had provided on the WICHE program.

ASSEMBLYMAN OSCARSON MOVED TO APPROVE THE NEVADA WICHE COMMISSION'S RECOMMENDED PSEP AND HCAP STUDENT SLOT MATRIX WITH TOTAL FUNDING OF \$1.1 MILLION IN FISCAL YEAR 2018 AND \$1.2 MILLION IN FISCAL YEAR 2019 AS RECOMMENDED BY THE GOVERNOR WITH THE TECHNICAL ADJUSTMENT NOTED, AND AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE ANY OTHER NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Leiser stated there was one other closing item. Since the 2009 Legislative Session, a Letter of Intent had been issued that permitted WICHE to adjust a number of slots per profession to meet student demand. If slots were reallocated, WICHE was required to inform Fiscal Analysis Division staff in writing so that information could be reported to the

Interim Finance Committee. The Letters of Intent had also required WICHE to report on an annual basis if slots had been reduced because of insufficient repayment revenues being received.

Finally, Mr. Leiser noted that the 2015 Legislature money committees approved a continuation of allowing unexpected fee revenues received after May 15 in each fiscal year to be balanced forward by WICHE to support costs for the Health Care Access Program loan repayment slots to assist with cash flow within BA 2681.

Mr. Leiser explained there had not been a reallocation of slots over the past two or three biennia. However, with the new programs that the Committee just approved, there could be challenges concerning recruitment and marketing for those new efforts. Language in the letter of intent would allow the flexibility for the agency to use money if slots were unfilled to reallocate toward different professional areas.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE ISSUANCE OF A LETTER OF INTENT PERMITTING WICHE TO CONTINUE TO ADMINISTRATIVELY ADJUST THE NUMBER OF SLOTS PER PROFESSION TO MEET STUDENT DEMAND AND TO PERMIT WICHE TO BALANCE FORWARD UNEXPENDED FEE REVENUES RECEIVED AFTER MAY 15 OF EACH YEAR TO SUPPORT LOAN REPAYMENT SLOTS FOR THE HEALTH-CARE ACCESS PROGRAM.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Carlton opened the hearing on Assembly Bill 494.

**Assembly Bill 494: Makes a supplemental appropriation to the Division of Health Care Financing and Policy of the Department of Health and Human Services for a projected shortfall resulting from an increase in the Medicaid caseload over the amount legislatively approved for Fiscal Years 2015-2016 and 2016-2017. (BDR S-1176)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 494.

Ms. Jones said A.B. 494 made a supplemental appropriation to the Division of Health Care Financing and Policy, Department of Health and Human Services, for a projected shortfall resulting from an increase in the Medicaid caseload. The original request included in

The Executive Budget was for State General Funds of \$16,391,696 to cover the shortfall and would also authorize \$130,930,190 not appropriated from the State General Fund or the State Highway Fund. Ms. Jones said typically those were grant revenues. On April 5, 2017, the Governor's Office of Finance submitted a request to amend the State General Fund amount requested from \$16,391,696 to \$8,827,884, a reduction of \$7,563,812, and for the other funding to be amended down from \$130,930,190 to \$78,345,952. Since that time, updated projections from the agency had been received that would further reduce the State General Fund amount needed. The newly projected amount indicated by the agency would be a State General Fund need of \$4,590,324, with the other funding at \$119,284,592. Fiscal Analysis Division staff noted that would leave little room for error or unexpected expenditures if the lower amount proposed by the agency subsequent to the reduction proposed by the Office of Finance, Office of the Governor, were to be the amount approved.

Melissa Lewis, Chief of Fiscal Services, Division of Health Care Financing and Policy, Department of Health and Human Services, testified regarding A.B. 494.

Ms. Lewis explained that the supplemental appropriation had decreased because of last month's projection and having more actual expenditures. The Division felt fairly confident that the \$4.5 million would take it through to the end of the fiscal year. In the event projections were higher for the last two months of the fiscal year, the Division had the potential to hold claims until July 1, 2017, as well as monitor the drug rebate.

Chair Carlton asked how long the Division would hold a claim. Ms. Lewis said that based on current projections, the Division needed the \$4.5 million in the event it was short, and delaying claims could range from one week to one month.

Ms. Jones noted that it was possible the agency could come to the Interim Finance Committee for a contingency account allocation in June; however, it would be better to have an amount that was certain to get the Division through to the end of the fiscal year.

Chair Carlton stated the Committee could not pass A.B. 494 today because of the rules, but planned to move it on Wednesday.

Chair Carlton called for testimony in favor of, in opposition to, or neutral on A.B. 494 and, seeing none, closed the hearing on the bill.

**Assembly Bill 29 (1st Reprint): Revises provisions governing off-highway vehicles.  
(BDR 18-220)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 29 (1st Reprint).

Ms. Jones explained that A.B. 29 (R1) revised provisions governing off-highway vehicles. This was a budget implementation bill that moved the Off-Highway Vehicles Program from a stand-alone agency into the State Department of Conservation and Natural Resources. The

bill also reduced the late registration fee from \$25 to \$10. The State Department of Conservation and Natural Resources had provided testimony on the bill, but there was no testimony in support of, in opposition to, or neutral on the bill, and no amendments had been presented.

Chair Carlton called for questions from the Committee members and, seeing none, called for a motion.

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS AS AMENDED  
ASSEMBLY BILL 29 (1ST REPRINT).

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

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

**Assembly Bill 41 (1st Reprint): Makes changes relating to the qualifications for and classifications of various positions in State Government. (BDR 28-240)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 41 (1st Reprint).

Ms. Jones stated that A.B. 41 (R1) made changes related to the qualifications and classifications of various positions in State government. The bill was a budget implementation bill regarding the classification for the administrator of the Division of State Library, Archives and Public Records, Department of Administration, to be an unclassified position. It had been previously indicated as a classified position; however, it had been filled as an unclassified position per the Pay Bill for some time.

Ms. Jones said Patrick Cates, Director, Department of Administration, had proposed an amendment to the bill that would restore the qualifications for the State Public Works administrator that were included in the original bill. She also said John M. DiMuro, D.O., the Chief Medical Officer, Division of Health Care Financing and Policy, Department of Health and Human Services, had clarified that his work on weekends to maintain board certifications and other requirements had not resulted in a conflict with his state responsibilities. Ms. Jones said there was no other testimony in support, opposition, or neutral.

Chair Carlton called for questions from Committee members.

Assemblyman Oscarson commented that while he supported most of the bill, the issue with the Chief Medical Officer was still a problem. He believed that Chief Medical Officer was a 24-hour, 7-days-per-week job and should be treated as such. Assemblyman Oscarson stated he would be voting no on A.B. 41 (R1).

Assemblywoman Swank informed the Committee that she had met with Director Cates about his proposed amendment relating to the State Public Works Division administrator. She said she was fine with the amendment, but wished it had been handled differently.

Chair Carlton called for a motion on A.B. 41 (R1).

ASSEMBLYWOMAN SWANK MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 41 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Anderson, Edwards, Hambrick, and Oscarson voted no. Assemblyman Frierson was not present for the vote.)

**Assembly Bill 309 (1st Reprint): Revises provisions relating to the employment of veterans and certain widows and widowers by the State. (BDR 23-762)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 309 (1st Reprint).

Ms. Jones stated the bill was heard on May 1, 2017, and imposed additional duties on the administrator of the Division of Human Resource Management, Department of Administration, related to veterans and certain widows and orphans, and revised policy governing preference provided to veterans and certain other persons on examinations for positions in the classified service. As indicated during the hearing, there was a budget request to reduce the amount of funds in the Division of Human Resource Management budget to eliminate written testing that was approved by the budget subcommittees. However, Peter Long, Administrator, Division of Human Resource Management, indicated that veterans' preference points would still be provided based on ratings of the applications on training and experience or other methodologies for evaluating applications. The bill included a minor fiscal note of \$9,202. Staff noted that the Division had a reserve of approximately \$1.5 million at the end of fiscal year (FY) 2019. Ms. Jones said that amount should be able to absorb the costs and process a work program to support the additional costs related to the programming needed for the system.

Chair Carlton asked whether an amendment had been proposed.

Ms. Jones responded that there were no amendments, and testimony had provided the clarification requested by the Committee. She said she had neglected to mention that Kevin Burns from the Veterans Support Council testified in support, and there was no testimony in opposition and no testimony in neutral.

Chair Carlton requested questions from Committee members on A.B. 309 (R1), and hearing none, she called for a motion.



ASSEMBLYWOMAN SPIEGEL MOVED TO DO PASS AS AMENDED  
ASSEMBLY BILL 309 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

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

**Assembly Bill 322: Revises provisions governing driver authorization cards.  
(BDR 43-955)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 322.

Ms. Jones stated that A.B. 322 was heard on May 1, 2017, and revised provisions governing the administration of driver authorization cards. The bill required regulations of the Department of Motor Vehicles (DMV) that prescribed the expiration date of the driver authorization cards to coincide with those for a driver's license and be valid for the same period of time. The DMV indicated minor costs for the postcards; however, there would also be a net revenue increase in fiscal year (FY) 2018, a net cost and some loss of revenue in future biennia, with some other minor expenditures. The program was originally patterned after Utah's process for renewing driver authorization cards. The DMV indicated the expiration was for an eight-year card with 36,000 current cards. There was some testimony in opposition from the Nevada Families for Freedom, Nevada Eagle Forum, and the Independent American Party of Nevada.

Chair Carlton called for discussion on the bill.

Assemblywoman Benitez-Thompson asked about the overall impact to the budget if DMV ended up with a loss of revenue because there did not appear to be a way to quantify it.

Ms. Jones stated the information on the fiscal note showed some of the minor costs that would be incurred as well as changes to when revenue would be collected. She believed it was a timing issue. However, if the time required to renew the driver authorization card was changed to the same period as a driver's license, there would probably be a reduction in revenue over time because of renewing every eight years as opposed to fewer years. She added that the agency had not provided information on how costs would be reduced in future biennia, to compare with the amount of revenue that could be lost. For the current biennium, it appeared there would be net positive revenue.

Assemblywoman Diaz said she believed there were potential cost savings because now the driver authorization card users did not have to go into the DMV on an annual basis. She said there were potential cost savings in simply eliminating how many people DMV representatives had to serve. Also, the driver authorization cards were currently being

produced annually; therefore, a cost savings could be realized if the cards were only produced every four or eight years.

Chair Carlton said she was happy to see the renewal date for driver authorization cards would be changed to the birthday rather than everyone renewing at the same time.

Assemblyman Anderson said that when considering revenue loss or gain, it was questionable whether it could be quantified because as Ms. Jones referenced, it was something in the future. When it came to cost savings, he believed changing renewals to birthdays certainly helped, but he still questioned the revenue loss and the effect on the budget and thought it would be different from what was expected. He said he also had a policy difference on the level of scrutiny on these particular cards and their use compared with a driver's license.

Chair Carlton said it was her understanding there was no revenue loss this biennium that could be quantified.

Assemblyman Anderson said that was his understanding as well.

Ms. Jones explained that the information she was provided there would be a cost of \$300 for postcards in the current fiscal year. In the next fiscal year, renewal postcards would cost \$6,046, but revenue of \$351,842 would offset that cost and the next year renewal postcards would cost \$12,091 with revenue of \$454, so costs did go up and down. In future biennia, indications were that renewal postcards would cost \$24,183 with a reduction in revenue of a little over \$1 million. Ms. Jones said it was difficult to predict, but those were the costs that were identified by the DMV. As others had indicated, she did not see any information about how much it cost to produce those cards and how that would offset.

Chair Carlton said it was her understanding that the fiscal effect was not in this biennium and would not affect this particular budget. Ms. Jones confirmed that was correct.

Assemblyman Edwards stated that he would be voting yes to pass it out of Committee, but he reserved the right to change his vote on the floor.

Chair Carlton said she would accept a motion to do pass A.B. 322.

ASSEMBLYWOMAN DIAZ MOVED TO DO PASS  
ASSEMBLY BILL 322.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Anderson, Oscarson, and Titus voted no. Assemblyman Frierson was not present for the vote.)

**Assembly Bill 449 (1st Reprint): Establishes Public Lands Day in the State of Nevada.**  
**(BDR 19-770)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 449 (1st Reprint).

Ms. Jones informed the Committee that A.B. 449 (R1) was heard on May 1, 2017, and was sponsored by the Assembly Committee on Ways and Means. The bill established the fourth Saturday in September of each year as Public Lands Day in Nevada and authorized the Governor to issue a proclamation encouraging observance of that day. Further, the bill required the Division of State Parks, State Department of Conservation and Natural Resources, to allow residents of the state to enter, camp, and boat in all state parks and recreational areas in the state without payment of fees during that day. A fiscal note was submitted by the State Department of Conservation and Natural Resources that indicated revenues could be reduced each year by \$40,395. However, Eric Johnson, the administrator of the Division of State Parks, had indicated that by allowing the free day, additional revenues, though difficult to predict, could result based on additional days that visitors might add to trips or otherwise increase their park usage. An amendment to the bill provided that the free day of camping included the Friday night before the Public Lands Day or for overnight on Public Lands Day. That amendment had already been included in this reprint of the bill, and there were no other amendments suggested for the bill.

Assemblywoman Titus thanked everyone for bringing the bill forward and bringing it to the Assembly Committee on Ways and Means. She said she was supportive of this bill and noted it was not unlike the free fishing day in Nevada. It brought people out to appreciate Nevada's wonderful public lands.

Assemblyman Anderson commented that he, too, appreciated the opportunity to hear the bill and believed the fiscal costs were just like marketing dollars. It allowed people to see parks they might not have visited or stay an extra day when they might not have and enjoy a lot of what Nevada had to offer. Assemblyman Anderson was happy to support A.B. 449 (R1).

Assemblyman Oscarson concurred with the comments of his colleagues and said he appreciated Eric Johnson, Administrator, Division of State Parks, clarifying some things for the entire Committee.

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS AS AMENDED  
ASSEMBLY BILL 449 (1ST REPRINT).

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

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

**Assembly Bill 458 (1st Reprint): Revises provisions governing industrial insurance.  
(BDR 53-489)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 458 (1st Reprint).

Ms. Jones explained that A.B. 458 (R1) revised provisions governing industrial insurance and made various changes throughout those statutes. The reason the bill was brought to the Assembly Committee on Ways and Means was because the Division of Industrial Relations, Department of Business and Industry, provided a fiscal note of \$40,000 over the 2017-2019 biennium for an annual actuarial calculation review by a third party. Joseph (J.D.) Decker, Administrator, Division of Industrial Relations, indicated that was a requirement for the agency that had not been completed on a regular basis. The funding was available, and Mr. Decker testified that he wanted to provide information about how those funds would be spent. This account, or this function within the Division, was supported by a Fund for Workers' Compensation and Safety assessment against providers' worker's compensation insurance in Nevada. There was no support, opposition, or neutral testimony on the bill, and no amendments were proposed for the bill.

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS AS AMENDED  
ASSEMBLY BILL 458 (1ST REPRINT).

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

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

**Assembly Bill 477: Authorizes appointment of a General Counsel of the Purchasing Division of the Department of Administration. (BDR 27-895)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 477.

Ms. Jones presented an overview of A.B. 477, which authorized the appointment of a general counsel for the Purchasing Division of the Department of Administration. The Senate Committee on Finance and Assembly Committee on Ways and Means Subcommittees on General Government closed budget account (BA) 1358 on April 28, 2017, and recommended approval of the general counsel position to improve the state's contracting and procurement process as recommended in a June 2016 audit report issued by the Division of Internal Audits, Governor's Office of Finance. In conjunction with this request, the agency eliminated one vacant administrative services officer, and the increased costs over the 2017-2019 biennium was \$19,163, which was included in the Governor's recommended budget. The Purchasing Division indicated this was a contracting general counsel position because the Purchasing Division currently shared a deputy attorney general with other agencies and wanted to improve the effectiveness of the state's contracting and

contract-monitoring functions. Ms. Jones noted that no amendments were proposed for the bill, and there was no testimony in support, opposition, or neutral.

Chair Carlton called for testimony in support of, in opposition to, or neutral on A.B. 477 and, hearing none, called for a motion.

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS  
ASSEMBLY BILL 477.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

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

**Assembly Bill 481: Revises provisions governing the Division of Internal Audits of the Office of Finance. (BDR 31-898)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 481. Ms. Jones informed the Committee that A.B. 481 was heard by the Committee on May 1, 2017, and revised provisions governing the Division of Internal Audits in the Governor's Office of Finance. The bill removed the manager of internal controls position from the unclassified service as a statutory requirement. The Executive Budget replaced the position with a classified Executive Branch auditor. This change resulted in a savings of approximately \$2,500. Budget account 1342, Governor's Office of Finance, Division of Internal Audits, was closed by the Assembly Committee on Ways and Means on April 24, 2017, and included this recommended change in personnel classification in that budget closing. Ms. Jones noted that if this bill was approved, the position for the manager of internal controls would no longer be included in the Pay Bill. No testimony in support, opposition, or neutral was provided on the bill, and no amendments had been proposed to the Committee.

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS  
ASSEMBLY BILL 481.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

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

Chair Carlton recessed the meeting at 10:59 a.m. and reconvened at 6:13 p.m.

**Assembly Bill 474 (1st Reprint): Makes various changes relating to drug overdoses and prescribing and using drugs. (BDR 40-1102)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 474 (1st Reprint). Ms. Jones said A.B. 474 (R1) revised certain provisions concerning the prescription drug-monitoring program for controlled substances. The bill authorized certain occupational licensing boards to access the prescription drug-monitoring program database and required boards to review and evaluate certain information and impose disciplinary action when it was warranted. The bill required practitioners—other than a veterinarian—who intended to prescribe the drugs to take certain actions, and the bill revised the required contents of certain written prescriptions. Finally, the measure required certain persons to make a report of drug overdoses or suspected drug overdoses to the Chief Medical Officer. The bill also changed a permissive training requirement by the State Board of Pharmacy to mandatory in certain instances and reduced the period from 180 days to 60 days for the State Board of Pharmacy to hold a hearing to consider a formal complaint concerning a licensee's authority. The State Board of Pharmacy indicated that Board staff was not able to determine the fiscal impact on the original bill, and Fiscal Analysis Division staff did not know whether the amendment had changed that indication. The Department of Public Safety (DPS) indicated on the original bill that although the State Board of Pharmacy and the Investigations Division, DPS, were cooperating to track and monitor prescription activity, the Investigation Division did not manage the computerized prescription monitoring program and relied on the State Board of Pharmacy to handle that system.

The Investigation Division did not indicate any fiscal effect regarding the language of the bill, and it was unknown whether any of the amendment changes to the bill changed the agency's stance. Three local governments indicated a fiscal effect: Washoe County for \$27,000 a year and Carson City for \$26,150 a year, and Clark County, possibly on behalf of University Medical Center, indicated additional costs related to training hours and could require additional staffing for reporting requirements. However, the fiscal note indicated the amount could not be determined absent testimony from agencies. Fiscal Analysis Division staff had determined no fiscal effect on the state could be determined.

Chair Carlton called for testimony from anyone in support of A.B. 474 (R1).

Elyse Monroy, Policy Analyst, Office of the Governor, testified in support of A.B. 474 (R1) and thanked the Committee for hearing the bill today.

Chair Carlton called for testimony in opposition or neutral and, hearing none, closed the hearing on A.B. 474 (R1) and opened the hearing on Assembly Bill 395.

**Assembly Bill 395: Revises provisions governing juvenile justice. (BDR 5-853)**

Assemblyman Jason Frierson, Assembly District No. 8, testified in support of Assembly Bill (A.B.) 395 and deferred to John McCormick.

John R. McCormick, Assistant Court Administrator, Administrative Office of the Courts, Supreme Court, testified in support of A.B. 395. Mr. McCormick said the bill ended up being an omnibus juvenile justice-related bill. The programs were primarily intended to divert youth from entering into or proceeding farther into the juvenile justice system and to provide them necessary services to divert them in the beginning and avoid state commitment or greater levels of involvement. A common theme with the programs was providing additional mental health services. Mr. McCormick noted that a number of juveniles in Nevada who became involved with the juvenile justice system had a mental health issue or a co-occurring disorder with a substance abuse problem. Assembly Bill 395 also created reporting centers, which would allow youth involved with the juvenile justice system to have a place to report as well as a place to go that helped keep them out of trouble. There were also some evidence-based best practices included in the programs that were being requested.

According to Mr. McCormick, the programs being requested were identified by the specific juvenile probation departments within their judicial districts working through the Nevada Supreme Court's Commission on Statewide Juvenile Justice Reform. The Commission then made recommendations for use of the funding to the interim Legislative Committee on Child Welfare and Juvenile Justice.

The First Judicial District Court, which comprised Carson City and Storey County, had requested an appropriation to provide co-occurring mental health diversion program treatment services upfront for those youth who had a mental health problem combined with substance abuse.

The Second Judicial District Court, which was Washoe County, had requested the appropriation for an evening reporting center for female youth involved with the juvenile justice system. This reporting center would allow the Department of Juvenile Probation Services to better engage that target population and replicate a program from 2015 that had a 78 percent success rate.

The Third Judicial District Court in Lyon County wanted to establish an intervention and family enrichment program, a collaborative effort within that County to provide outpatient aftercare and front-end services for juveniles with drug, alcohol, mental health, and behavioral issues and engage their families in helping those youth to recover and avoid recidivism.

The Fourth Judicial District Court in Elko County wanted to hire a licensed clinical social worker to provide services with the Juvenile Probation Department. Currently, Elko County contracted with a social worker, and the Court had identified a significant cost savings from hiring a social worker to conduct assessments and work with youth. Additionally, the Fourth Judicial District Court wanted to begin The Leader in Me program in collaboration with the Elko County School District in an effort to prevent youth from making initial contact with the juvenile justice system.

The Fifth Judicial District Court, which consisted of Nye and Esmeralda Counties, wanted to start a program called Detention Alternatives for Youth. This program was designed to keep youth from being placed in state care and also worked with youth after school to avoid commitment.

The Sixth Judicial District Court in Humboldt County wanted to establish the evidence-based program, Willing to Rise Above the Pressure, which was a comprehensive case-management program for youth involved with the juvenile justice system. The program included various evidence-based curricula and training.

The Seventh Judicial District Court, which was Eureka, Lincoln, and White Pine Counties, requested an appropriation to provide substance abuse and mental health counseling services and to start a day-and-night reporting center to enhance contact between the juveniles and juvenile probation.

The Eighth Judicial District Court in Clark County asked for the appropriation to create a juvenile assessment center, which would provide one place for youth to be dropped off to be assessed upon initial contact and would enable the judicial district to provide immediate services to youth. The center would allow greater collaboration between service providers in the county to identify gaps in services, connect youth with evidence-based interventions, and allow for greater pooling of resources. The Eighth Judicial District Court also wanted to install a gender-specific program to divert young women away from the juvenile justice system. Many of the young women had been victimized through sex trafficking, and the program would allow them to receive services specific to their needs.

The Ninth Judicial District Court, which was Douglas County, asked for the appropriation to install more comprehensive mental health services. This would bring to bear more resources to address mental health and substance abuse problems in youth.

The Tenth Judicial District Court in Churchill County requested the appropriation to provide specific treatment to juvenile sex offenders detained in the juvenile detention facility.

The Eleventh Judicial District Court, which was Lander, Mineral, and Pershing Counties, wanted to begin a comprehensive assessment program so that when youth first made contact with the system, the needs of the youth could be assessed to divert them in the proper direction. The Eleventh Judicial District Court also wanted to add more substance abuse treatment specifically using the Western Nevada Regional Youth Center (WNRYS) in Silver Springs.

Mr. McCormick said the foregoing was a brief overview of the programs proposed by the eleven judicial district courts.

Assemblyman Frierson commented that juvenile justice was a complicated area with every region having different needs. However, it was centered on the notion that these kids were coming into the system, someone recognized there was more going on, and if some services



could be provided to juveniles, the system could better serve them and prevent recidivism. Assemblyman Frierson said the concept came out of the interim, and he agreed to offer it before the Legislature as something that he believed in.

Chair Carlton noted that the requests were from the individual judicial districts depending upon what those districts actually needed to be successful.

Mr. McCormick said each judicial district had submitted targeted requests; however, there could be some leveraging in youth substance abuse treatment with WNRYS, and it was hoped that more mental health professionals would practice in the rural communities.

Chair Carlton called for testimony on A.B. 395.

John M. Martin, Director, Clark County Department of Juvenile Justice Services, testified in support of A.B. 395. Mr. Martin said the Eighth Judicial District Court had requested \$1.9 million for The Harbor program. The Harbor opened on October 17, 2016, and at this point had served 1,200 youth. The goal was that these dollars would allow the program to run 24 hours a day because that was what all of the law enforcement partners had been requesting. Mr. Martin emphasized this was not just a law enforcement program but was roughly a 50-50 law enforcement referrals and community referrals. A parent, a teacher, a coach, or anyone in the community seeing a child in crisis could bring that child to The Harbor. Research suggested that children who were served earlier were less likely to continue to escalate within the juvenile justice system. Mr. Martin said the original \$1.9 million would be for the assessment center, or what was more often called The Harbor, and possibly program expansion. Clark County was large enough that it could support three to four assessment centers spread throughout the valley to better serve juveniles within their home communities. Mr. Martin pointed out that many times in lower socioeconomic communities individuals could not travel across the valley, so it was hoped that this model, as in other jurisdictions across the country, could be replicated throughout Clark County.

Mr. Martin explained that the other \$400,000 requested was to be used for gender-responsive programming. Clark County had not done a good job thus far and was working to improve by building programs specifically around traumatized girls and traumatized victims of other crimes. Research suggested that girls did not commit offenses at the same rate as boys, and girls committed different offenses for different reasons. Juvenile Justice Services was working with the University of Nevada, Las Vegas, and a national expert in gender-responsive programming to build a continuum of care for girls outside of the detention center. Mr. Martin said girls were not served well in the juvenile detention center.

Assemblywoman Bustamante Adams commented that she had taken a tour of the juvenile detention facility in Clark County and had been impressed. She asked how the Assembly Committee on Ways and Means would be kept informed on the progress of the intervention programs.

Mr. Martin stated Juvenile Justice Services strenuously collected the data about all of the children, and a case was tracked initially for about 60 days. From there, the services were provided for 60 to 90 days. Mr. Martin said the children should be served in the community, but Juvenile Justice Services would track the progress of a child as long as the child stayed in Clark County.

Assemblywoman Bustamante Adams asked whether at some point the cost savings for a juvenile not going into the adult system would be available. Mr. Martin stated it would be difficult to capture the cost savings, because it was impossible to tell when someone was not going to commit another crime relative to cost savings from having fewer children on probation and fewer children in detention centers could be shown relative to other alternatives. Mr. Martin hoped those numbers would directly translate to reduced criminal activity. Additionally, a new caseload system was coming on board, and Mr. Martin was hoping to connect with Odyssey, which could track a child all the way into adulthood. While that function would not be available for a little while, once it was established in 2017, Juvenile Justice Services would be able to track a child through the system as long as he or she remained in Clark County.

Brigid Duffy, Director, Juvenile Division, Clark County District Attorney's Office, testified in support of A.B. 395, which was a very important bill to Clark County. Ms. Duffy noted that this program was already in place using grants, targeted case-management money, and other funding. Ms. Duffy said the unique thing about the program was that it provided many services in one location: that was important to keep children out of the juvenile justice system.

Carlos Zamora, Police Officer II, Las Vegas Metropolitan Police Department, testified in support of A.B. 395. Mr. Zamora said on the morning of October 17, 2016, he was informed about the new program, The Harbor. He was dispatched to a drug call where an adult said she had located methamphetamines that belonged to her 16-year-old sister for whom she was caring. Normally this was a felony crime, but the woman said her sister was indicating she needed help and was aware she had an addiction problem. Mr. Zamora contacted The Harbor and informed them about the juvenile, services were approved, and Mr. Zamora transferred the juvenile to The Harbor. He had received reports that the female juvenile had been doing well in the program.

Chair Carlton called for testimony in support, opposition, or neutral, and seeing none, closed the hearing on A.B. 395 and opened the hearing on Assembly Bill 495.

**Assembly Bill 495: Makes a supplemental appropriation to the Division of Emergency Management of the Department of Public Safety for a projected shortfall for activities related to reimbursements for the 2017 floods. (BDR S-1171)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of A.B. 495.

Ms. Jones informed the Committee that Assembly (A.B.) Bill 495 made a supplemental appropriation to the Division of Emergency Management, Department of Public Safety, for a projected shortfall related to activities concerning the 2017 floods. The supplemental appropriation would allow the Division of Emergency Management to set up a joint field office with the Federal Emergency Management Agency (FEMA). The amount of the request was \$70,387, and the appropriation was not included in The Executive Budget. The appropriation would become effective upon passage and approval to facilitate the setup of that office.

Caleb S. Cage, Chief, Division of Emergency Management, and Homeland Security Advisor, Department of Public Safety, testified in support of A.B. 495 and provided an overview of why the bill was important. The bill provided approximately \$70,000 in fiscal year (FY) 2017, in addition to approximately \$350,000 requested in FY 2018 to carry out the joint field office and other recovery-related efforts related to the January and February flood disasters of 2017. If approved, the money would be earmarked for a total of six temporary staff positions for the Division of Emergency Management. Mr. Cage said the Division was also interested in bringing in experts through the national Emergency Management Assistance Compact so lessons could be learned from disasters in other states in a short period of time. The bill would help ensure that the Division would maximize reimbursement from the federal government for local, state, and travel partners with respect to the two declared emergencies, especially while preparing for a third emergency or disaster later this year. Mr. Cage said additional flooding was anticipated from the snowmelt and runoff throughout Northern Nevada. It should be noted that this had been an unprecedented disaster year for Nevada. Previously, the last major disaster declaration was in 2014 and prior to that in 2008. For broader context, the state had experienced a total of eight emergencies from 1997 to 2017.

Mr. Cage was extremely proud of how the Division of Emergency Management had performed during the year; it was one of the smallest statewide emergency management agencies in the nation and was about 90 percent funded with grant money. The Division had met or exceeded the challenges in January and again in February. He said if this money were not approved, the recovery process would be slowed, and the Division would not necessarily be able to receive all of the reimbursement funds from the federal National Emergency Management Agency's public assistance program. Additionally, the Division would not be able to pursue hazard mitigation or as many hazard mitigation projects, which was infrastructure rebuilding and repair.

Chair Carlton reiterated that A.B. 495 was a supplemental for 2017 because the money was needed in this year.

Assemblyman Sprinkle wanted to be sure that the joint field office had already been created and established and this appropriation was to help with the funding.

Mr. Cage stated the joint field office was established on March 6, 2017, in Douglas County and was operational. The Division of Emergency Management currently had one employee

dedicated full-time to recovery. Mr. Cage explained that recovery was a two-year process, which provided the ability to serve the local and tribal jurisdictions in both declared emergencies.

In answer to a question from Assemblyman Sprinkle, Mr. Cage reiterated that the Division of Emergency Management with its National Guard, FEMA, and local partners believed there was a very strong potential for a third flood later this year.

Assemblywoman Bustamante Adams asked whether the Division of Emergency Management tracked the number of state of emergencies that the Governor called.

Mr. Cage said currently the Division had an internal tracker that had been established within the past two years. All of the other state emergencies would have been tracked, and information would be available in the State Archives, Division of State Library, Archives and Public Records, Department of Administration.

Assemblyman Oscarson thanked Mr. Cage for the great work he and the Division of Emergency Management accomplished. He was concerned about whether \$70,000 would be enough funding for what was needed.

Mr. Cage responded that the Division tried to be as judicious as possible when it developed the program. It was unprecedented to have two open presidential major disaster declarations at the same time, and the Division had to determine how many additional personnel would be needed. A total of six additional employees were considered necessary. Mr. Cage said contracted employees were currently used to supplement staffing levels. The Division considered the type of work contracted employees would be doing, what current contracted employees were paid, and developed a one-year, forty-hour-per-week, no-overtime, no-frills projection. That was how the Division arrived at \$70,000 for FY 2017 and \$350,000 for FY 2018.

Assemblywoman Spiegel thanked Mr. Cage for presenting the information. She noted he had mentioned in his testimony that this plan would aid in getting additional federal disaster mitigation funds. She wondered approximately how much that might be.

Mr. Cage apologized in advance for what would be a bureaucratic answer. The FEMA determined the amount of hazard mitigation dollars that could be awarded for a presidential major disaster declaration like the one Nevada experienced, as 15 percent of what FEMA referred to as the one-year lock-in number. The January emergency was approximately a \$14 million disaster and the February emergency was approximately a \$15 million disaster, so there was about \$30 million on the table. Mr. Cage explained that Nevada could receive hazard mitigation projects. That meant if you had a road that was washed out by the flood, FEMA did not want to pay just to replace that road, but to ensure that it was hardened to such a degree that the next flood would not wash it out, requiring FEMA to pay for it again. Counties, tribes, and state partners could apply for a hazard mitigation project that was associated with the public assistance project, and FEMA would

award 15 percent in additional money for all of the project work sheets that had been submitted at the 12-month mark when the administration approved the presidential major disaster declaration.

Mr. Cage said most states would get 15 percent additional, but because Nevada had an enhanced hazard mitigation plan, only one of seven states to have the enhancement plan, it would get 20 percent in additional funding from the federal government based on the 12-month lock-in for the two emergencies.

Assemblywoman Titus said she was interested in the \$70,000 that went to personnel and not to the emergency.

Mr. Cage responded that the Division of Emergency Management had projected six additional people were needed to help process the reimbursement claims from local and tribal jurisdictions. Those employees would work out of the joint field office in Douglas County.

Chair Carlton called for testimony in support, opposition, or neutral and, seeing none, closed the hearing on A.B. 495 and opened the hearing on Assembly Bill 493.

**Assembly Bill 493: Makes a supplemental appropriation to the Department of Corrections for a projected shortfall related to outside medical expenditures. (BDR S-1177)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 493.

Ms. Jones said A.B. 493 made a supplemental appropriation to the Department of Corrections for a projected shortfall related to outside medical expenditures. The supplemental appropriation requested \$1,327,561 in The Executive Budget; however, Fiscal Analysis Division staff had received three amendments from the Governor's Office of Finance for this bill. Ms. Jones said the first amendment to the bill requested on March 28, 2017, would increase the appropriation by \$3,739,583 to a new total of \$5,067,144 for inmate-driven medical expenditures in the prison medical budget account.

An additional request to amend this bill was received from the Governor's Office of Finance on May 4, 2017, to add \$321,239 for contracted temporary professional services related to prison medical, which would bring the total up to \$5,388,383. Ms. Jones said an additional request was made on May 4, 2017, to amend the supplemental request for the Department of Corrections to include an appropriation for Florence McClure Women's Correctional Center in the amount of \$564,152 for personnel-related expenditures and revenue shortfalls. The amendments would increase the total amount of the supplemental appropriation to \$5,952,535, which was \$4,624,974 more than the amount included in The Executive Budget.

John Borrowman, Deputy Director, Support Services, Department of Corrections (NDOC) testified in support of A.B. 493. Mr. Borrowman said the NDOC supported the bill

and was very much in need of the supplemental appropriation. The \$1,327,561 represented the amount that was paid out of the Stale Claims Account in fiscal year (FY) 2016. Mr. Borrowman said the NDOC was aware that a similar experience would occur in FY 2017. However, when NDOC appeared before the Interim Finance Committee (IFC) in June 2016, it was considering a different method of accounting that would put everything on a cash basis. A new method of accounting would entail improving projections, and NDOC had met with Medicaid, considered Medicaid regulations, and used that as a portion of the projection methodology.

Most of the medical claims paid by the state were on cash basis accounting, while NDOC still used accrual basis accounting. The meant NDOC had to track how old or when a particular service was provided and anticipate when the claim would arrive. Mr. Borrowman said going to a cash basis would make projections much more reliable, and that was why it made no sense to access the Stale Claims Account. The agency had a placeholder of \$1,327,561 and was considering its experience with stale claims, which had increased. Current claims had also increased, which was largely due to additional inmate population beyond what had been budgeted. The revised amount being presented today represented not only the additional stale claims amount being paid in the current year, but also the current claims being paid in the current year.

Mr. Borrowman said the new system had led to improved, more stable projections. The amount being requested was similar to an amount being projected in January, and Mr. Borrowman was hoping NDOC was seeing the benefits from the change in accounting procedure.

Mr. Borrowman addressed the additional amount requested for Florence McClure Women's Correctional Center (FMWCC). He stated the facility was doing a terrific job, and NDOC had the authority to transfer money between budget accounts rather than appear before the Committee today. The NDOC had tried to solve as many problems internally as possible and only present the limited discussion about FMWCC, which, unfortunately, was the poster child of a system deficit. Mr. Borrowman said the deficit was largely attributable to the inmate population exceeding budgeted funds.

Chair Carlton called for testimony in support, opposition, or neutral and, seeing none, closed the hearing on A.B. 493 and opened the hearing on Assembly Bill 124 (1st Reprint).

**Assembly Bill 124 (1st Reprint): Requires the Commission on Professional Standards in Education to establish the Nevada Model Code of Educator Ethics governing interpersonal interactions and certain communications by teachers, administrators and other employees with pupils. (BDR 34-296)**

Assemblywoman Olivia Diaz, Assembly District No. 11, testified in support of Assembly Bill (A.B.) 124 (1st Reprint). Assemblywoman Diaz stated the bill sought to establish an advisory group that would create the Nevada Model Code of Educator Ethics. She said Dena Durish in Las Vegas would be speaking to the fiscal note.

Dena Durish, Deputy Superintendent for Educator Effectiveness and Family Engagement, Department of Education, thanked Assemblywoman Diaz and her team for working with the Department of Education on A.B. 124 (R1). Ms. Durish explained that part of the fiscal note was submitted because of the lessons learned from the last legislative session. Senate Bill (S.B.) 474 of the 78th Session (2015) established a professional development task force; however, there was no funding provided. The current fiscal note proposed a little under \$14,000. Ms. Durish said there were some additional costs such as \$200 for supplies and minor things that might be needed.

Chair Carlton said that over \$11,000 of the requested amount was needed for travel and she asked whether that amount could be reduced by videoconferencing some meetings.

Ms. Durish stated the Department of Education would be happy to work with Fiscal Analysis Division staff to adjust the meeting schedule to accommodate videoconferencing for some of the meetings. She believed it would be necessary to have at least two in-person meetings, but for the work groups, videoconferencing would be appropriate.

Ms. Durish said it was presumed there would be about 16 hours of work per meeting. When drafting reports, the compilation of reports and pulling together the information proved to be very time-consuming. The bill included two different reports, one due in July 2018 and one due in December 2018. To do those two reports justice, Ms. Durish believed it would take approximately 20 hours per report.

Chair Carlton called for any testimony in support of A.B. 124 (R1).

Ed Gonzalez, Lobbyist and Policy Analyst, Clark County Education Association, testified in support of A.B. 124 (R1). He said the Clark County Education Association supported this bill and for something as important as the model code of ethics, it was a good use of money.

Chair Carlton called for testimony in opposition or in neutral and, hearing none, closed the hearing on A.B. 124 (R1), and opened the hearing on Assembly Bill 496.

**Assembly Bill 496: Makes a supplemental appropriation to the Office of the Secretary of State for a projected shortfall related to credit card processing fees. (BDR S-1168)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 496.

Ms. Jones said A.B. 496 made a supplemental appropriation to the Office of the Secretary of State for a projected shortfall related to credit card processing fees for \$598,200 from the State General Fund. On May 3, 2017, Fiscal Analysis Division staff received an email from the Secretary of State indicating the shortfall was now projected to increase to \$688,749 for an increase of \$90,549 not included in The Executive Budget.

Cadence Matijevich, Deputy for Operations, Office of the Secretary of State, stated that Ms. Jones had done a great job of summarizing why the Office of the Secretary of State had submitted the request. Ms. Matijevich noted that the agency had already submitted an additional work program that was intended for June, and salary savings had been identified within existing appropriations that could cover the additional shortfall. The Office of the Secretary of State would not need the supplemental amount to be increased and believed that the \$90,549 could wait until June 2017 to be appropriated, unlike the amount needed to continue operations.

Chair Carlton asked whether the requested amount was \$598,200 or an increased amount. Ms. Matijevich said to use the supplemental amount as it was submitted. The agency had already sent to the Governor's Office of Finance an additional work program, which could wait and be brought back to the Interim Finance Committee in June.

Chair Carlton summarized that the original amount of \$598,200 in the bill would be kept, and the agency would be back in June and would apply vacancy savings toward any differences.

Chair Carlton called for testimony from anyone in support, opposition, or neutral and, hearing none, closed the hearing on A.B. 496 and opened the hearing on Assembly Bill 497.

**Assembly Bill 497: Makes a supplemental appropriation to the Division of Administrative Services of the Department of Motor Vehicles for a projected shortfall related to credit card processing fees. (BDR S-1167)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 497.

Ms. Jones stated that A.B. 497 made a supplemental appropriation to the Division of Administrative Services Division, Department of Motor Vehicles, for a projected shortfall related to credit card processing fees. The amount of the request was \$847,022 from the State Highway Fund and was included in The Executive Budget.

Cyndie Munoz, Administrator, Administrative Services Division, Department of Motor Vehicles, testified in support of A.B. 497 and said the agency was requesting a supplemental appropriation to make the Department whole because of the merchant services fees for fiscal year (FY) 2017.

Assemblyman Oscarson commented that the total added up to about \$1.4 million that he knew this state could use in a much better place. He said the state needed to get a better handle on credit card merchant fees.

Chair Carlton called for testimony in support of A.B. 497 and, hearing none, called for testimony in opposition or neutral.



Jeanette Belz, representing the Nevada chapter of the Associated General Contractors of America (AGC) testified in opposition to A.B. 497. Ms. Belz stated that the AGC was opposed to the bill, and her recollection was that there had been many discussions about trying to fix this problem in the past.

Chair Carlton called for further testimony in opposition or neutral and, hearing none, closed the hearing on A.B. 497 and opened the hearing on Assembly Bill 49 (1st reprint).

**Assembly Bill 49 (1st Reprint): Makes various changes relating to charter schools.  
(BDR 34-255)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of Assembly Bill (A.B.) 49 (1st reprint).

Ms. Jones informed the Committee that A.B. 49 (R1) made various changes related to charter schools. The majority of the bill was policy related; however, the State Public Charter School Authority anticipated a fiscal impact related to investigations in the bill as amended of \$175,000 each year of the biennium. However, in a subsequent email received by staff on May 5, 2017, the State Public Charter School Authority indicated the effect could be absorbed through reserves. Fiscal Analysis Division staff noted that the State Public Charter School Authority projected a reserve of \$1.9 million in fiscal year (FY) 2019, representing a 52-day reserve, and a reduction of \$175,000 in each year of the biennium for investigation expenditures would result in a 42-day reserve. According to Ms. Jones, this was a reasonable level of reserve for the State Public Charter School Authority budget.

Patrick Gavin, Executive Director, State Public Charter School Authority, testified in support of A.B. 49 (R1). Mr. Gavin wanted to put a couple of clarifying comments on the record. The \$175,000 amount was based on past expenditures that the Legislature approved for a work program in FY 2015. This was the only data available regarding what these costs might look like, but Mr. Gavin said it was difficult to predict what could be involved in a particular investigation.

Mr. Gavin also noted that when this bill was amended, language was added clarifying that in the event there was a finding of an actual violation, the State Public Charter School Authority would have the ability to recover costs in court. The funds would then be used potentially to fund investigations going forward. The Authority was trying to ensure that in any case where there was improper behavior, there was some mechanism in place to recover costs.

Chair Carlton called for testimony in support of A.B. 49 (R1).

Jonathan P. Leleu, representing the Charter School Association of Nevada, testified in support of A.B. 49 (R1).

Chair Carlton called for testimony in support of, in opposition to, or neutral on A.B. 49 (R1) and, seeing none, closed the hearing on A.B. 49 (R1).

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Chair Carlton called for public comment and, seeing none, adjourned the meeting at 7:25 p.m.

RESPECTFULLY SUBMITTED:

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Anne Bowen  
Committee Secretary

APPROVED BY:

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Assemblywoman Maggie Carlton, Chair

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

## EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a document titled "Legislative Counsel Bureau (BA 2631) Proposed Adjustments to Governor Recommends, 2017-2019 Biennium," submitted by Rick Combs, Director, Legislative Counsel Bureau.

[Exhibit D](#) is a copy of a Memorandum dated March 22, 2017, to Chairs and Members, Senate Committee on Finance Assembly Committee on Ways and Means, submitted by Rick Combs, Director, Legislative Counsel Bureau.

[Exhibit E](#) is a document titled "Nevada Legislature Interim Budget Account 327-2626 Governor's Recommended Budget 2017-2019 Biennium," submitted by Rick Combs, Director, Legislative Counsel Bureau.