

**MINUTES OF THE MEETING OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND
SENATE COMMITTEE ON FINANCE
SUBCOMMITTEES ON K-12/HIGHER EDUCATION/CIP**

**Seventy-Ninth Session
May 9, 2017**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on K-12/Higher Education/CIP was called to order by Chair Maggie Carlton at 8:13 a.m. on Tuesday, May 9, 2017, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/79th2017.

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Olivia Diaz, Vice Chair
Assemblyman Paul Anderson
Assemblyman Nelson Araujo
Assemblywoman Teresa Benitez-Thompson
Assemblyman John Hambrick
Assemblyman James Oscarson
Assemblywoman Ellen B. Spiegel

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator Moises Denis
Senator Ben Kieckhefer

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Brody Leiser, Senior Program Analyst
Carmen Neveau, Committee Secretary
Lisa McAlister, Committee Assistant

Chair Carlton asked the committee assistant to call the roll. The Chair then reminded the Subcommittees and the audience about Subcommittee rules and protocol.



Chair Carlton explained that the Nevada System of Higher Education's budgets had significant increases, and she wanted everyone to be aware of how increases were going to be applied. Chair Carlton asked Brody Leiser, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, to provide a high-level overview so everyone was on the same page.

Mr. Leiser provided an overview of the Nevada System of Higher Education (NSHE) and the Governor's recommended systemwide funding levels. He compared the Governor's recommended budget for the 2017-2019 biennium to the 2015-2017 legislatively approved budget. The Governor's recommended budget increased the State General Fund appropriations by \$131.4 million over the biennium, for a 12 percent increase. Student-derived revenues were projected to increase by \$66 million, or 11.1 percent, over the biennium.

Mr. Leiser explained the recommended funding levels for the instructional institutions, the professional schools, and the nonformula budgets. The instructional institutions, also known as the formula budgets, included State General Fund appropriations of \$452.1 million in fiscal year (FY) 2018, or a 10.5 percent increase over the legislatively approved amounts for FY 2017, and \$456.5 million in FY 2019. For the professional schools, he continued, the Governor's recommended funding for FY 2018 was \$84.6 million, or 3.7 percent higher than in FY 2017, and the funding level for FY 2019 was \$93 million, primarily driven by the recommended funding levels for the University of Nevada, Las Vegas (UNLV) School of Medicine (SOM).

As background information, Mr. Leiser reviewed the funding formula for the NSHE budgets and summarized the Subcommittee members' discussion at the January 25, 2017, Legislative Commission's Budget Subcommittee hearing before the start of the 79th Session (2017). At that hearing, Fiscal Analysis Division staff recapped how the NSHE funding formula was applied. The total State General Fund appropriation for the seven instructional institutions was determined through the traditional adjusted base, maintenance, and enhancement methodology. Before the formula allocations to the seven institutions could be determined and distributed, the preformula allocations would be removed. Preformula allocations included the small institution factor for Great Basin College (GBC) and Western Nevada College (WNC), the research operations and maintenance cost for the two universities, and the Governor's recommended capacity and weighting enhancements. After the removal of the preformula allocations, he said, the remaining State General Fund amount was available for distribution among the seven institutions based on the funding formula. The funding formula applied a proportionate share of the weighted student credit hours. Mr. Leiser then used a hypothetical institution "A" to walk through the funding formula application and to review the formula so the Subcommittee members and the audience would be prepared for the budget closing discussions.

Chair Carlton reminded Subcommittee members that the focus for this discussion was the state-supported operating side of the equation, not the self-supported side of the equation. The self-supported side of the equation, according to Mr. Leiser, was not part of The Executive Budget, but was under the control of the Board of Regents of NSHE.

Chair Carlton restated that the self-supported budgets were not considered and not approved by the Subcommittees and not shared with the Subcommittees. Mr. Leiser said that the information on the self-supported budgets was made available, however. He believed there was a minimum dollar threshold of \$25,000 for those budgets. The budgets were presented to the Board of Regents in a public meeting, and the information was posted to the website. After the fiscal year closed, the Board of Regents approved and published a budget-to-actual comparison report on the self-supporting budgets.

Mr. Leiser stated that there were eight major closing issues for NSHE; the first issue was the NSHE funding formula for the instructional institutions' budgets. He said that The Executive Budget followed the funding formula policies adopted during the 77th Session (2013) and the 78th Session (2015). The first other closing item under this major closing issue was the weighted student credit hours (WSCH) primarily completed by Nevada state residents. The value of each WSCH was uniform across all institutions and was calculated by dividing the available State General Fund appropriations, after preformula allocations were removed in each fiscal year of the biennium, by the total number of FY 2016 WSCH.

Mr. Leiser stated that for FY 2018 and FY 2019, the calculated State General Fund values of WSCH were \$155.88 and \$152.80, respectively. He said that The Executive Budget reallocated available State General Fund appropriations through the formula in decision unit Maintenance (M) 204. Mr. Leiser noted that The Executive Budget used the same credit-hour weighting values (taxonomy) for FY 2016 WSCH as approved by the 77th Session (2013) and the 78th Session (2015). The Governor's recommendation to increase the weighting of Career and Technical Education (CTE) credit hours did not affect the count of the FY 2016 WSCH used to calculate caseload growth and the funding for FY 2018 and FY 2019.

Mr. Leiser asked whether the Subcommittees wanted to fund the seven state-supported instructional budgets with the funding formula adopted by the 77th Session (2013) and the 78th Session (2015), as recommended by the Governor, and distribute State General Fund appropriations based on the NSHE institutions' FY 2016 WSCH.

Chair Carlton asked the Subcommittee members for any questions. She explained that this would be the third time the formula had been used, so there was still an opportunity to determine the appropriateness of the funding. Hearing no questions, she asked the Subcommittee members for a motion.

SENATOR KIECKHEFER MOVED TO APPROVE THE SEVEN STATE-SUPPORTED INSTRUCTIONAL BUDGETS WITH THE FUNDING FORMULA ADOPTED BY THE 77TH SESSION (2013) AND THE 78TH SESSION (2015), AS RECOMMENDED BY THE GOVERNOR, WITH THE DISTRIBUTION OF STATE GENERAL FUND APPROPRIATIONS BASED ON THE NEVADA SYSTEM OF HIGHER EDUCATION INSTITUTIONS FY 2016 WEIGHTED STUDENT CREDIT HOURS.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Leiser stated that the second other closing item under the first major closing issue was the WSCH caseload adjustment, decision unit Maintenance (M) 203. This decision unit was consistent with policy adopted by the 78th Session (2015), and the Governor-recommended State General Fund appropriations of \$28.6 million in each year of the biennium for caseload growth based on actual weighted student credit hours in FY 2016 compared to FY 2014 WSCH. The increase or decrease was then multiplied by the FY 2017 legislatively approved WSCH value.

Mr. Leiser noted that the total amount from all seven institutions' caseload growth was included in the pool of available State General Fund appropriations for distribution through the funding formula based on each institution's proportionate share of WSCH.

Mr. Leiser asked whether the Subcommittee members wanted to approve the Governor's recommendation to fund weighted student credit hour caseload adjustments with State General Fund appropriations of \$28.6 million in each fiscal year of the 2017-2019 biennium.

Chair Carlton asked for questions from Subcommittee members, and hearing no questions, she requested a motion.

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO FUND WEIGHTED STUDENT CREDIT HOUR CASELOAD ADJUSTMENTS WITH STATE GENERAL FUND APPROPRIATIONS OF \$28.6 MILLION IN EACH FISCAL YEAR OF THE 2017-2019 BIENNIUM.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Leiser stated that the third other closing item under the first major closing issue was the small institution funding, decision unit M-201, for Great Basin College (GBC) and Western Nevada College (WNC). He noted that the small institution funding was a preformula adjustment allocated before the calculation of the WSCH values. This funding was approved to recognize that all institutions had certain fixed administrative costs regardless of their size. As the institutions' WSCH grew closer to 100,000, he continued, the level of small institution funding would decrease.

Mr. Leiser asked whether the Subcommittee members wanted to approve the Governor's recommendation for GBC and WNC to receive State General Fund appropriations totaling \$1.7 million cumulatively in each fiscal year of the 2017-2019 biennium for small institution funding to be appropriated before the calculation of the WSCH as preformula allocation.

Chair Carlton asked the Subcommittee members for any questions.

Senator Kieckhefer stated that this would be a decreasing cost over time as the WSCH increased, but he recognized the overhead costs of small schools and supported this budget item.

Hearing no other questions or comments, Chair Carlton asked for a motion.

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR GREAT BASIN COLLEGE AND WESTERN NEVADA COLLEGE TO RECEIVE STATE GENERAL FUND APPROPRIATIONS TOTALING \$1.7 MILLION CUMULATIVELY IN EACH FISCAL YEAR OF THE 2017-2019 BIENNIUM FOR SMALL INSTITUTION FUNDING TO BE APPROPRIATED BEFORE THE CALCULATION OF THE WEIGHTED STUDENT CREDIT HOUR VALUE AS A PREFORMULA ALLOCATION.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Leiser stated that the fourth other closing item under the first major closing issue was research space operations and maintenance carve-out, decision unit M-200. The Governor recommended State General Fund appropriations of \$9.5 million in research space operations and maintenance (O&M) funding for each year of the 2017-2019 biennium. After reviewing the research space for the University of Nevada, Las Vegas (UNLV), four facilities had overstated the square footage in the research O&M calculation. Based on information provided by NSHE, Fiscal Analysis Division staff recommended a technical adjustment to

reduce the amount of research O&M space funding for UNLV. That reduction was \$92,118 in each fiscal year of the biennium. Fiscal staff noted that the technical adjustment and the potential consequences were shared with NSHE, and the Office of Finance, Office of the Governor, in preparation of the budget closing. No concerns were voiced by NSHE.

Mr. Leiser explained the Governor's recommended funding levels for the University of Nevada, Reno (UNR) research O&M space. The rate UNR used was \$7.95 per square foot, which was 11.1 percent less than the \$8.94 per square foot approved for the current biennium.

At the March 22, 2017, budget hearing, Mr. Leiser continued, UNR testified that the decrease was an inadvertent error that resulted from a change in methodology for the calculation. The cost for maintained acreage, such as grounds and irrigation expenses, had been excluded. Had UNR applied a consistent methodology for the 2017-2019 biennium, a rate of \$8.79 per square foot would have been applied for research space O&M funding, resulting in an annual amount of \$4.2 million, or \$406,902 more in each fiscal year of the biennium than the \$3.8 million recommended by the Governor. During the March 22, 2017, budget hearing, UNR testified that it would request a technical adjustment to correct the error. The technical adjustment was requested by UNR, not by the Board of Regents. Fiscal Analysis Division staff noted that in response to questions following the hearing, NSHE indicated that UNR would be prepared to absorb the shortfall in the upcoming biennium, if the amounts were approved as recommended by the Governor.

Mr. Leiser asked the Subcommittee members to consider one of the following options for research O&M space at UNLV:

- Option 1. Approve State General Fund appropriations of \$5.7 million in each year of the 2017-2019 biennium to fund research space operations and maintenance for UNLV, and appropriate the funds prior to the calculation of the WSCH value as a preformula allocation as recommended by the Governor.
- Option 2. Approve State General Fund appropriations of \$5.6 million in each year of the 2017-2019 biennium, accounting for the technical adjustment to remove the overstated research space square footage noted by Fiscal Analysis Division staff, to fund research space operations and maintenance for UNLV, and appropriate the funds prior to the calculation of the WSCH value as a preformula allocation. This option would reduce the State General Fund appropriations by \$92,118 in each fiscal year.

Chair Carlton asked the Subcommittee members for questions or comments.

SENATOR WOODHOUSE MOVED TO APPROVE OPTION 2, STATE GENERAL FUND APPROPRIATIONS OF \$5.6 MILLION IN EACH YEAR OF THE 2017-2019 BIENNIUM, ACCOUNTING FOR THE TECHNICAL ADJUSTMENT TO REMOVE THE OVERSTATED RESEARCH SPACE SQUARE FOOTAGE NOTED BY FISCAL ANALYSIS DIVISION STAFF, TO FUND RESEARCH SPACE OPERATIONS AND MAINTENANCE FOR THE UNIVERSITY OF NEVADA, LAS VEGAS AND APPROPRIATE THE FUNDS PRIOR TO THE CALCULATION OF THE WEIGHTED STUDENT CREDIT HOUR VALUE AS A PREFORMULA ALLOCATION. THIS OPTION WOULD REDUCE THE STATE GENERAL FUND APPROPRIATIONS BY \$92,118 IN EACH FISCAL YEAR.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Leiser asked the Subcommittee members to consider one of the following options for research O&M space at UNR:

- Option 1. Approve State General Fund appropriations of \$3.8 million in each year of the 2017-2019 biennium to fund research space operations and maintenance for UNR, and appropriate the funds before the calculation of the WSCH value as a preformula allocation as recommended by the Governor.
- Option 2. Approve State General fund appropriations of \$4.2 million in each year of the 2017-2019 biennium, accounting for the technical adjustment requested by UNR to correct its error in the per-square-foot rate calculation, to fund research space operations and maintenance for UNR, and appropriate the funds before the calculation of the WSCH value as a preformula allocation. This option would increase the State General Fund appropriation by \$406,902 in each fiscal year.

Senator Kieckhefer noted that Option 2 was an increase to the appropriation, and UNR had acknowledged the mistake. Research funding was appropriate, he believed.

Chair Carlton noted that UNR believed it could absorb the error and other increases, and she wondered whether this was the appropriate place for the extra funding. Senator Kieckhefer acknowledged that Option 1 maintained level funding for UNR, but the money would have to be found somewhere, whether it was student fees or another function in the UNR budget. He stated that level funding would not encourage research and allow both universities to raise to

tier-one level research institutions. Senator Kieckhefer said that there was \$1.7 million in UNLV's O&M research space funding that had nothing to do with space, because the original intent was to invest in research. Option 2, therefore, was realistic and appropriate to Senator Kieckhefer.

Chair Carlton expressed her concern that the Subcommittees would be adding more money on top of the other increases. She wondered how much would be enough. She stated that instead of digging holes, the goal should be to build ladders.

Chair Carlton asked the Subcommittee members for comments.

Assemblywoman Benitez-Thompson asked for verification that the approved rate was \$8.94 per square foot and that some institutions would be above that rate and some institutions would be below that rate. She also asked whether requesting UNR to absorb the cost would throw the budget off in future years.

Mr. Leiser said that \$8.94 per square foot was the rate approved for the 2015-2017 biennium. The Governor-recommended budget was reflective of a rate of \$7.95 per square foot. He noted that if UNR's technical adjustment were approved, the rate per square foot would change to \$8.79. The Nevada System of Higher Education (NSHE) had provided a written response following the March 22, 2017, budget hearing, indicating that UNR was prepared to absorb the error if the funding was approved as recommended by the Governor. He stated that UNR would be able to correct the calculation error in the budget request for the 2019-2021 biennium.

Assemblywoman Spiegel noted that these were difficult decisions for the Subcommittees, but stated that the more prudent path might be to select Option 1 and then look for better places to put the funding that would benefit students.

Hearing no other comments from Subcommittee members, Chair Carlton asked for a motion.

SENATOR WOODHOUSE MOVED TO APPROVE OPTION 1, APPROVE STATE GENERAL FUND APPROPRIATIONS OF \$3.8 MILLION IN EACH YEAR OF THE 2017-2019 BIENNIUM TO FUND RESEARCH SPACE OPERATIONS AND MAINTENANCE FOR THE UNIVERSITY OF NEVADA, RENO, AND APPROPRIATE THE FUNDS BEFORE THE CALCULATION OF THE WEIGHTED STUDENT CREDIT HOUR VALUE AS A PREFORMULA ALLOCATION AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Kieckhefer voted no.)

Mr. Leiser stated that the fifth other closing item under the first major closing issue was budget amendments. Two budget amendments had been submitted by the Office of the Governor, and he asked Subcommittee members to recall the funding formula distribution and the pool of funds that went into the formula for distribution to each of the seven institutions. One amendment was for Nevada State College (NSC), and the other amendment was for the University of Nevada, Las Vegas (UNLV). Both amendments related to adjustments to the base budget, and because each adjustment was included in the base budget in the pool of funds to be distributed through the formula, the amendments resulted in additional appropriations to all formula budgets and subsequently the Performance Funding Pool budget. One budget amendment, he said, triggered several other budget amendments. Fiscal Analysis Division staff noted that the amendment treated the funding in a consistent manner regarding the formula distribution, as if the funds had been included and accounted for in The Executive Budget.

In more detail, Mr. Leiser explained that the first budget amendment (A171123005) was for NSC's debt service payments. In January 2013, the Interim Finance Committee (IFC) approved NSC's request to reallocate State General Funds supporting the cost of leasing 303 South Water Street in Henderson and repurposing those funds for debt service for the construction of a nursing, science, and education building and a student activities and administration building on the NSC campus. The debt service was split between the State General Fund and student fees approved by the Board of Regents to support the cost of these buildings. The state portion of the debt service was \$1,564,341 per year.

Mr. Leiser explained that The Executive Budget, as submitted, included \$980,022 in fiscal year (FY) 2018 and \$980,021 in FY 2019 for the annual debt service. The budget amendment increased this amount by \$584,319 in FY 2018 and \$584,320 in FY 2019. Fiscal Analysis Division staff noted that the Board of Regents and NSC requested funding for the total amount of the debt service; however, in the line item that adjusted the expenditure, the justification stated "due to loss of bridge funding." Because NSC never received any bridge funding, the amount was subsequently removed from The Executive Budget. This budget amendment returned the funds to the base budget for NSC.

Mr. Leiser noted that the amendment was triggered by a specific expenditure in an individual institution; mechanically, the budget amendment restored the funds that would have otherwise been included in the pool of available funding for distribution through the funding formula. As a result, this one budget amendment became eight total budget amendments.

Mr. Leiser asked whether the Subcommittee members wanted to approve Amendment A171123005 and increase State General Fund appropriations by \$584,319 in FY 2018 and \$584,320 in FY 2019 in the base budget for NSC, for the purpose of funding the state's share of debt service payment for the completed construction of the nursing, science and education building, and the student activities and administration building.

Mr. Leiser stated that if the Subcommittees recommended approval of Amendment A171123005, they should also approve Amendments A170912987, A171132980, A170923011, A171002994, A171143018, A170933012, and A171013013 in a manner consistent with the Subcommittees' action on distributing funding through the formula, the first other closing item discussed under the first major closing issue.

Mr. Leiser added that if the Subcommittees did not approve Amendment A171123005, they should also not approve Amendments A170912987, A171132980, A170923011, A171002994, A171143018, A170933012, and A171013013.

Chair Carlton stated that this was a perfect example of one of her concerns with the Nevada System of Higher Education (NSHE) funding formula because of the domino effect.

Chair Carlton asked for questions from Subcommittee members, and hearing no questions, she requested a motion.

SENATOR WOODHOUSE MADE A MOTION TO APPROVE AMENDMENT A171123005 AND TO INCREASE STATE GENERAL FUND APPROPRIATIONS BY \$584,319 IN FY 2018 AND \$584,320 IN FY 2019 IN THE BASE BUDGET FOR NEVADA STATE COLLEGE TO FUND THE STATE'S SHARE OF DEBT SERVICE PAYMENT FOR THE COMPLETED CONSTRUCTION OF THE NURSING, SCIENCE AND EDUCATION BUILDING AND THE STUDENT ACTIVITIES AND ADMINISTRATION BUILDING, AND TO APPROVE AMENDMENTS A170912987, A171132980, A170923011, A171002994, A171143018, A170933012, AND A171013013.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

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

Mr. Leiser said that the second budget amendment (A171392987) under the fifth other closing item of the first major closing issue was for graduate assistants at the University of Nevada, Las Vegas (UNLV). For the 2017-2019 biennium, The Executive Budget included \$11,451,335 in each year for graduate assistants. As Fiscal Analysis Division staff understood the issue, when the FY 2016 actual amounts and FY 2017 (work program year) amounts were updated in the Nevada Executive Budget System (NEBS), the requested amounts were overwritten and not manually adjusted to match the agency request. The budget amendment increased the base budget amount for graduate assistants by \$500,000 in each year of the biennium to bring the funding to the level

requested by UNLV and approved by the Board of Regents. Similar to the first budget amendment, this funding would then be distributed through the funding formula, as it was a base budget adjustment.

Mr. Leiser asked whether the Subcommittee members wanted to approve budget amendment A171392987 and increase State General Fund appropriations by \$500,000 in each fiscal year of the 2017-2019 biennium in the base budget for UNLV for funding graduate assistants.

Mr. Leiser stated that if the Subcommittees recommended approval of Amendment A171392987, they should also approve Amendments A171472980, A171493011, A171552994, A171503018, A171543012, A171563005, and A171573013 in a manner consistent with the Subcommittees' action on distributing funding through the formula, the first other closing item discussed under the first major closing issue.

Mr. Leiser added that if the Subcommittee members did not approve Amendment A171392987, they should also not approve Amendments A171472980, A171493011, A171552994, A171503018, A171543012, A171563005, and A171573013.

Chair Carlton asked whether the calculation methodology was the reason for the amendment. Mr. Leiser replied that the amendment increased the base funding at UNLV by \$500,000. Base funding adjustments went into the pool for distribution through the funding formula to the seven institutions.

Chair Carlton asked what the base was in the current biennium. Mr. Leiser said that the FY 2017 amount for graduate assistants was \$10,951,335. That amount, he said, increased \$500,000 each fiscal year.

Chair Carlton asked for questions from Subcommittee members.

Assemblywoman Benitez-Thompson asked about the Subcommittees' logic and consistency in approving budget items. She asked why an error in the calculation of research operations and maintenance (O&M) in one situation would not be treated the same as a failure to enter a manual adjustment.

Mr. Leiser said that the difference between the two situations was that the research O&M budget amount was requested specifically by the University of Nevada, Reno (UNR). The budget amendment for graduate assistants was submitted by the Office of Finance, Office of the Governor, because the increase was inadvertently omitted in The Executive Budget.

Hearing no other questions, Chair Carlton requested a motion.

SENATOR WOODHOUSE MADE A MOTION TO APPROVE BUDGET AMENDMENT A171392987 AND INCREASE STATE GENERAL FUND APPROPRIATIONS BY \$500,000 IN EACH FISCAL YEAR FOR THE 2017-2019 BIENNIUM IN THE BASE BUDGET FOR THE UNIVERSITY OF NEVADA, LAS VEGAS TO FUND GRADUATE ASSISTANTS AND TO APPROVE AMENDMENTS A171472980, A171493011, A171552994, A171503018, A171543012, A171563005, AND A171573013.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Benitez-Thompson voted no. Senator Kieckhefer was not present for the vote.)

Mr. Leiser stated that the sixth other closing item under the first major closing issue was performance funding pool set-aside, decision unit Enhancement (E) 900. Consistent with the policy continued by the 78th Session (2015), the Governor recommended a 20 percent set-aside of State General Fund appropriations for the performance funding pool in each fiscal year of the 2017-2019 biennium. The set-aside was \$90.4 million in fiscal year (FY) 2018 and \$91.3 million in FY 2019.

The performance funding for FY 2018, Mr. Leiser said, was based on the actual performance outcomes for FY 2016. The institution's performance was based on a year-over-year comparison, and as such, each institution was "competing" against its own prior year performance rather than competing against each other. Fiscal Analysis Division staff noted that only a small portion of the performance funding was actually "at risk" of not being earned back by the institutions. With the exception of the Nevada State College (NSC), the institutions would earn just over 96.1 percent of the performance funds set aside in FY 2018 by maintaining their performance without any improvement in performance levels. Under the methodology, NSC would earn 92.4 percent.

Mr. Leiser said that during the March 22, 2017, budget hearing, the Subcommittees requested that the Nevada System of Higher Education (NSHE) provide, by institution, the actual performance results since the start of the funding formula and performance funding pool. The table below showed the actual performance results. He noted that if an institution met 100 percent of the target or exceeded the target, it received 100 percent of the performance funding pool. If an institution did not reach the target, it received a proportional amount of the funding pool.

Summary of Actual Performance Results for NSHE Instructional Institutions FY 2013 - FY 2016					
<u>Institution</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>Four Year Average</u>
UNLV	101.3%	97.8%	102.2%	100.9%	100.6%
UNR	106.5%	107.0%	112.6%	120.9%	111.8%
CSN	108.9%	112.2%	109.7%	111.4%	110.6%
GBC	97.6%	107.7%	122.7%	130.9%	114.7%
TMCC	99.2%	107.0%	117.5%	122.4%	111.5%
WNC	108.5%	107.6%	110.2%	109.2%	108.9%
NSC	101.5%	116.9%	122.2%	129.2%	117.5%
The percentages displayed in this table reflect the percent of the target/goal that each institution achieved. If an institution reached at least 100 percent of the target, they received 100 percent of the performance set aside.					

Since FY 2013, Mr. Leiser continued, there were only three instances when an institution was unable to meet the target level and receive 100 percent of the performance funding. He noted that in FY 2013, when Truckee Meadows Community College (TMCC) and Great Basin College (GBC) did not meet the targets, TMCC did not receive approximately \$12,000 of its performance funding and GBC did not receive approximately \$15,000 of its performance funding. In FY 2014, when the University of Nevada, Las Vegas (UNLV) did not meet its target, the consequence for the institution was approximately \$319,000. Each of the three institutions subsequently earned back the unearned funds in the following fiscal year. The performance funding policy allowed the institution a two-year period to earn the funds if it was unable to earn 100 percent of the funds in the first year and it exceeded the target by a specified percent in the second year.

Mr. Leiser explained that as reflected in the table, all institutions exceeded the targets in FY 2016, which determined the performance funding for FY 2018. Given that NSHE provided the performance results for FY 2016, he noted that the Subcommittee members might want to consider whether to transfer funds to the performance pool in FY 2018 (only) or to account for the amounts in the appropriation for the institutional budgets. If the Subcommittees chose to account for the amounts in the appropriation for the institutional budgets based on known information at this time, the need for the institutions to submit work programs to facilitate transfers for consideration by the Interim Finance Committee (IFC) would be eliminated. Appropriating money in the first year of a biennium based on known performance results had been done in the past and would be consistent with action taken by the money committees in the 2015 Session.

Mr. Leiser asked whether the Subcommittee members wanted to approve the Governor's recommendation, as amended, consistent with the policy adopted by the 2013 Session and the 2015 Session, to approve performance funding levels as a 20 percent set-aside of State General Fund appropriations for the performance funding pool in FY 2018 and FY 2019, or \$90.2 million and \$91.2 million, respectively.

If the Subcommittee members approved the performance funding levels as recommended, Mr. Leiser asked whether the Subcommittee members wanted to include the FY 2018 performance funding in each institution's State General Fund appropriation amount. This would remove the need for the institutions to submit work programs to facilitate a known transfer of performance funding for FY 2018 to the IFC.

Chair Carlton referenced the table above and noted that in the last two fiscal years, 100.9 percent was the lowest percent achieved for performance goals, and asked whether the targets should be reevaluated. She understood that the process was still evolving and wanted to hear questions and comments from other Subcommittee members.

Senator Kieckhefer felt that meeting the targets was the goal that everyone wanted to see. He stated that the targets were intended to encourage focus on the institutional missions, and he felt that the performance funding worked well. He supported both decisions that were presented.

Chair Carlton still wondered whether the targets should be adjusted to incorporate other elements, and Senator Kieckhefer said he agreed because growth indicated that the institutions were doing better at accomplishing their core missions. He wanted to see the institutions become better at what the schools were funded to do, and he believed he was seeing those results.

Hearing no other questions or comments, Chair Carlton asked for a motion.

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, AS AMENDED, TO APPROVE PERFORMANCE FUNDING LEVELS AS A 20 PERCENT SET-ASIDE OF STATE GENERAL FUND APPROPRIATIONS FOR THE PERFORMANCE FUNDING POOL FOR \$90.2 MILLION IN FY 2018 AND FOR \$91.2 MILLION FOR FY 2019, AND TO INCLUDE THE FY 2018 PERFORMANCE FUNDING IN EACH INSTITUTION'S STATE GENERAL FUND APPROPRIATION. THIS WOULD REMOVE THE NEED FOR THE INSTITUTIONS TO SUBMIT WORK PROGRAMS TO THE INTERIM FINANCE COMMITTEE TO FACILITATE A KNOWN TRANSFER OF PERFORMANCE FUNDING FOR FY 2018.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

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

Mr. Leiser explained that the second major closing issue was the budgeting of student-derived revenues. He noted that the 78th Session (2015) continued the policy adopted by the 77th Session (2013). For purposes of determining the level of State General Fund appropriations to be budgeted in the Nevada System of Higher Education's (NSHE) state-supported operating budgets, the projected non-State General Fund revenues should not offset the amount of State General Fund appropriations that would otherwise be available. He stated that the Governor's recommended budget continued the policy for the upcoming biennium.

Mr. Leiser stated that the Governor's recommended registration fee revenues by institution and the recommended nonresident tuition revenues for each institution for FY 2018 and FY 2019 compared with the legislatively approved amounts for FY 2017. Staff from the Fiscal Analysis Division typically made a technical adjustment to the recommended student-derived revenue authority based on revised projections provided by NSHE. Those projections were typically received in April or May. As part of NSHE's response to questions following the March 22, 2017, budget hearing, NSHE provided revised revenue projections by institution for the upcoming biennium. The responses required more follow-up by the Fiscal Analysis Division staff and responses to the follow-up questions have not been received. If clarifications to Fiscal Analysis Division staff's inquiries were provided by NSHE, Fiscal Analysis Division staff requested the authority to make such technical adjustments as necessary.

First, Mr. Leiser asked whether the Subcommittee members wanted to approve the Governor's recommendation to continue the policy adopted by the 77th Session (2013) and continued by the 78th Session (2015) that non-State General Fund revenues should not be used to offset the amount of State General Fund appropriations that would otherwise be budgeted.

Next, Mr. Leiser asked whether the Subcommittee members wanted to approve the student-driven, non-State General Fund revenues for the seven teaching institutions and four professional schools as recommended by the Governor and to authorize Fiscal Analysis Division staff to make technical adjustments to revise the amounts for the seven teaching institutions and four professional schools based on updated projections from NSHE.

Chair Carlton stated that she was more comfortable with this scenario now, but that she had always had concerns in the past that one institution would be competing with another institution for a limited amount of funding available. Chair Carlton asked the Subcommittee members for questions and comments.

Senator Kieckhefer explained that this issue originally drove the change in the funding formula. There was concern that some institutions were being punished, he said, for luring out-of-state students when the institutions' State General Fund dollars were offset for their success in certain areas. He believed that the policy had worked very well, but was subject to reevaluation if needed.

Hearing no other questions or comments, the Chair asked for a motion.

SENATOR WOODHOUSE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO CONTINUE THE POLICY ADOPTED BY THE 77TH SESSION (2013) AND CONTINUED BY THE 78TH SESSION (2015) THAT NON-STATE GENERAL FUND REVENUES SHOULD NOT BE USED TO OFFSET THE AMOUNT OF STATE GENERAL FUND APPROPRIATIONS THAT WOULD OTHERWISE BE BUDGETED, TO APPROVE THE STUDENT-DRIVEN, NON-STATE GENERAL FUND REVENUES FOR THE SEVEN TEACHING INSTITUTIONS AND FOUR PROFESSIONAL SCHOOLS AS RECOMMENDED BY THE GOVERNOR, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS TO REVISE THE AMOUNTS FOR THE SEVEN TEACHING INSTITUTIONS AND FOUR PROFESSIONAL SCHOOLS BASED ON UPDATED PROJECTIONS FROM NSHE.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

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

Mr. Leiser explained that the second major closing issue was the community college career and technical education (CTE) weighted student credit hour (WSCH) weighting increase, decision unit E-286. The Governor recommended new State General Fund appropriations of \$9.2 million in FY 2018 and \$12.2 million in FY 2019 based upon an increase in the WSCH weighting for CTE courses by a factor of 1.5 and 2.0 points in FY 2018 and FY 2019, respectively.

Mr. Leiser explained that as recommended policy for the 2017-2019 biennium, the funding was treated as a carve-out for each of the four community colleges and was allocated prior to the calculation of the WSCH cost. The increased weightings became part of the total WSCH for the colleges going forward and thus were accounted for through the funding formula consistent with other academic disciplines, if this enhancement were approved. He noted that NSHE testified during the February 28, 2017, budget hearing that if the funding were approved, the funding would be budgeted under a distinct expenditure subfunction for tracking and transparency purposes.

Mr. Leiser stated the increased weighting for Great Basin College (GBC) and Western Nevada College (WNC) would result in additional WSCH and, as such, would bring each institution closer to the 100,000 WSCH mark. This would reduce the calculated small institution funding amount for each institution in the 2019-2021 biennium. He said that during the March 22, 2017, budget hearing, both GBC and WNC acknowledged for the record that there would be future reductions to the small institution funding if this enhancement was approved.

In general, Mr. Leiser said, NSHE had indicated that the community colleges would use this funding to support faculty costs, develop curriculum, expand course offerings, and purchase equipment to support CTE programs at the colleges. Regarding program areas, NSHE indicated funding would support the following:

- College of Southern Nevada–Heating, Ventilating and Air Conditioning (HVAC), automotive technology, welding technology, collision repair, diesel technology, construction management, and sustainable construction programs.
- Great Basin College–Diesel, electrical and manufacturing programs.
- Truckee Meadows Community College–Precision production, diesel technology, machining and welding programs.
- Western Nevada College–Advanced manufacturing, construction, mechatronics, welding, and machine tool programs.

Mr. Leiser asked whether the Subcommittee members wanted to approve State General Fund appropriations of \$9.2 million in FY 2018 and \$12.2 million in FY 2019 to support the increase in CTE WSCH weighting as recommended by the Governor, to be appropriated before the calculation of the WSCH value as a preformula allocation for the 2017-2019 biennium only, and to direct the NSHE institutions to budget the associated expenditures under a unique and specific subfunction expenditure for transparency purposes.

Mr. Leiser stated that if the Subcommittee members approved this enhancement, the intent was to treat this funding as a carve-out that would apply only to the 2017-2019 biennium, and that future funding for CTE would occur as a result of increases in each institution's WSCH in the NSHE formula and would not be identified in a distinct decision unit.

Chair Carlton asked Subcommittee members for any questions or comments. The Chair asked whether the dollars for CTE in the future would be distributed across all institutions or just these four institutions.

Mr. Leiser answered that the recommended enhancement funding for the 2017-2019 biennium would only go to the four community colleges. Beyond that, if the increase were approved, the increase in weighting would be incorporated into the total WSCH reported by the four community colleges in the 2019-2021 biennium. He noted that there would be consequences down the road to approval of this item, but it was hard to predict. If everything remained constant for WSCH for all institutions and the enhancement were approved, the four community colleges would have more WSCH, and their allocation percentage would be increased. More than likely, he said, the WSCH would not remain constant.

Senator Kieckhefer noted that with the redistribution of funds throughout the formula in future biennia, the dynamics of the WSCH percentages would be a fact. For the weights of the CTE courses, his understanding was that the weight would be applied to classification of instructional programs (CIP) courses that were exclusively offered at the community colleges. He stated that it was not as though a university could receive a benefit from the enhanced weight, but the university could warrant extra money if the university increased its WSCH in the future.

Mr. Leiser responded that Senator Kieckhefer's statements were accurate, but there were also CIP codes in other academic areas. Funding would flow through the formula in a consistent manner to all academic discipline areas.

Senator Kieckhefer clarified that CIP codes existed in both college and university institutions, but the enhanced weights were not applied to those CIP codes. Mr. Leiser said the enhanced weights only applied to CTE courses in those CIP codes at the community colleges.

Chair Carlton asked whether this decision applied only to the 2017-2019 biennium or for future biennia. Mr. Leiser replied that the weighting would be reflected through the WSCH that were earned by students beginning in FY 2018. The consequences of this WSCH budget decision in the formula would not be seen until the 2019-2021 biennium.

Senator Kieckhefer returned to the enhanced codes and wondered whether the multiplier being addressed was applied to courses available exclusively from the community colleges and not applied to any courses offered at the universities, concluding that there would be no redistribution in later biennia. Mr. Leiser confirmed the accuracy of Senator Kieckhefer's statement.

Chair Carlton said that because of the weighted funding formula with funding put into the pool and then distributed among all institutions, the future CTE dollars would also be distributed across all institutions in the funding formula. Mr. Leiser replied that the simple answer to her concern was yes. Chair Carlton noted that the funding should be followed through the next biennium to identify the consequences of this decision.

Assemblywoman Spiegel asked about factors such as the large laboratory and training space maintenance and equipment replacement costs. She wondered whether those dollars would also be reflected in other budgets.

Mr. Leiser replied that other than research operations and maintenance (O&M) discussed previously, all other operations and maintenance space were funded through the funding formula.

Assemblywoman Spiegel noted that the cost of delivery was higher for the CTE courses, and she wondered whether in future biennia, because the funding would be wrapped into student credit hours, there was a possibility that the CTE courses would not have the necessary funds.

Chair Carlton responded that the answer to that question was not known, but she had the same concerns, and following the funds through the next biennium would help to answer that question.

Senator Kieckhefer said this decision would help to address the situation that existed now. The community colleges would be getting more money for the courses presently offered. If there was a gap between the cost of providing services and the revenues received, this would help to close the gap.

Chair Carlton stated her concern that closing the gap would be good, but not when the dollars used to close the gap were distributed in a much broader manner. She reiterated that the only way to know the answer would be to follow the dollars through the upcoming biennium.

Mr. Leiser stated that the current weights for the trades and technical classes were 2.0 for lower-division classes and 2.75 for upper-division classes. The recommendation was to increase the weights by 1.5 in FY 2018 and by 2.0 in FY 2019. The adjusted weights in FY 2019 would then be 4.0 for lower-division classes and 4.75 for upper-division classes.

Hearing no other questions or comments, the Chair asked for a motion.

SENATOR WOODHOUSE MOVED TO APPROVE STATE GENERAL FUND APPROPRIATIONS OF \$9.2 MILLION IN FY 2018 AND \$12.2 MILLION IN FY 2019 TO SUPPORT THE INCREASE IN CAREER AND TECHNICAL EDUCATION WEIGHTED STUDENT CREDIT HOUR WEIGHTING AS RECOMMENDED BY THE GOVERNOR, TO BE APPROPRIATED BEFORE THE CALCULATION OF THE WEIGHTED STUDENT CREDIT HOUR VALUE AS A PREFORMULA ALLOCATION FOR THE 2017-2019 BIENNIUM ONLY, AND TO DIRECT THE NSHE INSTITUTIONS TO BUDGET THE ASSOCIATED EXPENDITURES

UNDER A UNIQUE AND SPECIFIC SUBFUNCTION EXPENDITURE
FOR TRANSPARENCY PURPOSES.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

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

Chair Carlton asked Mr. Leiser to verify that although a report would not come back to the Subcommittees, the dollars would still be tracked. Mr. Leiser replied that NSHE had testified that it would account for the expenditures in a distinct subfunction so the expenditures would be recorded and transparent.

Mr. Leiser explained that the fourth major closing issue was increasing capacity systemwide, decision unit E-288. The Governor recommended State General Fund appropriations of \$10 million in FY 2019 to support workforce growth and development of the state. This recommendation included funding each of the several instructional institutions and the Desert Research Institute (DRI). The funding for the instructional institutions, he noted, was treated as a carve-out and was allocated before the calculation of the WSCH cost. The funding for DRI was allocated separately from the DRI-specific funding formula.

Mr. Leiser asked whether he should describe each institution's plan to increase capacity, and Chair Carlton recalled that Subcommittee members had questions about the College of Southern Nevada (CSN). She asked him to focus on that institution.

Mr. Leiser recapped the two components of the CSN proposal. The first component was referred to as the college-readiness Catalyst Program, a pilot program in collaboration with the Clark County School District to address subject-specific skills gaps and provide academic advising and career exploration for 300 eleventh graders with low ACT scores in math, reading, or English. The program would continue engagement with students through the senior year and include mentoring. Early intervention with these students, according to CSN, was expected to reduce the need for developmental instruction and to prepare students for long-term educational opportunities. It was anticipated that students in the pilot program would be less likely to need preparatory coursework and would be more successful with college courses. Mr. Leiser explained that this component constituted approximately \$188,000 of the \$2.6 million recommended for CSN by the Governor.

The second component, Mr. Leiser noted, was a community business and workforce initiative to expand accelerated programming—the Facilities Maintenance and Advanced Manufacturing programs—and to convert the Home Health Care Aid program to credit-based instruction. This component would provide a workforce pathway from secondary education to postsecondary training, assist in efforts to transition to a multidistrict campus, and align the campuses with the local economic development plans of Henderson, North Las Vegas,

and Las Vegas. The community business and workforce initiative component of CSN's capacity-building enhancement was \$2.4 million.

Mr. Leiser stated that similar to the CTE enhancement, NSHE had testified that, if approved, this funding would be budgeted under a distinct expenditure subfunction for tracking and transparency purposes.

Mr. Leiser said that plans for the eight institutions focused across multiple target areas, including research efforts at the universities and DRI, the new pilot Catalyst Program for CSN, a focus on gateway courses, and an expansion of existing academic programs and/or the creation of new academic programs. He noted that it was unclear how some of the proposals for the instructional institutions would be accounted for through the funding formula in the future. Given that the funding was recommended to begin in fiscal year (FY) 2019, any effects to the weighted student credit hours would not be reflected and realized through the funding formula until the 2021-2023 biennium. Fiscal Analysis Division staff also noted that, as originally requested, these proposals were considered reoccurring one-time appropriations over two biennia.

Mr. Leiser noted that as a result of the various target areas and the unknown consequences to the WSCH at the instructional institutions, and that any effect to the WSCH would not be seen in the funding formula until the 2021-2023 biennium, the Subcommittees may want to treat the enhancement funding as one-time funding for FY 2019. If that option were approved, the Subcommittees should direct the institutions to remove the one-time funding from their base budget, and that any continued funding for the programs be requested as an enhancement in the agency's 2019-2021 budget request.

Mr. Leiser asked whether the Subcommittee members wanted to approve the Governor's recommendation of State General Fund appropriations of \$10 million in FY 2019 to provide start-up costs for the purpose of increasing capacity at the seven instructional institutions and DRI to be appropriated before the calculation of the WSCH value as a preformula allocation and outside of the DRI-specific funding formula for FY 2019.

If approved, Mr. Leiser said, the Subcommittees may want to treat the enhancement funding as one-time funding for FY 2019 and direct the institutions to remove the one-time funding from their base budget, and any continued funding for the programs should be requested as an enhancement in NSHE's 2019-2021 biennium budget request.

Chair Carlton asked the Subcommittee members for any questions, and hearing none, she asked for a motion.

SENATOR WOODHOUSE MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION OF STATE GENERAL FUND APPROPRIATIONS
OF \$10 MILLION IN FY 2019 TO PROVIDE START-UP COSTS FOR

THE PURPOSE OF INCREASING CAPACITY AT THE SEVEN INSTRUCTIONAL INSTITUTIONS AND THE DESERT RESEARCH INSTITUTE, TO BE APPROPRIATED BEFORE THE CALCULATION OF THE WEIGHTED STUDENT CREDIT HOUR VALUE AS A PREFORMULA ALLOCATION AND OUTSIDE OF THE DESERT RESEARCH INSTITUTE-SPECIFIC FUNDING FORMULA FOR FY 2019, AND TO APPROVE THE ENHANCEMENT FUNDING AS ONE-TIME FUNDING FOR FY 2019. THE SUBCOMMITTEES ALSO APPROVED DIRECTING THE INSTITUTIONS TO REMOVE THE ONE-TIME FUNDING FROM THEIR BASE BUDGET AND THAT ANY CONTINUED FUNDING FOR THE PROGRAMS WOULD BE REQUESTED AS AN ENHANCEMENT IN THE NSHE'S 2019-2021 BIENNIUM BUDGET REQUEST.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

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

Mr. Leiser explained that the fifth major closing issue was the University of Nevada, Las Vegas (UNLV) School of Medicine (SOM) start-up, decision unit E-275. In addition to base level State General Fund appropriations of \$19.5 million in each year of the 2017-2019 biennium, the Governor recommended new State General Fund appropriations of \$2.3 million in FY 2018 and \$10.6 million in FY 2019 to continue the build-out, development, and accreditation efforts of the new allopathic medical school approved by the 78th Session (2015). He noted that UNLV SOM received preliminary accreditation status from the Liaison Committee on Medical Education (LCME) in October 2016 and was on track to accept students into its charter class of 60 students beginning in the fall of 2017. The UNLV SOM indicated that two additional site visits would be conducted by LCME: the first site visit would occur at the start of the 2018-2019 school year to assess the school's third- and fourth-year curricula, and the second site visit would occur in 2020 during the fourth year of the charter class. He said that the UNLV SOM was targeted to receive full accreditation from LCME in October 2021.

Regarding admissions of the charter class, Mr. Leiser continued, the school indicated that more than 900 applications were received, of which 60 percent were Nevada residents. Based on information received, the UNLV SOM indicated that all 60 students in the charter class had been accepted into the class.

Mr. Leiser asked whether the Subcommittee members wanted to approve new State General Fund appropriations of \$2.3 million in FY 2018 and \$10.6 million in FY 2019 over the \$39.1 million included in the base budget, for a total of \$52 million over the 2017-2019 biennium, to continue the development of an allopathic medical school at UNLV as recommended by the Governor.

Chair Carlton asked the Subcommittee members for any questions, and hearing no questions, she asked for a motion.

SENATOR WOODHOUSE MOVED TO APPROVE NEW STATE GENERAL FUND APPROPRIATIONS OF \$2.3 MILLION IN FY 2018 AND \$10.6 MILLION IN FY 2019, IN ADDITION TO THE \$39.1 MILLION INCLUDED IN THE BASE BUDGET, FOR A TOTAL OF \$51.9 MILLION OVER THE 2017-2019 BIENNIUM, TO CONTINUE THE DEVELOPMENT OF AN ALLOPATHIC MEDICAL SCHOOL AT UNLV AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Araujo and Senator Denis were not present for the vote.)

Mr. Leiser explained that the sixth major closing issue was the Silver State Opportunity Grant, decision unit E-287. This program provided need-based grants to pay a portion of the cost of education for eligible students enrolled in a state or community college in the Nevada System of Higher Education (NSHE). He noted that The Executive Budget recommended additional State General Fund appropriations of \$2.5 million in each year of the 2017-2019 biennium, for a total of \$5 million annually.

Mr. Leiser noted that based on the report, "A Pilot Program: The Silver State Opportunity Grant" dated February 2017, which was provided to the money committee members following the January 25, 2017, meeting of the Legislative Commission's Budget Subcommittee, NSHE reported that grant awards were made to 1,064 students in FY 2016 and to 896 students in FY 2017. Across all five institutions, he said, NSHE reported for FY 2016 that 55.6 percent of eligible students received an award under the program. Furthermore, the estimated cost to provide awards to all eligible students under the current program requirements would total \$4.6 million per year. While NSHE had indicated that it was not opposed to expanding program eligibility to students enrolled in less than 15 credits, such a change would require funding beyond the levels in the Governor's recommended budget.

Mr. Leiser explained that there were two bills related to this program. The first bill was Senate Bill (S.B.) 310 sponsored by Senator Kieckhefer, and the second bill was Assembly Bill (A.B.) 188 sponsored by Assemblywoman Diaz. Neither bill, however, related to the decision before the Subcommittee members regarding the Governor's recommendation.

Mr. Leiser asked whether the Subcommittee members wanted to approve additional State General Fund appropriations of \$2.5 million in each fiscal year of the 2017-2019 biennium, for a total of \$5 million in each fiscal year to support the Silver State Opportunity Grant program as recommended by the Governor.

Chair Carlton asked the Subcommittee members for any questions, and hearing no questions, she asked for a motion.

SENATOR KIECKHEFER MOVED TO APPROVE ADDITIONAL STATE GENERAL FUND APPROPRIATIONS OF \$2.5 MILLION IN EACH FISCAL YEAR OF THE 2017-2019 BIENNIUM, FOR A TOTAL OF \$5 MILLION IN EACH FISCAL YEAR, TO SUPPORT THE SILVER STATE OPPORTUNITY GRANT PROGRAM AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Araujo and Senator Denis were not present for the vote.)

Mr. Leiser explained that there were three other closing items under the seventh major closing issue, the Desert Research Institute (DRI) funding. The first other closing item was the DRI funding formula, decision unit Maintenance (M) 207. Consistent with the policy adopted by the 78th Legislative Session (2015), the Governor recommended that funding continued to be based on the DRI funding formula model for institutional support and research administration functions at DRI. The DRI funding formula amounts, he said, were scaled and based on levels of grant and contract funds awarded to DRI. He noted that during the March 22, 2017, budget hearing, NSHE testified that its intent was to continue to request funding for DRI through the established funding formula along with an enhancement.

Mr. Leiser asked whether the Subcommittee members wanted to approve the continuation of funding based on the DRI formula model for institutional support and research administration functions at DRI, consistent with the policy adopted by the 78th Session (2015) and as recommended by the Governor.

Chair Carlton asked the Subcommittee members for any questions, and hearing no questions, she asked for a motion.

SENATOR WOODHOUSE MOVED TO APPROVE THE CONTINUATION OF FUNDING BASED ON THE DESERT RESEARCH INSTITUTE FORMULA MODEL FOR INSTITUTIONAL SUPPORT AND RESEARCH ADMINISTRATION FUNCTIONS AT DESERT RESEARCH

INSTITUTE, CONSISTENT WITH THE POLICY ADOPTED BY THE 78TH SESSION (2015) AND AS RECOMMENDED BY THE GOVERNOR. ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Araujo and Senator Denis were not present for the vote.)

Mr. Leiser explained that the second other closing item under the seventh major closing issue, Desert Research Institute funding, was the funding formula enhancement, decision unit E-289. The Governor recommended new State General Fund appropriations of \$195,326 in FY 2018 and \$198,149 in FY 2019 for inflationary increases not otherwise specifically accounted for in the DRI formula. The recommended funding, according to Mr. Leiser, was based on increases to retirement, insurance rates, salary reduction restoration, and employee step increases. The Governor's recommendation would provide for an enhancement to establish a funding component outside of the approved DRI formula. If the recommendation were approved, NSHE indicated that inflationary influences to the budget would continue to be requested in future biennia outside of the DRI formula.

Mr. Leiser asked whether Subcommittee members wanted to approve State General Fund appropriations of \$195,326 in FY 2018 and \$198,149 in FY 2019 for inflationary increases that were not otherwise specifically accounted for in the DRI formula, with the intent that any future inflationary increases or decreases would be requested by the agency as a separate maintenance decision unit outside of the DRI formula in future biennia.

Chair Carlton asked the Subcommittee members for any questions, and hearing no questions, she asked for a motion.

SENATOR WOODHOUSE MOVED TO APPROVE STATE GENERAL FUND APPROPRIATIONS OF \$195,326 IN FY 2018 AND \$198,149 IN FY 2019 FOR INFLATIONARY INCREASES THAT WERE NOT OTHERWISE SPECIFICALLY ACCOUNTED FOR IN THE DESERT RESEARCH INSTITUTE FORMULA, WITH THE INTENT THAT ANY FUTURE INFLATIONARY INCREASES OR DECREASES WOULD BE REQUESTED BY THE AGENCY AS A SEPARATE MAINTENANCE DECISION UNIT OUTSIDE OF THE DESERT RESEARCH INSTITUTE FORMULA IN FUTURE BIENNIA.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Araujo and Senator Denis were not present for the vote.)

Mr. Leiser explained that the third other closing item under the seventh major closing issue, Desert Research Institute Funding, was the Nevada cloud seeding program, decision unit E-350. He stated that DRI had indicated that the recommended enhancement funding would expand cloud-seeding efforts in FY 2018 to the Toiyabe Range in central Nevada, the Ruby Mountains in northeastern Nevada, the Carson River watershed along the eastern slopes of the Sierra Nevada range, and the Mount Charleston and Spring Mountain areas to increase water supply for Southern Nevada. In FY 2019, DRI indicated that additional expansion to the Santa Rosa, Sonoma, Humboldt, and Diamond ranges in the northern and central parts of the state would be pursued. The Governor recommended State General Fund appropriations of \$683,656 in FY 2018 and \$683,760 in FY 2019 to fund the Nevada cloud seeding program enhancement.

Mr. Leiser explained that for historical reference, the money committees from the 71st Session (2001) continued a Letter of Intent issued by the 68th Session (1995) money committees and issued the DRI a new Letter of Intent indicating that, while no funding was included in its budget, DRI could seek an allocation from the Interim Finance Committee (IFC) Contingency Account, should funding be needed to continue cloud-seeding operations. The DRI subsequently received IFC allocations for that purpose.

Mr. Leiser explained that the Subcommittee members might want to consider one of the following options:

- A. Approve State General Fund appropriations of \$683,656 in FY 2018 and \$683,760 in FY 2019 to fund the Nevada State Cloud Seeding Program enhancement as recommended by the Governor.
- B. Approve State General Fund appropriations of \$683,656 in FY 2018 and \$683,760 in FY 2019, but place those appropriations in the IFC Contingency Account, and require that DRI seek approval for an allocation should funding be needed to support the Nevada State Cloud Seeding Program.
- C. Given the snowpack experienced during the 2016-2017 winter, approve State General Fund appropriations of \$683,656 in FY 2019 and delay the Governor's recommendation by one year.
- D. Given the snowpack experienced during the 2016-2017 winter, approve State General Fund appropriations of \$683,656 in FY 2019, but place the appropriation in the IFC Contingency Account, delay the Governor's recommendation by one year, and require that DRI seek an allocation should funding be needed to support the Nevada State Cloud Seeding Program.

- E. Not approve the Governor's recommended State General Fund appropriations of \$683,656 in FY 2018 and \$683,760 in FY 2019 to fund the Nevada State Cloud Seeding Program enhancement.

Chair Carlton stated that with the amount of precipitation that occurred, she did not believe money was needed in both years, but she did not want to eliminate the funding because there might be a need for the funding in the future. The Chair asked for a motion for Option D.

Assemblywoman Diaz remarked that she had been educated about new efforts to cloud seed in Southern Nevada and wondered whether Option D precluded cloud seeding in FY 2018 in Southern Nevada, given that there was not as much precipitation in the southern part of the state.

Assemblywoman Benitez-Thompson asked, along the same line of questioning, whether this option allowed for cloud seeding in Colorado to raise the water level in the Colorado River for use in Southern Nevada.

Assemblywoman Diaz replied that her conversations with DRI indicated that the area targeted for cloud seeding was Mount Charleston.

Chair Carlton responded to Assemblywoman Diaz that Option D would allow for the work in Southern Nevada during FY 2019, but not in FY 2018.

Assemblywoman Diaz asked whether there was any way to make the funding more flexible, so the funds could be requested from IFC during FY 2018.

Senator Woodhouse stated that, based on her conversations with DRI, the first year was spent ensuring the equipment was ready. The second year was when the cloud seeding occurred. Under Option D, she stated, the equipment would be made ready in FY 2019, and the cloud seeding would occur in FY 2020.

Assemblyman Anderson asked how much of the funding was technology-based research and how much of the funding would be spent on actual cloud seeding. Mr. Leiser did not have the breakdown for the question, but he concurred with the comment offered by Senator Woodhouse, and noted that according to DRI, if the funds were not used for cloud seeding, the funds would be used to build generators and other equipment for future cloud-seeding efforts.

Assemblyman Anderson stated that he was comfortable with Option D, but did not want to hinder any future efforts or slow down the program by adding another step for fund access.

Chair Carlton stated that it was possible to have the funds in the contingency account and make the \$683,656 available in either year.

Senator Kieckhefer clarified that \$683,656 would be appropriated in FY 2018 to the IFC Contingency Account and available for allocation upon request from DRI in either year of the biennium. Chair Carlton confirmed Senator Kieckhefer's statement, adding that the unused funds should balance forward from FY 2018 to FY 2019.

Mr. Leiser stated that the motion would be to approve State General Fund appropriations of \$683,656 to be placed in the IFC Contingency Account and that DRI would be able to seek an allocation from the IFC to access the funds in either FY 2018 or FY 2019.

Chair Carlton asked for a motion.

SENATOR KIECKHEFER MOVED TO APPROVE STATE GENERAL FUND APPROPRIATIONS OF \$683,656 TO BE PLACED IN THE INTERIM FINANCE COMMITTEE CONTINGENCY ACCOUNT AND THAT DESERT RESEARCH INSTITUTE WOULD BE ABLE TO SEEK AN ALLOCATION FROM THE INTERIM FINANCE COMMITTEE TO ACCESS THE FUNDS IN EITHER FY 2018 OR FY 2019.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

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

Mr. Leiser explained that the eighth and final major closing issue was the funding for the nonformula and professional school budgets. The Governor recommended State General Fund appropriations of \$69,914,828 for FY 2018 and \$69,987,027 for FY 2019.

Mr. Leiser asked whether the Subcommittee members wanted to approve the Governor's recommended 2017-2019 biennium funding levels for the Nevada System of Higher Education (NSHE) nonformula, state-supported operating budgets with authority for staff to make technical adjustments as necessary.

Chair Carlton asked the Subcommittee members for any questions, and hearing no questions, she asked for a motion.

SENATOR WOODHOUSE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDED 2017-2019 BIENNIUM FUNDING LEVELS FOR THE NEVADA SYSTEM OF HIGHER EDUCATION (NSHE) NONFORMULA, STATE-SUPPORTED OPERATING BUDGETS, WITH AUTHORITY FOR STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

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

Mr. Leiser next discussed the Governor's recommended budgets for the professional schools that did not contain any major decision units or enhancements. He asked whether the Subcommittee members wanted to approve the Governor's recommended 2017-2019 biennium funding levels for the University of Nevada, Reno (UNR) School of Medicine (SOM); the University of Nevada, Las Vegas (UNLV) Law School; and the UNLV Dental School budgets, with authority for staff to make technical adjustments as necessary.

Chair Carlton asked the Subcommittee members for any questions, and hearing no questions, she asked for a motion.

SENATOR WOODHOUSE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDED 2017-2019 BIENNIUM FUNDING LEVELS FOR THE UNIVERSITY OF NEVADA, RENO SCHOOL OF MEDICINE; THE UNIVERSITY OF NEVADA, LAS VEGAS LAW SCHOOL; AND THE UNIVERSITY OF NEVADA, LAS VEGAS DENTAL SCHOOL BUDGETS, WITH AUTHORITY FOR STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

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

Mr. Leiser addressed other closing items that pertained to language that was included in previous biennia and requested for the 2017-2019 biennium in the Appropriations and Authorizations Acts. The first other closing item related to language in Section 67 of the Appropriations Act, Senate Bill (S.B.) 514 of the 78th Session (2015). This section authorized the transfer of State General Fund appropriations between NSHE's state-supported operating budgets, subject to the recommendation of the Governor and the approval of the IFC. The NSHE requested that this language continue to be included in the 2017-2019 biennium because with the development of the iNtegrate 2 system, there would be efficiencies or other budgetary consequences resulting from the system.

Mr. Leiser asked whether, in addition to the transfer authority considered to administer the system of performance funding, the Subcommittee members wanted to continue NSHE's existing general authority to transfer State General Fund appropriations between NSHE budget accounts, subject to the recommendation of the Governor and the approval of the IFC.

Chair Carlton asked the Subcommittee members for any questions, and hearing no questions, she asked for a motion.

SENATOR KIECKHEFER MOVED TO APPROVE, IN ADDITION TO THE TRANSFER AUTHORITY CONSIDERED TO ADMINISTER THE SYSTEM OF PERFORMANCE FUNDING, THE CONTINUATION OF NSHE'S EXISTING GENERAL AUTHORITY TO TRANSFER STATE GENERAL FUND APPROPRIATIONS BETWEEN NSHE BUDGET ACCOUNTS, SUBJECT TO THE RECOMMENDATION OF THE GOVERNOR AND THE APPROVAL OF THE INTERIM FINANCE COMMITTEE.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

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

Mr. Leiser explained that the next two items related to the Authorizations Act. The Subcommittees had recommended the continuation of the policy that non-State General Fund revenues did not offset the amount of State General Fund appropriations. As part of that policy decision, language was included in Section 18 of Assembly Bill (A.B.) 490 of the 78th Session (2015) that allowed NSHE to balance forward any unexpended non-State General Fund revenues to the next fiscal year for authorized purposes.

Mr. Leiser noted that the Subcommittees had requested details for the amounts institutions had balanced forward since the policy had been in place. He explained that at the end of FY 2015, the University of Nevada, Reno (UNR) had balanced forward \$728,000 into FY 2016, and at the end of FY 2016, UNR balanced forward \$802,000 into FY 2017. At the end of FY 2015, the UNR SOM balanced forward \$5,000 into FY 2016, and Truckee Meadows Community College balanced forward \$2,400 into FY 2016.

Mr. Leiser asked whether the Subcommittee members wanted to direct Fiscal Analysis Division staff to include back language in the 2017-2019 biennium Authorizations Act to authorize NSHE to balance forward any unexpended non-State General Fund revenues to the next fiscal year for authorized purposes in the NSHE state-supported operating budgets.

Chair Carlton asked the Subcommittee members for any questions, and hearing no questions, she asked for a motion.

SENATOR KIECKHEFER MOVED TO DIRECT FISCAL ANALYSIS DIVISION STAFF TO INCLUDE BACK LANGUAGE IN THE 2017-2019 BIENNIUM AUTHORIZATIONS ACT TO AUTHORIZE NSHE TO BALANCE FORWARD ANY UNEXPENDED NON-STATE GENERAL FUND REVENUES TO THE NEXT FISCAL YEAR FOR AUTHORIZED PURPOSES IN THE NSHE STATE-SUPPORTED OPERATING BUDGETS.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

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

Mr. Leiser explained that the last item related to the Authorizations Act was approved in the Authorizations Act (A.B. 490 of the 78th Session (2015)) to allow NSHE institutions to expend increases in nonresident tuition, registration fees, and miscellaneous student fee revenues without approval of the IFC and regardless of how the increased revenue was to be expended. He noted that the institutions were still required to get the Board of Regents' approval to augment revenue and expenditure authority in a fiscal year and to submit work programs to the Office of Finance, Office of the Governor, for approval. Also included in the 2015 Authorizations Act was language requiring NSHE to report any amounts collected above the amount authorized by the Legislature per institution, semiannually.

Should the Subcommittees choose to extend the reporting requirement, Mr. Leiser asked for the authority to modify the reporting requirements outlined in the 2015 Authorizations Act for the submittal deadlines. Currently, he said, the reports were due 30 days after December 31 and 30 days after June 30. Given the amount of time it took to close out the fiscal year, he requested that the June deadline be extended.

Mr. Leiser asked whether the Subcommittee members wanted to direct Fiscal Analysis Division staff to include back language in the 2017-2019 biennium Authorizations Act to authorize NSHE institutions to expend increases in nonresident tuition, registration fees, and miscellaneous student fee revenues without IFC approval and regardless of how the increased revenue was to be expended.

Chair Carlton wanted the due dates for the reporting deadline incorporated into the motion. Senator Woodhouse asked whether 60 days would be sufficient time, and the Chair and Mr. Leiser both agreed with the new time frame.

Chair Carlton asked the Subcommittee members for any questions, and hearing no questions, she asked for a motion.

SENATOR KIECKHEFER MOVED TO DIRECT FISCAL ANALYSIS DIVISION STAFF TO INCLUDE BACK LANGUAGE IN THE 2017-2019 BIENNIUM AUTHORIZATIONS ACT TO AUTHORIZE NSHE INSTITUTIONS TO EXPEND INCREASES IN NONRESIDENT TUITION, REGISTRATION FEES, AND MISCELLANEOUS STUDENT FEE REVENUES WITHOUT INTERIM FINANCE COMMITTEE APPROVAL AND REGARDLESS OF HOW THE INCREASED REVENUE WAS TO BE EXPENDED AND TO EXTEND THE DEADLINE FOR JUNE REPORTING FROM JULY 31 TO AUGUST 31.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

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

Chair Carlton said that the last item was technical adjustments for all NSHE state-supported operating budgets.

SENATOR WOODHOUSE MADE A MOTION TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS NECESSARY TO THE NEVADA SYSTEM OF HIGHER EDUCATION STATE-SUPPORTED OPERATING BUDGETS.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

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

Chair Carlton opened the floor for public comment.

Christopher Roys, Serving Student Body President, Consolidated Students of the University of Nevada, Las Vegas (CSUN), stated that he appreciated the Subcommittees' work, especially for the University of Nevada, Las Vegas (UNLV) School of Medicine. Mr. Roys noted that space limitations were a concern for students and faculty. Space limitations, he said, constrained students from being able to register for specific classes and constrained UNLV's program expansion. He also mentioned the importance of safety funding, which included surveillance funding, police services, and mental health care.

Carlos Fernandez, Immediate Past Student Body President, CSUN, stated that primary matters of concern were space, mental health, veterans' concerns, and merit-based pay. For space, Mr. Fernandez stated that he would be graduating next week, but it took him five years to graduate. It took some students longer, he said, but if the goal was to allow the state to progress and enable students to graduate and find employment early, the Subcommittees should consider expanding not just the space available at UNLV, but the space available to all NSHE institutions. Students should be allowed to graduate without delay caused by space constraints.

Mr. Fernandez stated that mental health was a matter of concern throughout Nevada. He hoped that the Legislature would be able to continue to focus on mental health matters. He was aware that the UNLV SOM was focused on mental health matters, but continued funding was required.

Mr. Fernandez explained that veterans' matters were critical because he had spoken to many legislators, and this was always a key topic. He said that UNLV had one of the largest veteran populations, and he was proud to support Senate bills that benefited veterans. One of these bills, he stated, was providing academic credit for work done while in military training.

Regarding merit-based pay, Mr. Fernandez said that the UNLV intent was to keep the best of the best in Nevada, just as it was at any NSHE institution. He hoped that when considering future funding, merit-based pay was at the top of the priority list. Faculty retention was a critical component at UNLV, where he believed he had been taught by some of the greatest minds in the field only to later find that the professors felt unappreciated and left Nevada.

Dr. Kent M. Ervin, Ph.D., Legislative Liaison, Nevada Faculty Alliance, representing the faculty at all eight NSHE institutions and the collective bargaining agents at the College of Southern Nevada, Truckee Meadows Community College, and Western Nevada College, stated that he had submitted written testimony ([Exhibit C](#)) dated May 8, 2017, and he noted that the budget hearing date in the second paragraph of his document should have been February 28, 2017. There were 5,800 NSHE employees who interacted directly with students and helped to provide the education that drove the workforce for the future of the Nevada economy. The professional merit pay, he noted, was unfortunately not discussed earlier in the day. There was no policy reason to leave performance-based merit pay unfunded, especially when classified employees' merit steps were funded. Between the mid-1980s and 2015 when the state could fund merit steps for classified employees, merit steps were also funded for faculty. This merit step was a mechanism for faculty to advance their careers and to keep salaries competitive. The Board of Regents, he noted, had repeatedly stated that the highest priority was faculty compensation; faculty was to be treated the same as other state employees, including classified staff. He hoped that merit pay would be addressed in the compensation bills at some level, and that Subcommittee members would realize the full NSHE 2.5 percent merit pool request, costing \$33 million for the biennium. He referenced strategies in [Exhibit C](#) that would allow restoration of the merit system to lead to a sustainable and competitive faculty compensation system.

Adam Almosawy, a CSUN senator representing the College of Urban Affairs at UNLV, spoke about the importance of education. College-educated individuals were more likely to be involved in their communities and more likely to vote. College-educated individuals, he said, were more likely to be employed, to be happy and stable in their jobs, to refrain from criminal activity and, as a result, be less likely to be incarcerated. All of these factors benefited communities, the state, and the nation. Continued support for educational bills such as [Senate Bill 90](#), sponsored by Senator Ford, that allowed students to restructure loans, was an example. As the brother of a U.S. Marine, he stated, even bills supporting veterans' affairs relating to UNLV, such as [Senate Bill 457](#) that one of UNLV's own student senators worked diligently on for months, would go a long way toward helping to recruit military veterans to UNLV.

Mr. Almosawy stated that anything in support of adding more space to UNLV would be instrumental as UNLV moved forward. As UNLV continued to grow and attract more students each year, extra space for classrooms, facilities, and buildings would allow students, clubs, and programs the opportunity to expand and go a long way toward moving UNLV to the top collegiate tier.

At the end of the day, Mr. Almosawy concluded, any increase in supportive funding that related to education was a step in the right direction, whether that was directed to higher education or K-12. Any funding, he said, would be a consolation. Malcolm X once said, "Education is the passport to the future, for tomorrow belongs to those who prepare for it today." He asked the Subcommittee members to start today and not wait for tomorrow.

Andrew Thomas, College of Liberal Arts Senator, CSUN, noted that as a proud Rebel, he had a front row seat for UNLV's growth, and much like the students with adequate resources, UNLV had excelled. Programs that received support showed measurable results. This was due in part to the cost and attainability of an incredibly diverse local population. The cost-effective education had opened the door for many Nevadans. He asked Subcommittee members to consider increased classroom size and funding, because the cost of education had a greater benefit than the cost people paid to obtain an education in Nevada. Education benefited society, he noted. Contrary to popular belief, the extreme weather conditions (heat) in Nevada were a good environment for young, flourishing minds.

Samantha Bivins, College of Liberal Arts Senator, Health and Safety Committee Chair, CSUN, said that Nevadans needed help. She explained that about 98,000 adults in Nevada had a serious mental illness in the last year, and 114,000 adults with a mental illness received mental health treatment or counseling in the last year. She added that 85,000 adults in Nevada had thoughts of suicide in the last year, 130,000 persons aged 21 and over reported heavy alcohol use in the prior month, and 71,000 individuals were dependent on illicit drugs in the prior year. These figures, she noted, were reported by the Substance Abuse and Mental Health Services Administration between 2009 and 2013. In 2017, she could only imagine that the numbers had increased. The people of Nevada needed help. As the demand for mental health services had increased, the number of trained and practicing mental health professionals had decreased. With the opening of the UNLV SOM, there existed a perfect opportunity to help where mental health was concerned. She stated that money invested in a medical school could train individuals in helping professions to serve both students and members of the community who were suffering. She urged Subcommittee members to continue funding the development of the UNLV SOM. When the citizens were mentally healthy, she concluded, everyone benefited.

Randy Dexter, President, Rebel Veterans Organization, UNLV, stated that he was a U.S. Army veteran and a homegrown Henderson boy who joined the Army as a combat medic after 9/11. He explained that he had just moved back to Nevada in June 2016.

Mr. Dexter noted that the Rebel Veterans Organization represented over 1,700 student veterans at UNLV. He said that UNLV was a pillar among universities across the nation when it came to student veteran advocacy and ranked in the top 30 among best schools for veterans; the GI Bill benefits for student veterans brought in over \$7 million in funding each year. An additional \$13 million was available to the community through housing benefits and the post-9/11 GI Bill. Adding to what Ms. Bivins had said about mental health, he stated that he had a posttraumatic stress disorder (PTSD) service dog; he had severe PTSD, major depressive disorder, and a host of other mental health issues. He said that he was still able to function thanks to his awesome dog. He tried to use the programs at UNLV because there was a six-month wait for certain benefits through the Veterans' Administration healthcare. He could get an appointment through the UNLV student counseling and psychological services (CAPS) program in two to four weeks, which was a blessing, but because of his special needs, UNLV did not have people trained to support him. He urged more funding for programs that would help persons like himself, especially given the large veteran population in Nevada.

Mr. Dexter stated that 70 percent of the student veterans had deployed at least once to a combat zone. At least one student veteran, he noted, had been accepted at the UNLV SOM, and a combat veteran could bring experience to the student population of the SOM. He urged Subcommittee members to vote for Senate Bill 457, which would help with college credits for military experience and training.

Bruno Moya, Las Vegas lead for the Iraq and Afghanistan Veterans of America and the Policy Chair for the Rebel Veterans Organization, UNLV, stated that education for veterans was not only a transition tool, but also provided a sense of purpose. Mr. Moya was an infantryman in the U.S. Marine Corps, and he thought the training would not be applicable to college life, but he found that the school environment was easier because of the tools he had learned in the military. Mr. Moya noted that being around other veterans who were faced with similar situations, such as going to school, working through situations, and graduating (Mr. Moya noted that he would graduate on Saturday) made it easier than he thought.

The Student Veterans of America national headquarters conducted research to determine the success rate for student veterans. In that research, it was found that 100,000 veterans would be graduating each year for the next ten years. Success rates for student veterans, he said, were determined to be 72 percent. Veterans chose more rigorous programs, such as those in science, technology, engineering and math (STEM) fields, as well as health fields. Supporting student veterans, he stated, was a smart investment.

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Before Chair Carlton closed the meeting, Senator Denis noted that for the record, although he was not present for the votes, he had reviewed the votes that took place, and he was affirmative on all votes.

Chair Carlton adjourned the meeting at 10:50 a.m.

RESPECTFULLY SUBMITTED:

Carmen Neveau
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a document in support of competitive and sustainable faculty compensation by the Nevada Faculty Alliance, dated May 8, 2017, presented by Dr. Kent M. Ervin, Ph.D., Legislative Liaison, Nevada Faculty Alliance.