

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

**Seventy-Ninth Session
May 23, 2017**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 8:22 a.m. on Tuesday, May 23, 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.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblyman Jason Frierson, Vice Chair
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

COMMITTEE MEMBERS EXCUSED:

Assemblyman Paul Anderson

GUEST LEGISLATORS PRESENT:

Assemblyman James Ohrenschall, Assembly District No. 12
Assemblyman Justin Watkins, Assembly District No. 35

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Sarah Coffman, Principal Deputy Fiscal Analyst
Janice Wright, Committee Secretary
Lisa McAlister, Committee Assistant

Minutes ID: 1243



After a call of the roll, Chair Carlton asked the audience to silence their electronic devices. She explained that she would take some of the bills out of order to accommodate legislators who were present. She opened the hearing on Assembly Bill 421 (1st Reprint).

**Assembly Bill 421 (1st Reprint): Revises provisions relating to corrections.
(BDR 16-1058)**

Assemblyman James Ohrenschall, Assembly District No. 12, presented Assembly Bill 421 (1st Reprint). The bill revised provisions related to corrections and inmates. Originally, the bill addressed inmates who were housed at state and county facilities. All parts of the bill were meritorious, but insufficient funds were available to pay for the provisions related to inmates at state facilities. The goal was to authorize residential confinement for certain offenders who had been granted parole but were not yet eligible for release on parole. Those inmates could be moved into the community sooner rather than waiting at prisons or jails until their parole eligibility release date arrived.

Assemblyman Ohrenschall submitted Exhibit C, a proposed conceptual amendment that deleted sections 1, 2, and 3 of the bill and negated the fiscal effect of the bill to the state. Section 4 of the bill related to the work of the Assembly Committee on Judiciary to provide continuity of mental healthcare for inmates at detention centers in Clark County. Testimony before the Assembly Committee on Judiciary stated that a vicious cycle often occurred for an inmate who was treated at a Southern Nevada Adult Mental Health Services (SNAMHS) facility but who failed to continue his medications and was arrested again. That inmate might find himself at the Clark County Detention Center or a city detention center. That inmate might be treated by another health-care professional who had not treated him before and was unaware of the previous mental health history or what medications had worked well and what medications had bad side effects. The new health-care professional started at ground zero with the inmate.

Assemblyman Ohrenschall said the amended bill would provide guidance, collaboration, and oversight from SNAMHS for third-party doctors who dealt with mental health problems at the Clark County Detention Center. His proposed amendment (Exhibit C) left only sections 4 through 10 remaining in the bill. Originally, a fiscal note was submitted on the bill from the Division of Public and Behavioral Health (DPBH), Department of Health and Human Services. After the bill was amended, DPBH removed the fiscal note. He asked DPBH to send a letter confirming removal of the fiscal note.

Chair Carlton commented that she had the letter from DPBH stating that the fiscal note was removed from the amended bill. She would provide a copy of the letter to staff of the Fiscal Analysis Division, Legislative Counsel Bureau. The deletion of sections 1, 2, and 3 eliminated all fiscal costs, and all fiscal notes had been removed.

Assemblyman Ohrenschall said he was pleased that all the fiscal notes had been removed. He said all sections of the bill were meritorious, but he hated to see some parts of the bill eliminated because of the lack of funding.

Chair Carlton said this bill was a perfect example of the perfect being the enemy of the good. She asked whether the Committee members had any questions of Assemblyman Ohrenschall and, hearing none, she thanked him. She asked for any testimony in support of, in opposition to, or neutral on A.B. 421 (R1). Hearing none, she closed the hearing on A.B. 421 (R1) and opened the hearing on Assembly Bill 106 (1st Reprint).

Assembly Bill 106 (1st Reprint): Revises provisions governing state governmental procurement. (BDR 27-295)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 106 (1st Reprint) required the Administrator of the Purchasing Division of the Department of Administration to establish by regulation a program of certification of vendors who paid equal pay for equal work without regard to gender. The Office of Labor Commissioner submitted a fiscal note with a cost of \$193,926 in fiscal year (FY) 2018 and \$220,034 in FY 2019. However, an email from the Labor Commissioner withdrew the fiscal note from the bill as amended. No other fiscal notes had been submitted on the bill.

Assemblywoman Ellen B. Spiegel, Assembly District No. 20, presented the bill. Assemblywoman Spiegel testified that A.B. 106 (R1) would allow the state to establish a framework to move to a goal of equal pay in government contracts. The fiscal note had been removed, and she would answer any questions.

Assemblywoman Bustamante Adams said the amended version of A.B. 106 (R1) deleted some sections of the original bill. She asked for details of the framework alluded to by Assemblywoman Spiegel.

Assemblywoman Spiegel responded that the amendment deleted section 1 through section 22 and made other changes beginning with section 23 through section 32. The bill required the Administrator of the Purchasing Division of the Department of Administration to establish by regulation a program of certification for vendors who paid equal pay for equal work without regard to gender. The framework of the new purchasing system would allow vendors to update and self-certify that they provided equal pay for equal work. Vendors would receive a logo showing that designation, which could be used in their marketing efforts.

Assemblywoman Spiegel explained that section 28 of this bill provided a limited 5 percent bidder's preference to bidders who were certified vendors under the program in those cases where the lowest submitted bids were within 5 percent of each other, and none was submitted by a bidder who was a resident in this state.

Chair Carlton asked whether there were any further questions from the Committee and hearing none, asked for testimony in support of A.B. 106 (R1).

Elisa Cafferata, Director of Government Relations, Nevada Advocates, testified in support of A.B. 106 (R1). The Nevada Commission for Women supported the bill during the policy

hearings because it was good to obtain information about the companies that recognized and paid their employees equally. She supported the bill.

Chair Carlton asked for other testimony in support of, in opposition to, or neutral on the bill.

Jeff Haag, Administrator, Purchasing Division, Department of Administration, testified that the Division was neutral on the bill. He thanked Assemblywoman Spiegel for the collaborative approach in drafting the new amended language for A.B. 106 (R1). The bill was contingent upon approval of Assembly Bill 480, which authorized the assessment of an administrative fee on certain public purchases to pay for an eProcurement system. The eProcurement system would facilitate the self-certification program and allow the Purchasing Division to automate the program to gain some valuable information.

Chair Carlton asked for any other testimony in support of, in opposition to, or neutral on the bill, and there was none. Chair Carlton closed the hearing on A.B. 106 (R1) and opened the hearing on Assembly Bill 159 (1st Reprint).

Assembly Bill 159 (1st Reprint): Prohibits hydraulic fracturing in the State.
(BDR 46-593)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 159 (1st Reprint) prohibited hydraulic fracturing in Nevada. The fiscal note from the Division of Minerals estimated a loss of \$4,310 in licensing revenue. The Department of Education submitted an unsolicited fiscal note of about \$4 million from federal mine lease revenue that previously funded a portion of the State Distributive School Account (DSA). The Department of Education was unable to determine how much of the \$4 million would specifically affect the DSA. The Division of Minerals submitted information based on its calculations that the net loss of state revenue would be \$2.5 million per year from federal mineral leases. It was difficult to tell which fiscal note was most accurate. A revenue loss would be expected based on the fiscal notes from the Division of Minerals and the Department of Education, but there was no agreement on how much that loss would be or how much would affect the DSA. About \$7 million of royalties from fracking was provided to the DSA, but about 75 percent of the revenue went to the county of origin. The loss could be as much as \$7 million if there was that much revenue available to the school districts, but the net loss to the state could be around \$2.5 million.

Assemblyman Justin Watkins, Assembly District No. 35, testified that the fiscal note from the Division of Minerals totaled \$8,620 based on the language of the bill as introduced. The bill had been amended to grandfather-in existing permit holders, which should eliminate the fiscal note related to the loss of oil and gas production fees of \$810 per year or \$1,620 total for each biennia. Only one existing permit holder actually produced oil in the state and would be able to continue to produce. The other four existing permit holders who were not producing would be permitted to produce when they chose. The price of oil was too low, so those permit holders had chosen to cap their wells. Any decision to proceed with fracking and produce oil would be affected by this bill.

Assemblyman Watkins noted that the fiscal note from the Division of Minerals stated that the state received oil permit fees of \$3,500 per application for a well to be hydraulically fractured on federal lands and \$4,500 per well on private lands. The projected loss of permit fees of \$3,500 per year was based on permits that had not been submitted. The fiscal note was guesswork and failed to calculate the savings that resulted from not having to enforce the permit. Testimony provided for other bills, specifically Assembly Bill 52 (2nd Reprint), stated that the cost of a permit was meant to equal the cost of enforcement. Therefore, the loss of \$3,500 in permit fees was offset by the lack of any cost to enforce the permit, thus the net loss was zero.

Assemblyman Watkins said he was more concerned about the projected loss of revenue from the federal leasing of lands for oil and gas. It was important to talk about the history of oil and gas exploration and production in Nevada. To date, no natural gas had ever been produced in Nevada. He presented [Exhibit D](#), copies of four documents related to oil and gas leases in support of A.B. 159 (R1). Page 1 of [Exhibit D](#) showed the reported revenues in all land categories in Nevada for FY 2016 related to the loss of rents of oil and gas. He pointed out the oil and gas rents of \$1,758,928.75. The reported revenue from royalties of oil for 2016 was \$1,109,734.32. Page 2 of [Exhibit D](#) showed that oil production in the state had declined since 1990. He speculated that it would be difficult to guess what the production levels would be in the future, not only for oil production but also for leasing of federal lands. The leases generated money for the DSA because an agreement with the federal government specified that leases of U.S. Bureau of Land Management (BLM) lands generated revenue for the DSA.

Assemblyman Watkins said it was almost impossible to project what the loss might be from banning fracking. Fracking was not the only method of oil extraction because conventional oil extraction was also used. The bill would not prevent conventional oil extraction.

Assemblyman Watkins referred to page 3 of [Exhibit D](#), which showed oil production in Nevada by producing fields from 1954 to 2016. The chart listed all the oil that had been extracted in the state. The number of barrels produced in Nevada since 1954 was 53,077,995. Page 4 of [Exhibit D](#) showed the total oil production from hydraulically fractured wells was 17,202.94 barrels of oil produced in Nevada. It was not a fair comparison to say only 17,202.94 barrels of oil were produced in the state versus 53,077,995 barrels produced by drilling. Fracking was a newer technology that had come online since 2009 and was used in most states. He noted that about 2.8 million barrels of oil were produced since 2009, and 17,202.94 barrels of oil produced via fracking totaled about 0.6 percent. Considering about 0.6 percent of the oil leases were on federal lands, the fiscal note would be \$10,543.54. If the technology lagged in getting to Nevada and only the most favorable years for fracking were considered, which would be from 2014 to the present, the total was 876,000 barrels of oil and 17,202.94 barrels from fracking or about 2 percent. Two percent of \$1,758,928.75 in oil and gas rents was about \$35,178.58. The state had about 200 active oil wells and only 1 active fracking operation. He thought those percentages mirrored what was going on in the state. He believed the loss would not be millions of dollars but might be tens of thousands of dollars.

Chair Carlton asked whether the Committee had any questions.

Assemblyman Edwards said that North Dakota had discovered a large amount of oil via fracking, and fracking was an enormous economic driver in North Dakota now. Individuals from his district left Nevada to go to North Dakota for work. He asked how the state should gauge the economic effect or the loss of tax revenue when the fiscal impact was based on guesses. He questioned whether the Legislature should stop fracking before it really knew the effect.

Assemblyman Watkins responded that one of the arguments was slightly on the policy side and the other argument was on the revenue side. He thought he knew what the state had. Fracking had been around since 2009. The state had produced a total of 17,202.94 barrels in Nevada through fracking, which was nothing close to the millions of barrels produced in North Dakota every year from fracking. At best, Nevada was a boutique oil industry. At worst, Nevada had a nonexistent oil industry. Nevada had no driving force of oil and gas in the state. Yes, Nevada had some oil. It was his understanding that to make fracking profitable or financially feasible in Nevada, the price of oil should be close to \$80 per barrel, but currently the price was only about \$50 per barrel. During times when the oil price was over \$100 per barrel, Nevada still did not produce any measurable amount of oil from fracking even though the technology was available and the price was right.

Assemblyman Edwards said the technology might be available, but it took years to do the research. He thought the state might be killing off an economic driver and tax revenue by stopping fracking now. The state seemed to be stopping the work on the problem. He was concerned that the Legislature might eliminate revenues used to fund education before fracking was given a chance to work, and the outcome might be bad.

Assemblyman Watkins responded that he knew what Nevada had. Every state knew what it had. States knew whether they could get involved in fracking from an economically feasible perspective and whether they had huge oil deposits worth exploring. A dozen states had a viable economic driving force that was created from fracking. Nevada was not one of those states. Nevada lacked the oil deposits. The technology was available in 2009, and by 2014 Nevada would have had 50, or 500, or 5,000 permits rather than just 5 permits in the state. The price of oil at that time was over \$100 per barrel. However, the state had 5 permit holders and only 1 had actually produced oil.

Chair Carlton asked whether the Committee had any further questions about the bill and, hearing none, asked for testimony in support of the bill.

Christian Francisco Gerlach, private citizen, North Las Vegas, representing the Sierra Club, testified in support of A.B. 159 (R1). He presented [Exhibit E](#) which was a copy of a 2-page document titled "Proposed Changes to Regulations CAP 522 & 534A about Hydraulic Fracturing," in support of Assembly Bill 159 (1st Reprint). Mr. Gerlach stated that he was a native Nevadan who lived at 3414 Fort Niagara Avenue, North Las Vegas, Nevada 89032. He wanted to provide some history about oil exploration. In 2013, Noble Energy spent over

\$330 million doing studies in Nevada in search of oil. The results of those studies had never been published because of proprietary information. He agreed there was a small possibility of losing limited fees, but there was more at risk in some of the rural communities that depended on groundwater. The costs to some of those rural communities from losing access to groundwater would create difficulty. Small ranchers in rural areas would have a difficult time if they were close to leased sales of BLM lands. Andreola Farms Inc., in Austin was concerned about a gas and oil lease sale and what the sale might do to their water and what it might mean financially if they lost their water resources.

Mr. Gerlach said *The Economist* magazine in February 2014 published studies of oil and gas development and hydraulic fracturing. The studies showed that production of oil and gas wells that used hydraulic fracturing lost their efficiency and had to be hydraulically fractured over again with an average 30 percent loss each year. That meant that 30 percent more wells had to be drilled each year for the company to maintain its production. Nevada had a limited amount of water. Rural communities and ranchers would have to outbid large oil companies for water. Other fiscal studies showed that conventional oil wells lost less oil production compared to hydraulic fracturing. He hoped the Committee would vote in support of A.B. 159 (R1) to prevent fracking in Nevada.

Chair Carlton asked for testimony in opposition to the bill.

Paul Enos, CEO, Nevada Trucking Association, representing the Nevada Petroleum and Geothermal Society, testified that much of the projected loss of revenue would not necessarily be from fracking but from those current leaseholders. The revenue in 2016 was about \$1.7 million. Noble Energy was a company that he had represented in the past. Noble Energy was no longer in Nevada. Noble Energy had been in Nevada for about ten years trying to secure over 400,000 acres in Elko County that the company paid leases on for future use. Noble Energy left because it was invested in other areas where it was more financially feasible to make money producing oil, so the company gave up the Nevada leases. However, many leases were still being held by individuals who contemplated use in the future through unconventional plays. An unconventional play was a type of petroleum that was produced or obtained through techniques other than traditional oil well extraction. An unconventional play might use hydraulic fracturing. He had a conversation with a man last month who was securing 150,000 acres in White River Valley on which he would use hydraulic fracturing. That man would be unable to do so if this bill passed. The revenue losses would occur when the value of the leases decreased and the leaseholders were unable to extract the oil on that land.

Chair Carlton asked for any testimony from individuals who were neutral on the bill.

Richard Perry, Administrator, Division of Minerals, testified in the neutral position about the revenues for the Division of Minerals and the state. The Division of Minerals filed a fiscal note estimating a loss of \$8,620 over the 2017-2019 biennium from the loss of oil and gas production fees from wells that would be permitted and drilled using hydraulic fracturing. The loss was based on last year's historical precedent of one well permit per year. The

decrease in oil prices resulted in less exploration activity. Although Nevada was not a large oil producer, Nevada continued to have the third-largest number of acres under federal oil and gas leases among the states. At the end of 2016, approximately 1.3 million acres of federal land leases were in effect in Nye, Elko, Lincoln, White Pine, Eureka, Lander, Churchill, Pershing, and Esmeralda Counties. When oil prices were higher in 2013, the number of acres of federal land leased was 3.7 million acres. Leases did not give the leaseholders the right to drill wells or circumvent the safety process. Leases were speculative and provided the owner the right to conduct geologic and geophysical studies. Half of those lease revenues collected by the U.S. Department of the Interior were paid to the state regardless of whether there was exploration, drilling, or oil production.

Mr. Perry said that according to the Office of Natural Resource Revenue, which was the accountant for the U.S. Department of the Interior and the public data website, the total number of leases in effect at the end of 2016 was 627. Those leases were obtained through competitive bidding by oil exploration entities that assumed that hydraulic fracturing was a tool that was available for exploration and production. Oil production revenues on federal lands were collected by the U.S. Department of the Interior and split with the state as a separate line item. Five wells were drilled and hydraulically fractured in 2014 when Nevada had activity. One of those was a producing well. Two of those wells were Noble Energy wells that produced and shipped oil, but were currently capped because Noble Energy was in the midst of exiting the state and releasing its land holdings. The two wells produced oil, but Elko County lacked any infrastructure. He assumed that it would take a higher oil price for the wells to become active again.

Mr. Perry stated that based on the discussions the Division of Minerals held with the regulated industry and the U.S. Bureau of Land Management (BLM), he estimated that up to three quarters of the leases might be dropped if the prohibition on hydraulic fracturing was enforceable on federal lands in Nevada.

Assemblywoman Spiegel asked about a bill that allowed fracking. She questioned whether any of the leases on lands would be dropped now or whether the leases had been signed before 2013. She asked for the number of leases in the state before 2013.

Mr. Perry responded that some of those lands were leased before 2013, but hydraulic fracturing had never been prohibited in Nevada. No bill existed that allowed fracking. The 77th Session (2013) mandated that the Division of Minerals and the Division of Environmental Protection, Department of Conservation and Natural Resources, develop comprehensive regulations for fracking because those had not existed in the oil and gas code before that.

Chair Carlton asked whether there were any other questions on the bill. There were none.

Steve Canavero, Ph.D., Superintendent of Public Instruction, Department of Education, testified that he supported the unsolicited fiscal note that was submitted by the Department of

Education. He had no knowledge about fracking. He noted for the record that the Department received some federal mining lease revenue.

Mr. Watkins noted that when companies leased those lands, the companies were not required to specify that they would use fracking or conventional oil exploration methods. No estimate could be made about the amount of fracking that might occur.

There being no further testimony on the bill, Chair Carlton closed the hearing on A.B. 159 (R1) and opened the hearing on Assembly Bill 428 (1st Reprint).

Assembly Bill 428 (1st Reprint): Revises provisions governing the acquisition and use of opioid antagonists. (BDR 40-620)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 428 (1st Reprint) authorized a pharmacist to furnish an opioid antagonist without a prescription under certain circumstances to a person at risk of experiencing an opioid-related drug overdose or to a family member, friend, or other person who was in a position to assist a person experiencing an opioid-related drug overdose. Several fiscal notes had been submitted on the bill. One fiscal note was received from the Division of Child and Family Services (DCFS), Department of Health and Human Services, for \$24,000 per year. However, DCFS submitted a letter that the amendment eliminated the fiscal cost. A fiscal note of \$18,000 per year was submitted by the Clark County School District. The amendment removed the provisions that required the school districts to maintain the injectable epinephrine. The Charter School Authority also submitted a fiscal note of \$5,000 in fiscal year (FY) 2018 and \$2,300 in FY 2019, but the amendment eliminated that fiscal cost as well.

Assemblyman Michael C. Sprinkle, Assembly District No. 30, presented the bill and testified that the original draft of the bill included schools and access to the medication, but that was not his intent. The amendments deleted all requirements for schools to access or administer that medication. He believed that all fiscal notes had been removed, and there was no fiscal effect from the bill.

Chair Carlton asked whether there were any questions on the bill and, hearing none, asked for any testimony in support of, in opposition to, or neutral on the bill. No testimony was presented. She closed the hearing on A.B. 428 (R1) and opened the hearing on Assembly Bill 499.

Assembly Bill 499: Makes appropriations to restore the balances in the Stale Claims Account, Reserve for Statutory Contingency Account and Contingency Account. (BDR S-1184)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 499 made a one-time appropriation to restore the balances in the Stale Claims Account, the Reserve for Statutory Contingency Account,

and the Contingency Account. The request to supplement the existing balances was \$500,000 for the Stale Claims Account, \$2 million for the Reserve for Statutory Contingency Account, and \$5 million for the Contingency Account that was overseen by the IFC.

Janet Murphy, Deputy Director, Office of Finance, Office of the Governor, testified that section 1 of the bill appropriated \$500,000 to the Stale Claims Account. The Stale Claims Account paid prior-year claims greater than \$100 for accounts that reverted their ending fund balance to the State General Fund. Based on current fiscal year projections, the ending fund balance would be approximately \$1.3 million. The \$500,000 addition would bring the balance to \$1.8 million, which she believed was sufficient for fiscal year (FY) 2018 and FY 2019.

Ms. Murphy continued that subsection 2 of the bill referred to the Statutory Contingency Account, which was used to pay for terminal leave, employ special counsel, and pay certain insurance claims when the insurance premium fund had been exhausted. During the interim, no infusions from the IFC Contingency Fund were made to the Statutory Contingency Account, and the current ending fund balance was approximately \$775,000. This \$2 million appropriation would be sufficient for the 2017-2019 biennium. Subsection 3 was for the IFC Contingency Account that was used to pay for shortfalls experienced by state agencies with General Fund appropriations for unexpected items that were not included in their legislatively approved budgets. Requests for funds had totaled about \$3.5 million in FY 2017, and the current ending fund balance was approximately \$9.3 million. Costs of \$870,000 would be incurred for the startup of the recreational marijuana program. She had worked with Fiscal Analysis Division staff and agreed that a beginning balance between \$13 million and \$14 million was preferred. She said that amount would be sufficient.

Chair Carlton asked whether there were any questions and, hearing none, asked for any testimony in support of, in opposition to, or neutral on the bill. There was no testimony. She closed the hearing on A.B. 499. This appropriation bill would have to wait before it could be processed. The same rule applied to the next bill also. The Committee had heard this bill, and it could be processed when appropriate. She opened the hearing on Assembly Bill 501.

Assembly Bill 501: Makes an appropriation to the Legislative Fund for dues and registration costs for national organizations and computer hardware replacements. (BDR S-1191)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 501 made an appropriation of \$1,062,855 to the Legislative Fund for dues and registration costs for national organizations and computer hardware replacements.

Rick Combs, Director, Legislative Counsel Bureau, testified and provided two documents. Exhibit F was an 11-page document detailing the items requested through one-shot funds for the Legislative Counsel Bureau related to Assembly Bill (A.B.) 501. Exhibit G was a proposed amendment to A.B. 501 to reduce the appropriation by \$4,067 and include radio

replacements in the list of items. When he presented the Legislative Counsel Bureau budget to the Legislative Commission in December 2016, the budget situation was different. A possibility existed that 5 percent reductions would be required of state agencies. He considered a reduction of the typical one-shot requests by accessing the uncommitted balance in the Legislative Fund to pay for a portion of the one-shot expenses. The amount shown in A.B. 501 was the State General Fund portion of the one-shot request, and pages 1 and 2 of [Exhibit F](#) addressed those pieces. That was the only part of what he provided that the Committee would vote on and it included the dues and registrations costs for national organizations. Page 2 listed the computer hardware replacements requested for the Administrative Division, Audit Division, and Research Division that totaled \$237,860. The dues and registrations costs shown on page 1 of [Exhibit F](#) were organizations to which Nevada currently belonged. There were two columns shown for fiscal year (FY) 2018 and two columns for FY 2019. He had lacked the current invoices when he prepared the original requests included in The Executive Budget. He added that he did not have invoices for all the organizations and did not have the amounts for FY 2019. He revised his original request based on the updated costs and was able to reduce his request for dues and registrations by \$9,161.

Mr. Combs made a request for a portion of those savings. The Legislative Police used some old mobile radios in their vehicles that were not 800-megahertz radios. The old radios lacked sufficient range to be useful on remote public lands or trips related to the Tahoe Regional Planning Agency. The Legislative Police had asked whether he could find funds to purchase 800-megahertz radios for at least two of their vehicles. The cost of the radios would add approximately \$5,100 to the one-shot request to replace one of those radios. He would either find the additional money in the existing equipment budget for fiscal year 2017 or fund the radio in the 2017-2019 biennium equipment budget.

Mr. Combs continued that [Exhibit G](#) was the proposed amendment to A.B. 501 to reduce the amount of the appropriation by \$4,067 to \$1,058,788. The amendment included a request to expand the use of the appropriated funds to include radio replacements and computer hardware replacements.

Mr. Combs understood that the Committee had limited time but wanted to alert the members to the one-shots that would be funded through the existing balance in the Legislative Fund. He referred to page 3 of [Exhibit F](#) that listed a couple of different projects for the Facilities unit. The first project was the replacement of Legislative Building elevator components. Replacement was needed for the internal components of the elevators that did not meet code. The Legislative Fund would pay for replacement of one elevator in each biennium. The service elevator had been replaced. The elevator in the Sedway Office Building that currently housed the Research Division, the Audit Division, and the Fiscal Division had been replaced. He planned to replace the internal components in the elevator in the southwest corner of the Legislative Building closest to the Assembly Chambers during the 2017-2019 biennium. The cost was estimated at \$200,000 based on a 2014 study and his recent experience in replacing two elevators. After the 2017-2019 biennium replacement,

two remaining elevators would need replacement. He planned to request replacement of one elevator each biennium.

Mr. Combs requested \$100,000 for roofing repairs, and the Legislative Commission approved the use of \$100,000 to address some Sedway Office Building long-standing leaks. He decided to have the roof evaluated rather than just repair each leak as it occurred. Before the 79th Session (2017), significant damage had occurred to the first-floor offices, and he determined it was time to address all the significant roof problems.

Mr. Combs said pages 4 and 5 of [Exhibit F](#) listed the typical requests for replacement of information technology (IT) services equipment. The cost to replace the wireless network hardware was about \$220,360. The wireless system needed upgrades because it was approximately eight years old. Some small expansions had been made in the past, but it was time to upgrade the antenna and various other components of the wireless system. The cost to replace other network hardware including servers was approximately \$327,300. Most of the network hardware was on a four-year replacement schedule to ensure it was maintained and under warranty. It was important that the IT system worked effectively during the legislative sessions. He requested \$288,860 for software and licenses. The largest portion of that cost (\$234,960) was the upgrade to Microsoft Office 2016 software from Microsoft Office 2010, and this was an up-front purchase for software that could be used for six to eight years.

Mr. Combs pointed out on page 6 of [Exhibit F](#) that Phase II of the telecommunications system replacement cost \$369,193. Phase I of the project replaced all the internal hardware and backbone of the system needed to transition to the Voice over Internet Protocol (VoIP) system. Only the replacement of the telephone sets was needed to complete the transition to VoIP. The cost to replace the digital handsets was \$369,193. Page 7 of [Exhibit F](#) listed the fiber upgrade project, which was the fiber running from the computer room to the phone room and connected the Legislative Building, the Sedway Office Building, and the State Printing Office Building. The current fiber was old technology, and staff had trouble finding network modules that would work. The availability of space in the current piping was limited. It was urgent to complete this project while there was still space in the current conduit. Significant additional expense would be incurred after the conduit was full.

Mr. Combs said page eight of [Exhibit F](#) showed the Broadcast and Production Services projects for the 2017-2019 biennium. The first project was the replacement of four codec machines that were no longer under warranty and were not receiving updates. The machines were the primary method of transferring audio and video signals over the network and the Internet. The codec machines were on a replacement schedule, and it was time for four machines to be replaced at a cost of \$40,664. The next project was the replacement of videoconferencing infrastructure equipment at a cost of \$92,725. The videoconference bridge allowed the connection between the various videoconference locations. The Broadcast and Production Services suggested a new product called Clariti, currently used by the Nevada System of Higher Education, which would save money on future equipment replacement. Clariti would expand the videoconference locations. The Legislature was

limited to videoconference locations that used Polycom equipment. The new Clariti product could use Skype, Lync, or other applications to set up videoconferencing.

Mr. Combs referenced page 9 of [Exhibit F](#), which listed the final parts of the computer hardware replacement projects for the Legal Division and Fiscal Analysis Division that would be paid from the Legislative Fund at a cost of \$183,239 rather than from [A.B. 501](#). Other computer replacements were included in [A.B. 501](#). Page 10 of [Exhibit F](#) showed equipment needed by the Legislative Police including body armor, holsters, Tasers, and two bidirectional antennas. The Legislative Building contained some dead spots related to radio communications. The General Services unit requested storage racks that cost \$11,028 because no space remained on the racks for inventory.

Mr. Combs concluded that he shared this information about expenses excluded from [A.B. 501](#) because he wanted to ensure that the Committee was aware of what expenses he presented to the Legislative Commission and what was included in [A.B. 501](#). His presentation would allow the Committee to understand the typical one-shot requests during a biennium.

Chair Carlton asked whether there were any questions about the request.

Assemblywoman Bustamante Adams asked whether Mr. Combs maintained a list of Nevada legislators who participated at national organizations and conferences.

Mr. Combs responded that he did not maintain a list of which legislators participated in the national organizations. Reimbursement for legislative travel had been suspended a number of years ago. The legislators paid for their own travel, thus he had no knowledge of who attended the various meetings. He had some limited anecdotal information, but no list.

Chair Carlton asked for any testimony in support of, in opposition to, or neutral on the bill, and hearing none, she closed the hearing on [A.B. 501](#) and opened the hearing on [Senate Bill 519 \(1st Reprint\)](#).

[Senate Bill 519 \(1st Reprint\)](#): Makes supplemental appropriations to the Division of Child and Family Services of the Department of Health and Human Services for a projected shortfall for adoption subsidies. (BDR S-1181)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that [Senate Bill \(S.B.\) 519 \(1st Reprint\)](#) made a supplemental appropriation to the Division of Child and Family Services of the Department of Health and Human Services for projected shortfalls for adoption subsidies. [The Executive Budget](#) included a supplemental appropriation for adoption subsidies for Washoe County of \$3,378 and Clark County of \$340,067. The Senate Committee on Finance amended the bill to increase the amounts based on updated projections to \$15,608 for Washoe County and \$377,244 for Clark County. This was a supplemental appropriation for the current fiscal year (FY) 2017.

[Chair Carlton briefly left the room, and Vice Chair Frierson assumed the Chair.]

Vice Chair Frierson asked whether the Committee had any questions on the bill. There were none.

Danette Kluever, Deputy Administrator, Administrative Services, Division of Child and Family Services (DCFS), Department of Health and Human Services, testified that a categorical grant was paid to the urban child welfare agencies in Washoe County and Clark County. This bill was a supplemental appropriation for the amounts stated by Ms. Jones.

Assemblyman Sprinkle asked for an explanation of the shortfall.

Ms. Kluever responded that the categorical grant allowed DCFS to give additional money to the counties when their adoptions exceeded the caseload projections in any year of the biennium. The supplemental appropriation paid for the increased adoption subsidies. Washoe County and Clark County adoption caseloads were higher than projected based on the prior-year caseloads.

Assemblyman Sprinkle asked for some clarification about the shortfall.

Ms. Kluever responded that the supplemental appropriation would reconcile the projected caseload with actual adoption subsidies through FY 2017. The supplemental appropriation would pay for the State General Fund share of the caseload increase.

Assemblywoman Titus said the adoption of more children was a positive thing. She asked about the cost to support a child in adoption versus the cost to maintain a child in a foster home.

Ms. Kluever responded that the adoption subsidy was a negotiated subsidy, but it could be up to the amount of the monthly foster care payment. Once a child had lingered in foster care, the adoption subsidy usually tended to be slightly less than the monthly foster care payment.

[Assemblywoman Carlton returned to the meeting and assumed the Chair.]

Chair Carlton asked whether the Committee had any further questions. There were none. She asked for any testimony in support of, in opposition to, or neutral on the bill. There was none. She closed the hearing on Senate Bill 519 (R1) and commented that the bill was a supplemental appropriation that would have to wait until education was funded before the bill could be processed. She opened the hearing on Senate Bill 525.

Senate Bill 525: Makes a supplemental appropriation to the Nevada Highway Patrol Division of the Department of Public Safety for a projected shortfall related to

higher than anticipated costs for providing protective services for dignitaries visiting the State of Nevada. (BDR S-1182)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Senate Bill (S.B.) 525 made a supplemental appropriation for fiscal year (FY) 2017 to the Nevada Highway Patrol, Department of Public Safety, for a projected shortfall related to higher than anticipated costs for protective services for dignitaries visiting the state. The Office of Finance, Office of the Governor, requested a supplemental appropriation of \$34,358 for FY 2017 that was not included in The Executive Budget.

John O'Rourke, Assistant Chief, Headquarters, Nevada Highway Patrol, Department of Public Safety, testified that the supplemental appropriation for \$34,358 was requested to assist the agency with its projected shortfall for FY 2017. The agency had extraordinary costs related to last year's election cycle. The agency also had an unexpected visit in February from Vice President Mike Pence, and the additional expenses exceeded the projected expenses causing the agency to need an additional \$34,358. The supplemental appropriation would leave approximately \$20,000 for the remainder of FY 2017, which he expected would be sufficient through the end of FY 2017.

Chair Carlton asked whether there were any questions.

Assemblyman Sprinkle recalled that the Legislature already appropriated money for a shortfall for dignitary protection. He questioned whether the new request was simply to cover costs from the most recent visit from Vice President Pence.

Mr. O'Rourke responded that the agency received supplemental funds in December 2016 for \$89,000. The agency exceeded that amount because of costs related to the unexpected visit from Vice President Pence. He did not anticipate any other unexpected visits from dignitaries in the next six weeks. The Nevada Highway Patrol would have a balance of \$20,000 for any other unexpected expenses.

Assemblywoman Titus said when the previous supplemental funds were approved, Nevada Highway Patrol commented that reimbursement would be received from some of the campaigns. She asked whether that had occurred.

Mr. O'Rourke responded that the agency only received some funding from the Las Vegas Convention and Visitors Authority for the presidential debate. Nevada Highway Patrol had not received any other reimbursements.

Chair Carlton asked whether there were any further questions and, hearing none, asked for any testimony in support of, in opposition to, or neutral on the bill. There was none. She closed the hearing on Senate Bill 525 and said this was a supplemental appropriation that would have to wait to be processed. She opened the hearing on Senate Bill 526.

Senate Bill 526: Makes supplemental appropriations to the Division of Child and Family Services of the Department of Health and Human Services for projected shortfalls related to child and adolescent services. (BDR S-1169)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Senate Bill (S.B.) 526 made a supplemental appropriation to the Division of Child and Family Services, Department of Health and Human Services. The supplemental appropriation was not included in The Executive Budget. The shortfall was related to the Certified Public Expenditure (CPE) cost settlement of the Children's Mental Health cost-allocation plan for fiscal year (FY) 2015 for \$201,329 for Northern Nevada Child and Adolescent Services and \$1,156,544 for Southern Nevada Child and Adolescent Services.

Danette Kluever, Deputy Administrator, Administrative Services, Division of Child and Family Services, Department of Health and Human Services, testified that the supplemental appropriation was for a FY 2015 cost settlement for the children's mental health billing to Medicaid. The agency performed an annual CPE reconciliation with Medicaid. The shortfall would be reimbursed to Medicaid for the amount determined by the CPE reconciliation.

Chair Carlton asked for any questions from the Committee, and hearing none, she asked for any testimony in support of, in opposition to, or neutral on the bill. No testimony was received. She closed the hearing on S.B. 526 and opened the work session of the Committee.

Assembly Bill 7 (1st Reprint): Revises provisions related to education. (BDR 34-126)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 7 (1st Reprint) was a budget implementation bill that revised certain references and terms in conformance with revisions to federal law regarding the plan to improve the achievement of pupils enrolled in a public school and the Every Student Succeeds Act (ESSA) of 2015. The bill also provided enhancements to Nevada's school performance framework included in decision unit Enhancement (E) 275 for Kindergarten Through Grade 12 (K-12) education, which was approved by the money committees on May 12, 2017, contingent upon passage of the bill. The Governor recommended various enhancements related to school assessments funded with State General Fund appropriations of \$4.3 million in each year of the 2017-2019 biennium. However, the Subcommittee on K-12/Education/CIP expressed concerns with the pathway high school diploma portion of the program that cost \$1.31 million in FY 2018 and \$1.45 million in FY 2019. It was noted on the record that endorsements for the pathway high school diploma were under discussion and could result in a change to this bill. Two different endorsements existed, one for career readiness and one for college readiness. Testifying in support of the bill were Steve Canavero, Superintendent of Public Instruction, Department of Education; Lindsay Anderson, Government Affairs Director, Washoe County School District; Nicole Rourke, Associate Superintendent, Clark County School District; and Ray Bacon, Nevada Manufacturing Association. There was no opposition to the bill. If the Committee were to consider a change regarding the career pathway endorsement to diplomas, an

amendment would be needed to section 41.5, including subsection 3, and some other areas of the bill.

Chair Carlton said the change would be made to the title of the diplomas. The amendment would change the name from pathway to a different title.

Ms. Jones clarified that the career pathway program had two different endorsements: one was career readiness and one was college readiness. The requirements to achieve those different endorsements would be addressed in the amendment.

Steve Canavero, Ph.D., Superintendent of Public Instruction, Department of Education, testified that the bill generated much discussion during the last several days. He submitted [Exhibit H](#), a proposed amendment to [Assembly Bill 7 \(1st Reprint\)](#). The amendment revised the diploma type from "pathway" to "college and career ready" high school diploma. The amendment would change the name to be more clear.

Chair Carlton said her understanding was the amendment would change the name to college and career ready in section 41.5.

Mr. Canavero confirmed that Chair Carlton's understanding was correct. Everywhere that the name existed as "pathway," that name would be changed to "college and career ready."

Assemblywoman Benitez-Thompson asked whether regulations would explain how individuals would enter the program. She questioned whether the school district would opt in to the program or whether the student would opt in to take the additional courses or testing.

Mr. Canavero responded that the regulations would describe the credit hours required for specific diplomas similar to the current requirements for a standard, advanced, or adjusted diploma. The additional criteria and experiences in a particular area of interest would be expressed in regulations. The school districts would develop communications campaigns to make families aware of the change. The students would then be able to earn a specific diploma. A student could earn the diploma and meet the criteria as soon as regulations were adopted. Specific diplomas were not a requirement, but the Department of Education wanted to move to diplomas that were certificates of value that immediately expressed postsecondary readiness.

Assemblywoman Benitez-Thompson asked whether Mr. Canavero knew how many students might be one or two years away from an endorsement or what percentage of students might actually achieve the endorsement. She commented that the testing piece was the other part that would be required through the ACT assessment, separate work, and readiness tests.

Mr. Canavero replied that he had a preliminary idea that about one-third of students earned the school district diplomas that aligned to the state's advance framework, advanced honors, or other diplomas. He believed that many of those students would be eligible for the college

and career ready endorsement or the college and career ready diplomas depending on whether they scored at the placement guarantee of Nevada System of Higher Education (NSHE) that avoided any remedial coursework in college. The other group most closely aligned would be the Career & Technical Education (formerly Occupational Education) (CTE) endorsed diploma. Between 3,000 and 4,000 students earned the CTE-endorsed diploma, which was a combination of employability skills assessments, a grade point average of B (3.0 GPA) or better, and a skills assessment at the end of the CTE sequence similar to a capstone assessment. Formal and articulated pathways were provided for those students under the college and career ready diploma program.

Mr. Canavero mentioned that a friendly amendment was proposed by Washoe County School District (WCSD) that was not introduced. He did not anticipate the amendment would be introduced here, but he wanted to make the Committee aware that the amendment related to the process to account for the quarters when the schools conducted the average daily enrollment count. The friendly amendment was from the joint hearing, and he wanted to make sure the amendment did not get lost.

Chair Carlton said she would check on the WCSD amendment to see where it was. The Department of Education amendment did not appear to have any fiscal effect, but would just change the diploma name.

Mr. Canavero confirmed that Chair Carlton's understanding was correct. Three classifications of diploma would exist: the standard, the college and career ready, and the advanced placement.

Mr. Canavero said the bill required the State Board of Education to study the advanced diploma and make recommendations for changes for the graduating class of 2022, which was the soonest the changes could be effective. The advanced diploma that was currently offered and the new college and career ready diploma would eventually merge because there was no need to have both diplomas. An adjusted diploma for students with disabilities would also exist. Assembly Bill 64 was signed recently by the Governor and provided students with disabilities access to a standard diploma. Three diploma types would exist in the future.

Chair Carlton said she preferred to eliminate the word standard. She asked whether there were any questions on the bill, and there were none. The bill must go to the Senate to be processed. She would accept a motion to amend and do pass and include the proposed amendment and the friendly amendment from Washoe County.

ASSEMBLYMAN SPRINKLE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 7 (1ST REPRINT).

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Chair Carlton asked Assemblywoman Diaz to present the floor statement on the bill.

Assembly Bill 467: Revises provisions governing the Personnel Commission in the Division of Human Resource Management of the Department of Administration and the Merit Award Program. (BDR 23-551)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 467 revised provisions governing the Personnel Commission in the Division of Human Resource Management, Department of Administration, and the Merit Award Program. The bill required the Governor to appoint alternate members to the Personnel Commission, revised the requirements of establishing a quorum of the Personnel Commission, and revised provisions of the Merit Award Program. She noted that Senate Bill (S.B.) 72 revised provisions governing the Merit Award Program, and those changes were substantially the same regarding the Merit Award Board changes sought through A.B. 467. However, the difference between the two bills was the administrative cap for the expenditures for the Merit Award Board. Currently in *Nevada Revised Statutes*, the cap was \$1,000. The Commission expenses were budgeted at \$1,400 per year. Senate Bill 72 submitted by the Department of Administration increased the cap to \$5,000, but A.B. 467 contained no cap. Assemblywoman Bustamante Adams and Senator James A. Settelmeyer, Senate District No. 17, who was the Chair of the Sunset Subcommittee of the Legislative Commission that sponsored the bill, agreed to delete sections 4 through 7 of the bill to eliminate the conflict with S.B. 72 that had been processed by the Senate Committee on Finance, but leave the other portions of the bill that related to the Personnel Commission.

Chair Carlton asked whether the Committee had any questions on the bill and, hearing none, said she would accept a motion to amend and do pass to delete sections 4 through 7 to ensure that no conflicts existed with the companion bill S.B. 72.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO AMEND
AND DO PASS ASSEMBLY BILL 467.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Chair Carlton asked Assemblywoman Bustamante Adams to present the floor statement on the bill.

Assembly Bill 492: Revises provisions relating to transferable tax credits to attract film and other productions to Nevada. (BDR 32-1166)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 492 revised provisions related to transferable

tax credits to attract film and other productions to Nevada. The bill was heard in a joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance on May 14, 2017. The bill increased the amount available in film tax credits currently capped at \$10 million for the life of the program. The bill added \$10 million in each year of the 2017-2019 biennium. Assemblywoman Maggie Carlton, Assembly District No. 14, presented the bill. Many parties testified in support, including Carolyn G. Goodman, Mayor, city of Las Vegas; representatives of the Las Vegas Convention and Visitors Authority; Caesars; the Nevada Resort Association; the Motion Picture Association of Nevada; the Las Vegas Global Alliance; and a number of individuals involved in filmmaking. She noted that \$2.5 million of film tax credits were included in The Executive Budget. The bill would increase the amount of film tax credits available by \$10 million each year of the 2017-2019 biennium, moving the total value of the program to \$30 million, which was closer to the \$80 million that was originally set aside for the film tax credits, but was subsequently reduced by Senate Bill 1 of the 28th Special Session (2014).

Chair Carlton asked whether the Committee had any questions on the bill.

Assemblywoman Titus said she would not support transferable tax credits to any industry and would vote no on this bill.

Chair Carlton asked for any further questions on the bill and, hearing none, said she would accept a motion to do pass the bill.

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS
ASSEMBLY BILL 492.

ASSEMBLYMAN ARAUJO SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus voted no.
Assemblyman Anderson was not present for the vote.)

Chair Carlton said she would present the floor statement on the bill.

Assembly Bill 106 (1st Reprint): Revises provisions governing state governmental procurement. (BDR 27-295)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 106 (1st Reprint) had a fiscal note presented by the Office of Labor Commissioner for \$193,926 in fiscal year (FY) 2018 and \$220,034 in FY 2019. However, an email from the Labor Commissioner withdrew the fiscal note from the bill as amended. No other fiscal notes had been submitted on the bill. Jeff Haag, Administrator, Purchasing Division, Department of Administration, said that the eProcurement system that was approved as part of the budget would facilitate the completion of tasks related to this bill.

Chair Carlton asked whether the Committee had any questions on the bill. Hearing none, she said she would accept a motion to do pass as amended.

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS AS AMENDED
ASSEMBLY BILL 106 (1ST REPRINT).

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

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

Chair Carlton asked Assemblywoman Spiegel to present the floor statement on the bill.

Assembly Bill 421 (1st Reprint): Revises provisions relating to corrections. (BDR 16-1058)

Chair Carlton reminded the Committee that Assembly Bill (A.B.) 421 (1st Reprint) was presented by Assemblyman James Ohrenschall, Assembly District No. 12, and was heard earlier in the day. The amendments removed all the fiscal notes. There was no opposition to the bill. She asked whether the Committee had any questions on the bill and, hearing none, said she would accept a motion to do pass as amended A.B. 421 (R1).

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS AS AMENDED
ASSEMBLY BILL 421 (1ST REPRINT).

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

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

Chair Carlton asked Assemblyman Sprinkle to present the floor statement on the bill.

Assembly Bill 428 (1st Reprint): Revises provisions governing the acquisition and use of opioid antagonists. (BDR 40-620)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 428 (1st Reprint) authorized a pharmacist to furnish an opioid antagonist without a prescription under certain circumstances to a person at risk of experiencing an opioid-related drug overdose or to a family member, friend, or other person who was in a position to assist a person experiencing an opioid-related drug overdose. All fiscal notes were removed by the amendments. The original bill included provisions related to providing opioid antagonists at schools. Assemblyman Sprinkle testified that school involvement was not his intent in the bill. Those portions of the bill were amended and removed. There was no fiscal effect to the amended bill.

Chair Carlton asked whether there were any questions on the bill and, hearing none, said she would accept a motion on the bill to do pass as amended.

ASSEMBLYMAN FRIERSON MOVED TO DO PASS AS AMENDED
ASSEMBLY BILL 428 (1ST REPRINT).

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Chair Carlton asked Assemblyman Sprinkle to present the floor statement on the bill.

Senate Bill 519 (1st Reprint): Makes supplemental appropriations to the Division of Child and Family Services of the Department of Health and Human Services for a projected shortfall for adoption subsidies. (BDR S-1181)

Chair Carlton said Senate Bill 519 (1st Reprint) was a supplemental appropriation. There were no amendments to the bill. She asked whether there were any questions on the bill and, hearing none, said she would accept a motion to do pass.

ASSEMBLYMAN FRIERSON MOVED TO DO PASS SENATE BILL 519 (1ST REPRINT).

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Chair Carlton said she would present the floor statement on the bill.

Senate Bill 525: Makes a supplemental appropriation to the Nevada Highway Patrol Division of the Department of Public Safety for a projected shortfall related to higher than anticipated costs for providing protective services for dignitaries visiting the State of Nevada. (BDR S-1182)

Chair Carlton said Senate Bill (S.B.) 525 was heard earlier in the day. The bill was a supplemental appropriation to the Nevada Highway Patrol, Department of Public Safety, for dignitary protection. There were no proposed amendments to S.B. 525. She asked whether the Committee had any questions on the bill and, hearing none, said she would accept a motion to do pass on the bill.

ASSEMBLYMAN FRIERSON MOVED TO DO PASS SENATE BILL 525.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Chair Carlton said she would present the floor statement on the bill.

Senate Bill 526: Makes supplemental appropriations to the Division of Child and Family Services of the Department of Health and Human Services for projected shortfalls related to child and adolescent services. (BDR S-1169)

Chair Carlton said Senate Bill (S.B.) 526 was heard earlier in the day. The bill was a supplemental appropriation to the Division of Child and Family Services (DCFS), Department of Health and Human Services, for the shortfalls related to the adoption subsidy.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that S.B. 526 was related to a shortfall regarding Certified Public Expenditures (CPE). The agency owed money to repay Medicaid after the CPE reconciliation. The Division of Child and Family Services reconciled the money received from Medicaid to support mental health activities for DCFS children. There were no proposed amendments to the bill.

Chair Carlton asked whether the Committee had any questions on the bill and, hearing none, said she would accept a motion to do pass on the bill.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO DO PASS
SENATE BILL 526.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Chair Carlton said she would present the floor statement on the bill.

Assembly Bill 303 (1st Reprint): Requires that core correctional services be provided only by the State or a local government with certain exceptions. (BDR 16-1103)

Chair Carlton said Assembly Bill (A.B.) 303 (1st Reprint) was heard last evening. The bill required that core correctional services be provided only by the state or a local government with certain exceptions. Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1, presented the prison privatization bill. All the fiscal notes had been removed.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, confirmed that the fiscal notes on A.B. 303 (R1) had been removed. The Department of Corrections would no longer contract for core corrections services in out-of-state or private facilities after June 30, 2022; therefore, the bill did not affect the

2017-2019 biennium. The bill allowed \$12 million in each year of the 2017-2019 biennium to be used to house 200 inmates out-of-state pending the rehabilitation of one of the housing units currently used by the Department of Corrections. A new housing unit would be built for the Department of Corrections. Both projects were included in the approved capital improvement projects for the 2017-2019 biennium. The fiscal notes for the bill had been removed. The Director of the Department of Corrections testified in the neutral position on the bill and said that the bill comports with the budget approved by the money committees.

Chair Carlton asked whether there were any questions on the bill and, hearing none, said she would accept a motion of do pass as amended.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO DO PASS AS AMENDED ASSEMBLY BILL 303 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

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

Chair Carlton asked Assemblyman Araujo to present the floor statement on the bill.

Assembly Bill 327 (1st Reprint): Revises provisions relating to records of criminal history. (BDR 14-658)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 327 (1st Reprint) was heard last night, and Assemblyman William McCurdy II, Assembly District No. 6, presented the bill. Assemblyman Steve Yeager, Assembly District No. 9, was also present. There was a fiscal note on the bill from the Department of Public Safety Central Repository. However, based on the amendment on A.B. 327 (R1), the fiscal note was removed.

Chair Carlton asked whether the Committee had any questions on the bill and, hearing none, said she would accept a motion on the bill to do pass as amended.

ASSEMBLYMAN FRIERSON MOVED TO DO PASS AS AMENDED ASSEMBLY BILL 327 (1ST REPRINT).

ASSEMBLYWOMAN SWANK SECONDED THE MOTION.

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

Chair Carlton asked Assemblyman Sprinkle to present the floor statement on the bill.

Assembly Bill 354 (1st Reprint): Revises provisions relating to employment practices. (BDR 18-275)

Chair Carlton said Assembly Bill (A.B.) 354 (1st Reprint) related to employment practices and was sponsored by Assemblywoman Dina Neal, Assembly District No. 7.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that A.B. 354 (R1) required the Department of Employment, Training and Rehabilitation (DETR) to provide certain information to the Legislative Counsel Bureau and post certain information on its website regarding unemployment information by certain demographic categories. An unsolicited fiscal note was submitted on the bill of \$2.6 million in fiscal year (FY) 2018 and \$3.2 million in FY 2019. A mock-up amendment was provided to clarify that the information in those reports and on the website would be based on information currently available to DETR. That amendment removed the fiscal note because DETR would not have to conduct additional surveys to gather the information. William Anderson, Chief Economist, Department of Employment, Training and Rehabilitation, testified in the neutral position on the bill. He clarified that the information would be based on what the Department was able to gather and compile with existing resources. The motion to be considered by the Committee would be amend and do pass to accept the mockup amendment that was prepared by the Legal Division, Legislative Counsel Bureau.

Chair Carlton asked whether there were any questions from the Committee and, hearing none, said she would accept a motion to amend and do pass.

ASSEMBLYWOMAN DIAZ MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 354 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Edwards voted no.
Assemblyman Anderson was not present for the vote.)

Chair Carlton asked Assemblywoman Diaz to present the floor statement on the bill.

Assembly Bill 366 (1st Reprint): Creates four behavioral health regions in the State and a regional behavioral health policy board for each region. (BDR 39-987)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 366 (1st Reprint) created four behavioral health regions and a regional behavioral health board for each region. A fiscal note was submitted by the Division of Public and Behavioral Health, Department of Health and Human Services, for \$12,501 in each year of the 2017-2019 biennium. However, a letter dated May 11, 2017, stated that agency meetings could occur via video or telephone conference, thus removing the

fiscal note. Assemblyman Nelson Araujo, Assembly District No. 3, presented A.B. 366 (R1). There were no fiscal notes or amendments on the bill.

Chair Carlton asked whether the Committee had any questions on the bill and, hearing none, said she would accept a do pass as amended.

ASSEMBLYWOMAN SPIEGEL MOVED TO DO PASS AS AMENDED
ASSEMBLY BILL 366 (1ST REPRINT).

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Chair Carlton asked Assemblyman Araujo to present the floor statement on the bill.

Assembly Bill 402 (1st Reprint): Proposes to exempt sales of feminine hygiene products and diapers from sales and use taxes and analogous taxes. (BDR 32-830)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 402 (1st Reprint) was presented by Assemblywoman Sandra Jauregui, Assembly District No. 41. The bill proposed to exempt feminine hygiene products and diapers from sales tax. The bill provided for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption from the tax on feminine hygiene products and diapers. The fiscal effect of the bill was estimated by the Secretary of State at \$69,897. Those costs were for the ballot question publication and were paid from the Reserve for Statutory Contingency Account, which was managed by the State Board of Examiners. That amount was a normal cost for any initiative petition or ballot question that was presented to the voters. Assembly Bill 499 (1st Reprint) replenished the Reserve for Statutory Contingency Account with an appropriation of approximately \$2 million, which would leave the Account in sound condition for the 2017-2019 biennium. The Department of Taxation was unable to determine the fiscal cost of the exemption. If the measure was approved by the voters, it would become effective in January 2019.

Chair Carlton asked whether the Committee had any questions on A.B. 402 (R1).

Assemblywoman Titus said she would not support the shifting of taxes because when one tax was eliminated, the burden was shifted to other taxes. However, putting the question on the ballot to let the voters of Nevada choose was the right thing to do. She believed that all tax questions should be placed on the ballot for the voters to decide. She would support the bill.

Chair Carlton said the reason why this question would need to go before the voters was that a vote on the 2 percent tax was required by the *Nevada Constitution*. The 2 percent tax could only be changed by a vote of the people. The other portions of the sales tax could be

changed by the Legislature. A decision was made to place all portions of the tax before the voters to simplify the process. She asked whether there were any further questions on the bill and, hearing none, said she would accept a motion on A.B. 402 (R1).

ASSEMBLYMAN FRIERSON MOVED TO DO PASS AS AMENDED
ASSEMBLY BILL 402 (1ST REPRINT).

ASSEMBLYWOMAN SWANK SECONDED THE MOTION.

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

Chair Carlton asked Assemblywoman Swank to present the floor statement on the bill.

Chair Carlton said the Committee had completed the items on the agenda and the work session. There were other bills pending that had fiscal impacts that would have to be addressed later. Assemblyman Carrillo's bill still had some problems that needed to be dealt with before processing. Those matters appeared to be more policy in nature than fiscal, but she needed clarification before the bill was processed. There was no longer a need to hold a meeting this evening. She asked the members to be prepared to meet tomorrow and tomorrow night. She did not anticipate holding a meeting Thursday evening or Friday evening because the deadline for passage by the second house occurred on Friday and the floor session would be long. Unless an urgent matter occurred, she would call a meeting behind the bar for other matters.

Chair Carlton called for public comment.

Chip Evans, private citizen, Reno, Nevada, testified in opposition to Senate Bill 506, the school voucher bill. He was a parent of three children. He, his wife, and their children had attended both public and private schools. He said public funds should remain in public schools. There were some things that were worth fixing, and that included the schools. One of the things not worth fixing was the school voucher bill. Schools could be made to work, but he did not believe the voucher bill could work. He asked the Committee to join him in resisting the bill because means testing, which was a fallback position, was fatally flawed. Means testing was a narrow fix, which limited some upper-income families who already had choice. Means testing did not expand choice for the poor who would still be unable to pay the difference between any subsidy provided by the state and the private school tuition. Only a narrow band of individuals might be able to cover that cost. Everyone would be better served if the state focused money and energy on improving public schools and left the hard work of educating children to the public education system.

Chair Carlton asked for further public comment and there was none. There being no further business to come before the Committee, Chair Carlton adjourned the meeting at 10:07 a.m.

RESPECTFULLY SUBMITTED:

Janice Wright
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a proposed conceptual amendment to Assembly Bill 421 (1st Reprint) submitted by Assemblyman James Ohrenschall, Assembly District No. 12.

[Exhibit D](#) is a collection copies of four documents related to oil and gas leases and oil productions in Nevada submitted by Assemblyman Justin Watkins, Assembly District No. 35, in support of Assembly Bill 159 (1st Reprint).

[Exhibit E](#) is a copy of a document titled "Proposed changes to Regulations CAP 522 and 534A about Hydraulic Fracturing," presented by Christian Francisco Gerlach, representing the Sierra Club, in support of Assembly Bill 159 (1st Reprint).

[Exhibit F](#) is a document titled "One-Shot Funds for the Legislative Counsel Bureau," related to Assembly Bill 501, presented by Rick Combs, Director, Legislative Counsel Bureau.

[Exhibit G](#) is a proposed amendment to Assembly Bill 501 submitted by Rick Combs, Director, Legislative Counsel Bureau.

[Exhibit H](#) is a proposed amendment to Assembly Bill 7 (1st Reprint) submitted by Steve Canavero, Ph.D., Superintendent of Public Instruction, Department of Education.