

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

**Seventy-Ninth Session
May 30, 2017**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 9:06 a.m. on Tuesday, May 30, 2017, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/79th2017.

COMMITTEE MEMBERS PRESENT:

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

COMMITTEE MEMBERS EXCUSED:

Assemblyman Jason Frierson, Vice Chair

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Sarah Coffman, Principal Deputy Fiscal Analyst
Jeff Ferguson, Senior Program Analyst
Karen Hoppe, Senior Program Analyst
Adam Drost, Program Analyst
Carol Thomsen, Committee Secretary
Lisa McAlister, Committee Assistant



Chair Carlton adjourned the meeting from May 29, 2017, which because of time constraints, was not reconvened.

After roll was called, the Chair opened the hearing on Assembly Bill 422 (1st Reprint).

Assembly Bill 422 (1st Reprint): Revises provisions relating to the use of marijuana. (BDR 40-983)

Assemblyman Nelson Araujo, Assembly District No. 3, stated that the sole purpose of Assembly Bill (A.B.) 422 (1st Reprint) was to preserve the medical marijuana program amidst the changes that would occur. Over the past few years, the medical marijuana program had been very effective, but because recreational marijuana was approved by the voters in 2016, it was important to make significant changes to the way the medical marijuana program was managed to ensure that the program remained robust, strong, and protected, and continued to benefit patients over the long term.

Assemblyman Araujo introduced Riana Durrett, who he said would walk the Committee members through Exhibit C, a mock-up of proposed amendment 4953 to A.B. 422 (R1) dated May 25, 2017, and Exhibit D, a revised version of a mock-up of proposed amendment 4953 to A.B. 422 (R1) dated May 30, 2017. Copies of both exhibits had been presented to the Committee and copies of which were available on the Nevada Electronic Legislative Information System (NELIS).

Assemblyman Araujo indicated that all partners and stakeholders had come together to ensure that the proposed amendments encompassed all ideas and recommendations from the various stakeholders. He thanked the stakeholders for their collaborative efforts.

Riana Durrett, Executive Director, Nevada Dispensary Association, said the Association represented over 80 percent of the dispensaries statewide and over 90 percent of the dispensaries in Southern Nevada.

She stated that the main provisions of A.B. 422 (R1) were as follows:

- Transfer oversight of a portion of the medical marijuana program from the Department of Health and Human Services (DHHS) to the Department of Taxation. The Division of Public and Behavioral Health, DHHS, would retain oversight of the patient-related portions of the program.
- Streamline the process for persons to become medical marijuana patients; reduce the fees associated with the medical marijuana card; allow patients to renew their card every two years rather than every year depending upon the physician's recommendation; and clarify that dispensaries could recognize physician authorizations from other jurisdictions.

- Allow potential employees to apply directly to the state to obtain a card that would allow them to work at any medical marijuana establishment, rather than the current system of having the employers apply for the employees.
- Allow independent contractors to obtain approval to work in various medical marijuana establishments.
- Streamline requirements for renewing a medical marijuana establishment certificate and ban vending machines.

Ms. Durrett concluded her presentation, and she stated she would be happy to answer questions.

Chair Carlton asked about banning vending machines: she wondered whether such machines had actually been considered.

Ms. Durrett said vending machines were a concern of one stakeholder in the law enforcement group, and the Association had worked with law enforcement on that condition.

Assemblywoman Bustamante Adams asked about independent contractors.

Ms. Durrett explained there were currently independent contractors working in medical marijuana establishments. Those contractors were needed for various tasks such as the stacking or trimming that occurred in different seasons; those independent contractors were not full-time employees. Currently, independent contractors had to have an agent card for every facility where they worked, which could require as many as 50 approvals from the state and 50 sets of fingerprints. One provision of the bill was that once an independent contractor was approved to work in one medical marijuana establishment, he or she could work in all other establishments after having gone through the requisite background check.

Chair Carlton said she would equate that to a sheriff's card such as the one she was required to carry as a waitress; she was not required to have one for each employer, but one card that she carried while working.

Assemblyman Sprinkle asked for clarification about the money flow. The revenue would be received by the establishments and would then go to the Department of Taxation, but there had to be some budgetary expense for DHHS to manage the program.

Assemblyman Araujo explained that one of the solutions that was agreed upon was the desire to continue issuing patient cards; however, for the patient cards to be distributed and for the Division of Public and Behavioral Health (DPBH), DHHS, to periodically oversee and supervise the flow of prescriptions and the issuance of the cards, there needed to be sufficient money to keep the program alive and stable. Therefore, the enabling language proposed in the amendments would authorize DPBH to charge up to \$50 for the patient card for one year or up to \$100 for 2 years. That would give DPBH flexibility to make adjustments to the card

fee as needed. Assemblyman Araujo said that calculation was agreed upon by stakeholders to maintain sufficient revenue to keep the program running and ensure DPBH had all the resources it needed for the program.

Assemblyman Sprinkle said it appeared the conclusion was reached that the funding for the cards would be sufficient to sustain that part of the medical marijuana program within DHHS, and all revenue received from other sources would go to the Department of Taxation.

Assemblyman Araujo stated that was correct. The card revenue was specifically for the DPBH, and all additional revenue would be administered through the Department of Taxation to help run the remainder of the program.

Chair Carlton wanted to ensure that the medical marijuana program was protected and that medical marijuana was considered a medicine; the program was not a revenue generator and should not be perceived as such. Maintaining the card separately through the DPBH within DHHS was a good idea. However, Chair Carlton said, the way the revenue would be handled could be a concern, and she did not want anyone to think it was simply revenue for the state. Ultimately, she wanted reassurance that medical marijuana would be protected the same as all other medicines and would not be taxed in the future.

Assemblyman Araujo emphasized that the amendments came about because of the many concerns about ensuring the medical marijuana program maintained its integrity, that patients felt they were being treated fairly, and that there would be an incentive to participate in the program. There had been many conversations with DPBH regarding the medical marijuana cards, and everyone appeared to be on the same page concerning revenue. No one was attempting to make revenue from the medical marijuana program, and everyone wanted to do everything possible to ensure that the program survived. Assemblyman Araujo said during past conversations with DPBH, the cost of the card was estimated at between \$35 and \$45, and that would give DPBH some flexibility to make enhancements to the program that might require additional resources.

Assemblywoman Titus said she was also concerned and hoped that by identifying medical marijuana as medicine it would not be taxed as a luxury. She had not had an opportunity to review the amendments, and she asked for clarification regarding the statement that required the attending physician to keep valid written documentation for patients and make that information available to DPBH upon request. That information would include proof that the person was a citizen of Nevada, along with other documentation. That apparently was new language, and Assemblywoman Titus said she had concerns that the onus would be on the physician to maintain such information. The charts typically maintained for patients did not include information regarding the citizenship of the patient.

Assemblyman Araujo said that was an important point. Another concern that he hoped the bill would address was guaranteeing that DPBH had the ability to ensure everyone was held accountable for the issuance of prescriptions. Part of that language referred to the Division's preferred provider list, and that list would influence the effectiveness of the program. The

language instructed preferred providers to prepare such files as described by Assemblywoman Titus, in the event DPBH needed to verify that the information submitted through its central portal was accurate and fair and that no one was abusing the program. There was an incentive to using the program, which was great for medical marijuana patients, but she hoped there would be no gaps in the process that provided a loophole for program abuse.

Assemblyman Araujo believed that the preferred providers already maintained such files, and the bulk of the work was being done by a select few preferred providers. The hope was that the language would ensure that DPBH had the ability to hold everyone accountable. The goal was to protect the program and ensure that there was strong accountability for the program.

Assemblywoman Diaz said the bill referred to a dually licensed medical marijuana dispensary that could sell both medical and recreational marijuana. She wondered how those transactions would be differentiated by the dispensary, and how the medical marijuana consumer would be advised that there was no tax for medical marijuana. She also wondered how the state would ensure consumer protection for medical marijuana users.

Ms. Durrett said the taxes would be determined at the point of sale. There was another bill making its way through the process that would impose the same taxes at the wholesale and retail level, so that products would be maintained in a single tax stream. The medical marijuana dispensaries would determine the difference at the register. The consumer would indicate that it was a medical product because medical marijuana patients would receive an approximate 10 percent discount.

Assemblywoman Diaz wondered about the language regarding fingerprints and the owners who would be carved out. The bill indicated that if a person held 5 percent or less of the ownership interest in any one medical marijuana establishment or held an ownership interest in more than one medical marijuana establishment of the same kind that when added together equaled 5 percent or less, that person would not have to submit fingerprints. Assemblywoman Diaz asked for clarification about such language and why the language was necessary.

Ms. Durrett explained that owners had to renew their registration certificate every year. The owners were currently required to submit the same documentation that was originally submitted each year, including operational plans and documents that had not changed throughout the year. Owners were also required to submit fingerprints. Some owners held a very small percentage of the business and were not involved in the establishment itself. Some companies had difficulty tracking down such owners to provide fingerprints every year to submit the significant amount of information again. The bill would require fingerprints every three years if an owner had a larger percentage of the company and every five years if the owner had less than a 5 percent interest in the company.

Chair Carlton commented about the necessity for fingerprinting every year, and she wondered why the fingerprints were renewed rather than running a criminal background check.

Assemblyman Araujo said that Ms. Contine from the Department of Taxation could explain why she felt there was importance to the fingerprinting element. Chair Carlton said that when Ms. Contine came forward to testify on the bill she could provide that information. However, once a person had been fingerprinted and was in the system, it appeared to be unnecessary to continue fingerprinting each year.

Chair Carlton asked whether there was testimony to come before the Committee in support of A.B. 422 (R1).

Testifying from Las Vegas, Mona Lisa Samuelson stated that she was Nevada's first marijuana patient, advocate, and community activist. She stated that she strongly supported the bill because the medical marijuana program had to be kept alive. The Legislature had to ensure there were no loose ends with marijuana legislation and had to take the time to fine-tune the program.

Ms. Samuelson said patients were in support of the move to the Department of Taxation because medical marijuana would encompass a small number of persons. Medical marijuana patients wanted the program regulated under the same arm of government, so there were fewer cumbersome regulations.

As Nevada's most outspoken medical marijuana patient advocate and community activist, Ms. Samuelson said she would explain why medical marijuana patients were against some provisions set forth in A.B. 422 (R1). Assemblyman Araujo had explained that he sponsored the bill because he deeply cared about the medical marijuana program and hoped to see legislation that fought to protect that program amidst the transition. There were also concerns about moving the medical marijuana regulation from the DPBH, DHHS, to the Department of Taxation, and how that might result in marijuana not being treated as a medical product, further blending the lines and erasing all distinction.

Those who were suffering medical problems wanted a very distinct medical marijuana program, and without passage of A.B. 422 (R1), there was nothing stopping patients from simply using their driver's licenses instead of their medical marijuana cards to purchase marijuana. Should the bill pass as written, there would be no difference between the purchase of medical marijuana or recreational marijuana, which Ms. Samuelson said was heartbreaking. She said that all medical marijuana users hoped the industry understood marijuana and cared about the needs of the patients. The industry wanted to do away with an expensive process and it appeared the industry felt there was no difference other than the price the industry charged.

For the patient, the distinction was very clear between medical use and recreational marijuana, and it was not about the cost. Ms. Samuelson commented that using medical marijuana was about using the entire cannabis plant. Patients consumed marijuana medicinally and used it as a nutritive supplement to address serious medical maladies.

Nevada had been a strict grow-your-own state for 17 years, and patients had learned exactly how to use cannabis to effect the best health, which was not a profitable endeavor. Consuming marijuana as a party drug was profitable, but harvesting the plant and using it as a fruit or vegetable for a nutrient supplement was not as profitable. Ms. Samuelson believed that was the real issue. Most marijuana plant matter was not active until it was heated, and only medical marijuana patients had any interest in consuming it. Patients understood that the chemicals in marijuana, when consumed correctly, could do much more than simply get a person high. It could save a patient's life. When consumed properly, marijuana was the key to phenomenal health and well-being, which was why patients wanted a system that included and supported patient home growth.

Ms. Samuelson said the bill, as presented today, would eliminate the state's verification process that included patient background checks, and would maintain home growth, that element should not be eliminated. Furthermore, she said the state should focus on building the medical marijuana program, fine-tuning it into something viable for Nevada's most vulnerable and suffering. There was a peak demand for medical marijuana cards, and 27,000 Nevada residents were currently on the registry. Everyone openly acknowledged the requirements to sign up to be on Nevada's medical marijuana registry were stringent, and the costs were steep in comparison to other state programs, but Nevada's medical marijuana patients were not adverse to those factors, as long as paying more would substantiate a valid medical marijuana program.

Ms. Samuelson said any state-run medical marijuana program must include provisions that allowed for the sale of fresh and live marijuana plants. The industry must be held accountable for providing the correct information and the proper education about the intelligent and medicinal use of marijuana.

Chair Carlton thanked Ms. Samuelson for her presentation. The Chair asked whether there was further testimony to come before the Committee on AB. 422 (R1).

William Adler, representing the Sierra Cannabis Coalition, stated that the Coalition supported the bill. The bill would update the medical marijuana program with provisions that should have been considered in 2015. The bill would do much for the industry and would keep the medical program valid and useful for not only Nevada's patients, but for Nevada's medical marijuana industry. The bill would help streamline the industry and make it more effective.

Chair Carlton commented that the bill would allow medical marijuana to proceed and was the key to the survival of the medical marijuana program.

The Chair asked whether there was further testimony in support of, in opposition to, or neutral on A.B. 422 (R1).

Deonne E. Contine, Executive Director, Department of Taxation, stated that the Department was neutral on the bill. She commented that there was a fingerprint provision for the Department because Question 2 [a 2016 ballot question approved by the voters] required the Department to conduct background checks; however, the FBI required a state agency to have specific statutory authority to submit fingerprints. Therefore, there was a provision included in the bill for that statutory authority. The concern was that the provision would become effective on January 1, 2020, and the Department needed the authority to conduct background checks immediately.

Ms. Contine stated she had discussed the effective date with Assemblyman Araujo, and there would be an additional amendment to change that effective date and make it effective upon passage and approval. She noted the Department was already receiving applications, and she appreciated Assemblyman Araujo including that provision in the bill.

Assemblyman Araujo stated he had just received [Exhibit E](#), a mock-up of proposed amendment 5140 to A.B. 422 (R1), which included an effective date of upon passage and approval. A copy of the amendment would be provided to the Committee, and a copy would be available on the Nevada Electronic Legislative Information System (NELIS).

Chair Carlton asked whether there was further testimony to come before the Committee on A.B. 422 (R1), and there being none, the Chair closed the hearing. The Chair opened the hearing on the Authorizations Act, bill draft request (BDR) S-1186.

BDR S-1186—Authorizes expenditures by agencies of the State Government for the 2017-2019 biennium. (Later introduced as [Senate Bill 545](#).)

Karen Hoppe, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the Authorizations Act represented authority for agencies to collect and expend sums not appropriated from the State General Fund and the State Highway Fund, such as federal grants, gifts, service fees, and other funds. Additionally, because of specific statutory language for each agency, the Act included authority for the Nevada Gaming Control Board and the Nevada Gaming Commission to expend State General Funds over the 2017-2019 biennium. Similarly, the Act included authority for the Department of Transportation to expend State Highway Funds over the 2017-2019 biennium.

Ms. Hoppe stated that section 1 included the authorizations from the budgets that the money committees had heard during the 2017 Legislature.

In the interest of time, Ms. Hoppe said she would only discuss the sections that contained new language. The sections that would not be discussed because they contained carryover language from the prior biennium were:

Section 2; sections 4 through 9, inclusive; sections 12 through 15, inclusive; and sections 20 through 23, inclusive.

Section 3, subsection 4 provided State General Funds of \$100,000 in fiscal year (FY) 2018 for special counsel for the Nevada Gaming Control Board, with any unexpended amount balanced forward to FY 2019 with the approval of the Interim Finance Committee (IFC).

Section 10 authorized the Department of Taxation to balance forward any license and permit fees for recreational marijuana received in the Department of Taxation budget for FY 2017 to the Marijuana Regulation and Control account for FY 2018.

Section 11 required the Office of Finance, Office of the Governor, to develop revenue general ledgers and expenditure categories for the Public Employees' Benefits Program budget account to enhance tracking and transparency, submit a work program revision reflecting the revised revenue general ledgers and expenditure categories, and submit a plan for tracking expenditures by participant group to IFC no later than August 31, 2017.

Section 16 contained carryover language from the prior biennium that had been revised. The language from the previous biennium allowed up to \$250,000 per year for the Division of Forestry, State Department of Conservation and Natural Resources, to be carried forward to the next year for the cost of firefighting and emergency response vehicles. Language had also been added to allow authority of up to \$175,000 per year for the Department's Forestry Conservation Camps.

Section 17 included the expenditure of \$1,092,105 in each year of the 2017-2019 biennium authorized for the State Active Duty budget account of the Office of the Military for the payment of salaries and fringe benefits, or other compensation, and meals for members of the Nevada National Guard called into state active duty.

Section 18 indicated that money authorized for the Account to Restore the Sagebrush Ecosystem for the payment of program expenditures could be expended for that purpose.

Section 19 provided that the \$844,187 balance of the allocation from the IFC Contingency Account approved for FY 2017 for the State Department of Conservation and Natural Resources Administration budget for sagebrush habitat improvement projects, which was subsequently transferred to the Account to Restore the Sagebrush Ecosystem, could be transferred within the Account to Restore the Sagebrush Ecosystem from one fiscal year to another and would not revert to the IFC Contingency Account.

Section 24 provided that amounts authorized for Early Intervention Services of the Department of Health and Human Services would be expended to continue the current service delivery model in which the caseload was split between the state and community providers, and each would be reimbursed according to the methods in place during the 2015-2017 biennium.

Ms. Hoppe concluded her presentation of the Authorizations Act, BDR S-1186.

Chair Carlton asked whether there were questions about any of the sections of the Act. There being none, the Chair asked Ms. Jones to explain the process related to the money bills.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the Committee would review the bill draft requests (BDRs) in draft form, and then there would be approximately 2 hours for any needed changes. Once the bills had been introduced, they were not changed or amended in any way throughout the remainder of the session. If an amendment were to be made, it could jeopardize the ability to complete the budgets prior to sine die.

The money bills were the culmination of the hard work of the Committee over the legislative session in hearing 448 budgets. The Authorizations Act did not include the State General Fund or State Highway Fund pieces, with the exception of the Nevada Gaming Control Board. That was slightly different because the law [*Nevada Revised Statutes* 463.330] required that the Board be authorized to spend State General Funds as opposed to having State General Funds appropriated to it; therefore, that was the reason the Nevada Gaming Control Board function was included in the Authorizations Act rather than the Appropriations Act.

Chair Carlton stated there had been concerns about Early Intervention Services, and section 24 of the Act contained strong language to ensure that the concerns about changes in the service delivery model would not occur during the 2017-2019 biennium. She said the Committee wanted to ensure that children were taken care of, and the model that had worked in the past for those children continued to work in the future. The Chair believed the language in section 24 was very strong and clear about how Early Intervention Services would be addressed.

Ms. Jones commented that there would also be back language in the Appropriations Act that would be heard later today. The Committee had to hear all money bills today. She noted that section 1 of the Authorizations Act included the amount that was appropriated to each agency, and the back language was the instruction book that provided rules of how the funds were to be expended to ensure that the budget was implemented consistent with legislative intent.

Chair Carlton asked whether there were any questions on BDR S-1186, and there being none, she asked members to review the BDR and be prepared to take appropriate action.

Chair Carlton opened the hearing on K-12 public education (State Distributive School Account), bill draft request (BDR) 34-1189.

BDR 34-1189—Ensures sufficient funding for K-12 public education for the 2017-2019 biennium. (Later introduced as [Senate Bill 544](#).)

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, walked the Committee through the sections of the K-12 public education (State Distributive School Account) BDR 34-1189 as follows:

Section 1 established the statewide basic support guarantee of \$5,897 per pupil in fiscal year (FY) 2018.

Section 2 established the basic support guarantee of \$5,967 per pupil in FY 2019, and included an estimated ad valorem adjustment because the Department of Education would update those figures based on projections from the Department of Taxation in FY 2018 for FY 2019.

Section 3 contained the State General Fund appropriation to the State Distributive School Account (DSA) of \$1,162,837,609 in FY 2018 and \$1,140,793,089 in FY 2019.

Section 4 authorized expenditures of \$420,494,044 in FY 2018 and \$446,248,075 in FY 2019 for the DSA, which also included other revenue resources such as the slot tax revenue, marijuana taxes, the Initiative Petition 1 [a 2009 ballot question approved by the voters] room tax revenue, and out-of-state sales tax revenue.

Section 7 contained the State General Fund appropriation for special education of \$186,670,566 in FY 2018 and \$199,819,875 in FY 2019.

Section 8 contained the State General Fund transfer for the special transportation costs to school districts of \$128,541 in FY 2018 and FY 2019.

Section 9 contained the National Lunch Program state-match requirement of \$588,732 in each year of the biennium.

Section 10 was the continuation from earlier education funding bills.

Section 11 contained the class-size reduction with teacher-to-pupil ratios of 17 pupils per licensed teacher in grades 1 and 2 and 20 pupils per licensed teacher in grade 3 in each year of the biennium.

Section 12 contained State General Fund appropriations of \$147,445,963 in FY 2018 to support those pupil-to-teacher ratios.

Section 13 contained State General Fund appropriations of \$152,142,582 in FY 2019 for class-size reduction.

Section 14 contained alternative plans for class-size reduction upon application and approval of the Superintendent of Public Instruction and excluded the Washoe and Clark County School Districts.

Section 16 contained the State General Fund appropriations of \$76,374,071 in FY 2018 and \$77,881,742 in FY 2019 for other state education programs. That included pass-through funding for school districts for various programs.

Section 16, subsection 3 contained \$18,260,398 for the adult high school diploma program in FY 2018 and FY 2019.

Section 16, subsection 6, paragraph (a) contained an appropriation of \$49,285 for the National Board of Teacher Certification Program in both years of the biennium.

Section 16, subsection 6, paragraph (b) contained an appropriation of \$668,740 in each fiscal year for the Counselor National Board Certification.

Section 16, subsection 6, paragraph (c) contained appropriations of \$449,142 in each fiscal year for LEA library books.

Section 16, subsection 6, paragraph (d) contained an appropriation of \$12,543,822 in each fiscal year for grants for career and technical education.

Section 16, subsection 6, paragraph (e) contained an appropriation of \$3,586,645 in both fiscal years for Jobs for America's Graduates Program.

Section 16, subsection 6, paragraph (f) contained an appropriation of \$850,000 in each fiscal year, with a maximum of \$50,000 to each of the 17 school districts to support special counseling services for elementary school pupils at risk of failure.

Section 16, subsection 6, paragraph (g) contained appropriations of \$18,798 in both fiscal years to pay the increase of salaries of professional school library media specialists.

Section 17 contained appropriations of \$6,374,243 in FY 2018 and \$8,274,243 in FY 2019 for the gifted and talented education programs.

Section 18 contained appropriations of \$3,338,875 in each year of the biennium for competitive state grants to school districts, charter schools, and nonprofit organizations for early childhood education programs.

Section 19 contained an appropriation of \$5 million for a college and career readiness grant program, which would support dual enrollment for pupils in high schools, and would create a competitive science, technology, engineering, and mathematics grant program for pupils

enrolled in middle schools and high schools. Of this funding, between \$500,000 and \$750,000 of the \$5 million in each fiscal year would be established for a new work-based pilot program to provide competitive grants.

Section 20 contained appropriations of \$2.5 million in each fiscal year for grants to underperforming schools or turnaround schools.

Section 21 contained \$20,537,953 in each fiscal year for the Read by Grade 3 program.

Section 22 contained appropriations of \$49,950,000 in each fiscal year for English learner (EL) grants in school districts. Senate Bill 390 (R1) contained the policy associated with that program.

Section 22, subsection 3 indicated that of the amount appropriated in subsection 1, \$38,741,220 was for the Clark County School District and \$7,307,685 was for the Washoe County School District for FY 2018. The FY 2019 appropriation for Clark County School District and Washoe County School District would be established based on the actual number of EL students in FY 2018.

Section 22, subsection 5 indicated that of the appropriation in subsection 1, \$3,901,095 in FY 2018 was for rural school districts and charter schools. The FY 2019 appropriation would be established based on the actual number of EL students in FY 2018.

Section 23 included appropriations of \$10 million in each fiscal year for the Nevada Ready 21 technology competitive grant program for statewide one-to-one pupil computing.

Section 24 contained an appropriation of \$25 million in each fiscal year for the Victory Schools program; the policy for that program was contained in Assembly Bill 447 (R2), which had been enrolled.

Section 25 contained appropriations of \$10,710,673 in each fiscal year to the Account for Programs for Innovation and the Prevention of Remediation to school districts for grants for contract or employee social workers or other licensed mental health workers in schools with identified needs.

Section 25, subsection 6 included authorizations of \$478,127 not appropriated from the State General Fund in both fiscal years for the block grant program.

Section 26 contained new teacher incentives of \$2.5 million in each fiscal year for teachers who were employed full-time to teach in a Title I school, or a one- or two-star school, as well as teachers who taught special education.

Section 27 appropriated \$7,560,948 in each fiscal year for Regional Professional Development programs.

Section 28 specified the allocations to the regions of the state served by Regional Professional Development programs totaling \$7,460,948 in each year of the biennium.

Section 29 allocated the sum of \$100,000 to the Statewide Council for the Coordination of Regional Training programs in each fiscal year for additional training opportunities for educational administrators in Nevada.

Section 30 appropriated \$4,866,478 in each fiscal year to the Great Teaching and Leading Fund, which provided additional professional development incentives and leadership training.

Section 30, subsection 5 authorized expenditures of \$40,776 not appropriated from the State General Fund in each fiscal year for the Great Teaching and Leading Fund.

Section 31 contained appropriations of \$100 in each fiscal year, as well as expenditure authorizations of \$1,999,900 in each fiscal year, for the extraordinary costs of serving students with disabilities.

Section 32 included appropriations of \$1 million in each fiscal year to the Grant Fund for Incentives for Licensed Educational Personnel to purchase one-fifth of a year retirement credit.

Section 33 contained appropriations of \$45,000 in each fiscal year to the Bullying Prevention Account for bullying prevention grants.

Section 34 contained an appropriation of \$2.5 million in each fiscal year to the Teach Nevada Scholarship Program Account to award grants to universities, colleges, and other providers of alternative licensure programs.

Section 34, subsection 3 authorized expenditures of \$13,892 not appropriated from the State General Fund in each fiscal year for the Teach Nevada Scholarship Program Account.

Section 35 contained appropriations of \$2.5 million in each fiscal year for the Teachers' School Supplies Reimbursement Account.

Section 36 authorized expenditures of \$185,056,000 in FY 2018 and \$191,092,000 in FY 2019 not appropriated from the State General Fund or the State Highway Fund by the Department of Education for the State Supplemental School Support Account.

Section 37 contained the charter school harbormaster program and continued the existing program into the 2017-2019 biennium. That program had been approved through Senate Bill 491 of the 78th Session (2015). The program was used to recruit high-quality charter school programs.

Section 38 enabled the continuation of the State Supplemental School Support Account transfer to the Distributive School Account (DSA) through the 2017-2019 biennium.

Sections 39 through 43 contained an amendment to the provisions of the Teach Nevada Scholarship Program and allowed for the withholding of 25 percent of the scholarships by the State Board of Education until completion of the program by the scholarship recipient.

Section 44 contained a transitory provision for the State Supplemental School Support Account revenue transfer to the DSA.

Section 45 related to the extension of the charter school harbormaster program into the 2017-2019 biennium.

Section 46 contained the effective dates. Section 46, subsection 2 related to the funding for the Zoom School Program contained in Senate Bill 390, and subsection 3 related to the funding for the Victory School Program contained in enrolled legislation.

Mr. Drost stated that concluded his presentation of BDR 34-1189, K-12 public education (Distributive School Account).

Chair Carlton asked whether there were questions from the Committee on BDR 34-1189.

Assemblywoman Spiegel referred to section 46, subsections 2 and 3 and asked for clarification.

Mr. Drost said that section 46, subsection 2 related to the effective date of Zoom School funding and subsection 3 related to Victory School Program funding.

Chair Carlton asked whether there were further questions and there were none.

Ms. Jones indicated that once the bills were introduced, the Assembly would hear the Pay Bill, the Appropriations Act, and the CIP; the Authorizations Act and the K-12 public education (DSA) would be heard by the Senate.

Chair Carlton noted that both the Assembly and Senate were hearing the bills as BDRs and were hearing the same information at the same time.

Chair Carlton opened the work session on Assembly Bill 382 (1st Reprint).

Assembly Bill 382 (1st Reprint): Establishes provisions governing payment for the provision of emergency services and care to patients. (BDR 40-570)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 382 (1st Reprint) was heard on May 27, 2017, and it required out-of-network hospitals with 100 or more beds that were not operated by a federal,

state, or local governmental entity or an out-of-network independent center for emergency medical care that was operated by a person who also operated such a hospital, under certain circumstances, to accept as payment in full for the provision of emergency services and care, an amount that the third party had negotiated with other hospitals in the state or 125 percent of the average amount paid by Medicare for the same services.

Ms. Jones referred to [Exhibit F](#), a mock-up of proposed amendment 4744 to [A.B. 382 \(R1\)](#), copies of which had been presented to the members of the Committee and a copy of which was available on the Nevada Electronic Legislative Information System (NELIS). She noted that a fiscal note had been submitted by the Public Employees' Benefits Program (PEBP) that had subsequently been removed. The Division of Insurance, Department of Business and Industry, had also removed its fiscal note.

Chair Carlton said that after the hearing on May 27, 2017, the concern was about a reasonable rate that would be offered, and in Section 17, subsection 2 of the proposed amendment, the language "shall accept as payment in full for such emergency services and care a reasonable rate offered by the third party" had been added. Chair Carlton said it was her intention as the sponsor of the bill to continue working on the bill. There had been interest in addressing other concerns as the bill moved forward, and she had given her commitment to everyone involved that she would keep working on the bill; however, the bill needed to remain in the process and continue moving forward because of time constraints. Chair Carlton reiterated that she had promised to continue working on the bill and she was hopeful that everyone was comfortable with that promise.

Chair Carlton asked whether there were questions from Committee members regarding [A.B. 382 \(R1\)](#).

Assemblyman Anderson commented that as he had reviewed the amendment, it appeared no fee had been established.

Chair Carlton said the original two-pronged approach had been contentious, and the amendment reflected a "reasonable rate," which should address some concerns; she noted there would be further discussions as the bill moved forward.

Assemblywoman Titus acknowledged the work and effort put into the bill by Chair Carlton and appreciated the addition of "reasonable rate" because that was a concern, but unfortunately, she stated she would still oppose the bill.

Assemblyman Edwards hoped that the final negotiations went well, but at the present time, he also opposed the bill.

Chair Carlton said the opposition was on the fiscal note, and the fiscal note had been removed from the bill. She wanted to ensure that everyone was aware that there was no fiscal note on the bill. The policy changes would not occur within the Assembly Committee on Ways and Means.

Assemblyman Oscarson stated that he had worked with Chair Carlton, and hearing her commitment to continue to work on concerns that were voiced on A.B. 382 (R1), he would support the bill.

There being no further questions on A.B. 382 (R1), the Chair called for a motion.

ASSEMBLYMAN SPRINKLE MOVED THAT THE COMMITTEE
AMEND AND DO PASS ASSEMBLY BILL 382 (1ST REPRINT).

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

Assemblyman Anderson agreed that the bill had come a long way, and he knew that Chair Carlton would stand by her word and work through the outstanding concerns. He believed it was important that the bill move forward as the discussion continued. Recognizing the time constraints, Assemblyman Anderson said he was in favor of moving the bill forward.

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

Chair Carlton stated she would handle the floor statement.

Chair Carlton continued with Assembly Bill 374 (1st Reprint).

Assembly Bill 374 (1st Reprint): Requires the Department of Health and Human Services, if authorized by federal law, to establish a health care plan within Medicaid for purchase by persons who are not otherwise eligible for Medicaid. (BDR 38-881)

Sarah Coffman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 374 (1st Reprint) required the Director of the Department of Health and Human Services to seek any necessary waivers of certain provisions of federal laws to allow a Medicaid managed-care program to be offered for purchase through the Silver State Health Insurance Exchange to persons who were otherwise ineligible for Medicaid.

Ms. Coffman explained that the bill contained an appropriation of \$89,540 in each year of the 2017-2019 biennium. The appropriation was for the Division of Health Care Financing and Policy for expenses needed to establish administration of the Nevada Care Plan. She noted that this appropriation was not included in The Executive Budget.

Chair Carlton asked whether there were questions from members of the Committee regarding A.B. 374 (R1).

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, believed that the appropriation had been amended into the bill, and other than the appropriation, there were no other fiscal notes on the bill.

Ms. Coffman stated that Ms. Jones was correct. Fiscal notes had been provided by the Silver State Health Insurance Exchange, the Division of Welfare and Supportive Services, and the Division of Health Care Financing and Policy, but those entities declared that no fiscal effect could be determined at the present time.

Assemblyman Oscarson believed that the bill would simply provide for exploration of options should those be needed, and the appropriation for staff seemed reasonable; he stated that he would support the bill.

There being no further questions on A.B. 374 (R1), the Chair called for a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE DO PASS ASSEMBLY BILL 374 (1ST REPRINT) AS AMENDED.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Assemblyman Sprinkle was assigned the floor statement.

Chair Carlton continued with Assembly Bill 388.

Assembly Bill 388: Making an appropriation for the Women's Health Connection Program. (BDR S-915)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 388 was heard by the Committee on April 10, 2017. The bill would make an appropriation of \$1 million in each year of the 2017-2019 biennium to the Women's Health Connection Program. This appropriation, she noted, was not included in The Executive Budget. The Program was administered through the Division of Public and Behavioral Health, Department of Health and Human Services, and provided funding in support of examinations for early detection of cervical cancer and breast cancer screenings for low-income, high-risk, uninsured, or underinsured women in Nevada.

Ms. Jones said the current program was 100 percent federally funded, but the appropriation in A.B. 388 would provide additional resources to the amount available. It was her understanding that the federal funding for the program might be in jeopardy and possibly

reduced. The bill was brought forward to retain and/or expand services, and Ms. Jones believed the amounts included in the bill would be amended.

Chair Carlton believed that was correct, and she asked Assemblywoman Benitez-Thompson to address the proposal regarding the amounts included in the bill.

Assemblywoman Benitez-Thompson stated that it was important for the state to appropriate funds for the Women's Health Connection Program for the first time for the state to recognize its responsibility by committing funding, which she believed was appropriate. The amended proposal would be for \$1 million over the 2017-2019 biennium rather than \$1 million in each fiscal year. Assemblywoman Benitez-Thompson believed that was a great first step for the state.

Chair Carlton indicated that the proposal would be for \$500,000 in each fiscal year of the upcoming biennium, and any unexpended funds would be carried forward to the next fiscal year. At the end of the biennium, any unexpended funds would revert to the State General Fund.

There being no further questions on A.B. 388, the Chair called for a motion.

ASSEMBLYMAN SPRINKLE MOVED THAT THE COMMITTEE
AMEND AND DO PASS ASSEMBLY BILL 388.

ASSEMBLYMAN ARAUJO SECONDED THE MOTION.

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

Assemblywoman Benitez-Thompson was assigned the floor statement.

Chair Carlton continued with 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, stated that Assembly Bill (A.B.) 501 made an appropriation to the Legislative Fund for dues and registration costs for national organizations and computer hardware replacement costs. The bill was heard by the Committee on May 23, 2017, as presented by Rick Combs, Director, Legislative Counsel Bureau. Mr. Combs offered an amendment to change the amount, reducing the appropriation from \$1,062,855 to \$1,058,788 and requesting that items for which the appropriation could be spent include radio replacements for the Legislative Police. The total reduction was \$4,067.

According to Ms. Jones, the bill also needed to be amended to change the effective date to be upon passage and approval instead of July 1, 2017.

There being no further questions or comments on A.B. 501, the Chair called for a motion.

ASSEMBLYMAN SPRINKLE MOVED THAT THE COMMITTEE
AMEND AND DO PASS ASSEMBLY BILL 501.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Chair Carlton stated she would handle the floor statement.

Chair Carlton continued with Assembly Bill 503.

Assembly Bill 503: Makes an appropriation to the Office of the Secretary of State for the second phase of the replacement of the Electronic Secretary of State System (ESOS) software and hardware. (BDR S-1193)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 503 made an appropriation of \$6,334,319 to the Office of the Secretary of State for the second phase of the replacement of the Electronic Secretary of State System (ESOS) software and hardware. The bill appropriated \$6,334,319 from the State General Fund for the second phase. As originally drafted, the bill would become effective on July 1, 2017; however, Fiscal Analysis Division staff would request that the effective date be amended to upon passage and approval.

There being no further questions on A.B. 503, the Chair called for a motion.

ASSEMBLYMAN OSCARSON MOVED THAT THE COMMITTEE
AMEND AND DO PASS ASSEMBLY BILL 503.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

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

Chair Carlton was assigned the floor statement.

The Chair continued with Assembly Bill 511.

**Assembly Bill 511: Makes an appropriation to the Millennium Scholarship Trust Fund.
(BDR S-1209)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 511 would make a \$20 million appropriation to the Millennium Scholarship Trust Fund to stabilize revenues in that Fund to provide scholarships through the end of the 2017-2019 biennium.

Ms. Jones indicated that the effective date of the bill needed to be amended from July 1, 2017, to upon passage and approval.

Chair Carlton noted that she had supported the Millennium Scholarship Fund throughout her service as a legislator and had enjoyed working with the late Governor Kenny Guinn in that endeavor.

There being no further questions on A.B. 511, the Chair called for a motion.

ASSEMBLYWOMAN DIAZ MOVED THAT THE COMMITTEE AMEND
AND DO PASS ASSEMBLY BILL 511.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

Assemblywoman Titus opined that it was unfortunate that the Legislature was required to continually find financing for the Millennium Scholarship Trust Fund each session, and she hoped that the legislative body would look at alternatives to the tobacco settlement funds because those funds continued to decrease. She supported the Millennium Scholarship Fund and believed it had helped an incredible number of Nevada students; however, she was concerned about the funding going forward.

Chair Carlton said everyone shared Assemblywoman Titus' concerns and wondered how to fund the Millennium Scholarship Fund in the future. There were other options that could be reviewed and other funds that could be spent toward higher education. Because that funding was currently not available, the funding options would be reviewed again in the future.

The Chair called for a vote on the motion currently before the Committee.

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

Assemblywoman Diaz was assigned the floor statement.

Chair Carlton continued with Assembly Bill 399 (1st Reprint). She explained that there had been concerns about the bill, and an amendment was being drafted to address those concerns, but the bill should move forward in the process. The intention of the Chair was to move the

bill to the floor after an in-depth discussion about the amendment, place it on the Chief Clerk's desk, and when the amendment was ready, the bill could proceed.

Assembly Bill 399 (1st Reprint): Establishes the Nevada State Infrastructure Bank.
(BDR 35-1129)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 399 (1st Reprint) was heard by the Committee on May 25, 2017, and established the Nevada State Infrastructure Bank for the purpose of providing loans and other financial assistance to various units of state and local governments to develop, construct, repair, improve, maintain, decommission, and operate and own transportation facilities or utility infrastructure projects. The bill created the Bank within the Department of Transportation and provided for governance by a board of directors that would be authorized to issue bonds and other securities to raise money to carry out the statutory provisions and powers.

Ms. Jones said A.B. 399 (R1) also created the Nevada Infrastructure Bank Fund to be administered by the board of directors and used exclusively to capitalize and carry out the statutory powers of the bank. To the extent money was available, the bill authorized the Department of Transportation to provide technical advice, support, and assistance to the Bank.

The bill indicated that the Governor would appoint an executive director to oversee the Bank and would allow for the hiring of additional staff; however, at the present time there was no funding in the bill to support that function. Ms. Jones stated that in working with the bill's sponsor, the proposed amendment would seek to indicate that those staff would be hired at the point when funding was available to support the positions through the various grants or other monies supplied to the Nevada Infrastructure Bank Fund, rather than being established in advance.

Ms. Jones said she would work with the Legal Division of the Legislative Counsel Bureau and the sponsor of the bill on the appropriate language that would be amended into the bill. The Department of Administration had originally submitted a fiscal note; however, the first amendment to the bill had removed the fiscal note.

Ms. Jones said the Department of Transportation had been contacted to determine whether the amendment that created the Infrastructure Bank within the Department would have a fiscal effect, and the Department indicated there would be no fiscal effect at the present time. The proposed amendment would address the language that indicated the executive director would hire staff in classified service to support that function; however, that would be dependent upon the timing of the funding.

Chair Carlton said it was her understanding that to keep A.B. 399 (R1) moving through the process, the motion for the Committee would be do pass, and the amendment would be adopted on the floor. She asked whether that was correct.

Ms. Jones replied that there was also a proposed amendment on the definition of a utility infrastructure that was approved by the sponsor. Once the language regarding the additional positions was determined, Fiscal Analysis Division staff would recommend one amendment to the bill that included both changes in language. The motion for consideration by the Committee would be to amend and do pass; however, if the proposed amendments could not be combined, there would be two amendments.

There being no further discussion, the Chair called for a motion on A.B. 399 (R1).

ASSEMBLYWOMAN DIAZ MOVED THAT THE COMMITTEE AMEND
AND DO PASS ASSEMBLY BILL 399 (1ST REPRINT).

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

Assemblywoman Titus stated that she was concerned about the Department of Transportation going into the banking business, even though the Department had an incredible budget. She indicated she would oppose the bill.

Assemblyman Edwards stated he would support the bill to move it through the process, but he reserved his right to change his vote on the floor, depending upon the final amendments.

The Chair called for a vote on the motion currently before the Committee.

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

Chair Carlton said that she and Assemblywoman Bustamante Adams would handle the floor statement.

Chair Carlton continued with Assembly Bill 413 (1st Reprint) and she believed the fiscal note had been removed. She asked Ms. Jones to present the bill.

Assembly Bill 413 (1st Reprint): Makes various changes relating to electronic documents and electronic signatures. (BDR 12-597)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the fiscal note had been removed from Assembly Bill (A.B.) 413 (1st Reprint), and an amendment had been submitted as described in Exhibit G titled "Proposed Amendment to A.B. 413" dated May 27, 2017, a copy of which had been presented to members of the Committee and a copy of which was available on the Nevada Electronic Legislative Information System (NELIS).

There being no further questions, the Chair called for a motion on A.B. 413 (R1).

ASSEMBLYMAN SPRINKLE MOVED THAT THE COMMITTEE AMEND AND DO PASS ASSEMBLY BILL 413 (1ST REPRINT).

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

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

Chair Carlton said she would handle the floor statement.

Chair Carlton opened public comment and there was none.

The Chair declared the Committee in recess at the call of the Chair at 10:39 a.m. and reconvened the hearing at 6:22 p.m.

Chair Carlton stated that the Committee would review the Appropriations Act, bill draft request (BDR) S-1185.

BDR S-1185—Makes various changes regarding state financial administration and makes appropriations for the support of the civil government of the State. (Later introduced as [Assembly Bill 518](#).)

Jeff Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that sections 2 through 29 made appropriations from the State General Fund to the various state agencies for their operations. He noted that for fiscal year (FY) 2018, the appropriations totaled \$3,829,639,864, and for FY 2019, the appropriations totaled \$3,905,989,418.

Section 30 made appropriations from the State Highway Fund to the appropriate agencies. The total appropriation was \$470,570,484 for FY 2018 and \$466,417,847 for FY 2019.

Several sections contained carryover language from the prior biennium and would not be discussed today. Those sections were:

Sections 31 through 33, inclusive; section 36; section 43; section 49; sections 51 through 58, inclusive; sections 61 through 67, inclusive; sections 69 and 70; and sections 73 through 80, inclusive.

Mr. Ferguson addressed the sections that included new language as follows:

Section 34 required that the sums appropriated for Early Intervention Services in the Aging and Disability Services Division, Department of Health and Human Services (DHHS), had to be expended to continue the service-delivery model approved by the 2015 Legislature in which the caseload was divided between the state and community providers, and each was reimbursed according to the methods in place during the 2015-2017 biennium.

Section 35 indicated that the \$1 million in each fiscal year that was appropriated to the Office of Science, Innovation and Technology, Office of the Governor, to fund broadband development and improvements for schools and libraries was available for both fiscal years.

Section 37 provided that the sums appropriated to the Northern Nevada Adult Mental Health Services and the Southern Nevada Adult Mental Health Services, Division of Public and Behavioral Health, DHHS, could be transferred within each budget from FY 2019 to FY 2018 in an amount not to exceed \$2.75 million.

Section 38 indicated that of the amounts appropriated to the Office of Finance, Office of the Governor to Special Appropriations, a total of \$25,000 in FY 2018 was intended to support Civil Air Patrol operations. The sums appropriated would be available through FY 2021.

Section 39 indicated that of the amounts appropriated to the Office of Finance, Office of the Governor to Special Appropriations, a total of \$497,625 in FY 2018 and \$306,690 in FY 2019 represented a loan to the Division of Enterprise Information Technology Services (EITS), Department of Administration, to enhance the state's cybersecurity resources. The section also required that EITS repay those amounts to the State General Fund in annual installments of 25 percent of the amounts appropriated.

Section 40 indicated that of the amounts appropriated to the Department of Administration to Special Appropriations, a total of \$1,998,895 in FY 2018 was a loan to EITS to increase bandwidth and connectivity of the state's wide area network. Commencing on July 1, 2018, EITS would repay the State General Fund in annual installments of 25 percent of the amounts appropriated.

Section 41 required that the balance of the appropriation approved by the 2015 Legislature to the Office of the Secretary of State to finance the replacement of the existing Electronic Secretary of State (ESOS) software and hardware that was remaining at the end of FY 2017, less the sum of \$2.4 million, would not revert to the State General Fund. The balance would be carried forward into FY 2018 to fund expenses related to the replacement of the existing ESOS software and hardware. The funding would be available in both fiscal years of the 2017-2019 biennium.

Section 42 appropriated \$1,181,293 to the Federal Programs and Administration budget in the Aging and Disability Services Division, DHHS, in FY 2018 to support equipment for the home-delivered meals programs, and was available for both fiscal years. The funding could be transferred in the same budget account from one fiscal year to the other.

Section 44 indicated that of the amounts appropriated to the Conservation and Natural Resources Administration of the State Department of Conservation and Natural Resources, \$185,000 in each year of the biennium for contract services to update the Conservation Credit System Manual and Nevada's Scientific Methods Document and Habitat Quantification Tool would be available in both years of the biennium.

Section 45 indicated that of the amounts appropriated to the Division of State Parks, State Department of Conservation and Natural Resources, \$3,337,900 to fund construction and maintenance projects would be available for both fiscal years, and could be transferred within the same budget account from one fiscal year to the other.

Section 46 indicated that of the amounts appropriated to the Department of Corrections, \$4,785,000 in FY 2018 and \$6,351,000 in FY 2019 would be available for both fiscal years to fund the contract costs to provide housing for inmates out of state.

Section 47 indicated that any remaining balance of the \$1 million State General Fund appropriation approved by the 2015 Legislature for sagebrush habitat improvement projects would not revert to the State General Fund.

Section 48 indicated that any remaining monies at the end of FY 2017 received by the Administrator of the Securities Division, Office of the Secretary of State, as the result of an enforcement action relating to securities must be reverted to the State General Fund no later than September 15, 2017.

Section 50 appropriated from the State General Fund to the Interim Finance Committee (IFC) the sum of \$2,067,036 for FY 2019 for allocation to the Northern Nevada Veterans Home Account. The Department of Veterans Services would be required to submit an analysis demonstrating the need for the funds in FY 2019 and a plan for the use of the funds to the IFC before the funds could be allocated.

Section 59 was carryover language, but the amount was different. The section appropriated \$1,392,066 from the State General Fund in FY 2018 to the IFC for allocation to the Home and Community-Based Services account for costs of services provided by the Autism Treatment Assistance Program within the Aging and Disability Services Division, DHHS. The Division could receive those monies upon submittal of documentation that indicated a sufficient number of providers was available to provide treatment to additional children diagnosed with autism spectrum disorder in both fiscal years of the 2017-2019 biennium.

Section 60 appropriated from the State General Fund to the IFC the sum of \$516,779 for allocation to the Rural Child Welfare Account of the Division of Child and Family Services, DHHS, for FY 2019 to fund specialized foster care provider payments. The funds would be allocated by IFC upon submittal by the Division of an analysis demonstrating the need for the funds and a plan for the use of the funding.

Section 68 appropriated from the State General Fund the sum of \$683,656 to IFC in FY 2018 for allocation to the Nevada System of Higher Education to support the Nevada State Cloud Seeding Program administered by the Desert Research Institute. Those monies could be used in either fiscal year of the 2017-2019 biennium.

Section 71 appropriated from the State General Fund to the IFC the sums of \$370,235 in FY 2018 and \$329,340 in FY 2019 for allocation to the Division of Parole and Probation, Department of Public Safety, to supplement funding for a pilot reentry program. The IFC would allocate the funding upon submittal by the Division of documentation demonstrating that additional resources were needed to support the program.

Section 72 created the Non-State Retiree Rate Mitigation account within the State General Fund. The account would be administered by the Public Employees' Benefits Program (PEBP). The sums of \$2,405,225 in FY 2018 and \$1,807,304 in FY 2019 would be appropriated from the State General Fund to the Non-State Retiree Rate Mitigation account. The funds would be used in FY 2018 for the purpose of funding 100 percent of the costs of reducing the participant premium of a retired public officer or retired employee of any county, school district, or other local governmental agency whose coverage was provided through PEBP. The money in FY 2019 could only be used for the purpose of funding 75 percent of the cost of reducing the participant premium.

Section 81 appropriated the sum of \$3 million from the State General Fund to the Legislative Fund for the costs of the 79th Legislative Session.

Section 82 provided that sections 41, 47, 48, 49, 73, and 81 would become effective upon passage and approval, and that sections 1 through 40, inclusive; sections 42 through 46, inclusive; sections 50 through 72, inclusive; and sections 74 through 80, inclusive, would become effective on July 1, 2017.

Mr. Ferguson concluded his presentation and he would be happy to answer questions.

Chair Carlton thanked Mr. Ferguson, and asked the Committee to review BDR S-1185 and be prepared to take action. She asked Ms. Jones to explain the process going forward.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the BDR would be introduced by the Committee, and then the Senate would have the opportunity to review the bill. She believed the BDR would be introduced behind the bar later today. The Appropriations Act had to be placed on the Chief Clerk's desk for 24 hours to afford the full body the opportunity to review it. Once introduced, the bill would then move to the Senate; however, the Act could not be passed until the education bill had been passed. All bills that contained an appropriation for the upcoming biennium, or an appropriation that would be expended in the upcoming biennium, had to wait to be passed by the second house until the K-12 education funding bill was passed.

Chair Carlton asked whether there were any questions from the Committee, and there were none. She explained that after the Committee introduction of the Appropriations Act, BDR S-1185, the bill would be assigned back to the Committee, and it could then be moved and placed on the Chief Clerk's desk for the required 24-hour period.

Ms. Jones said it was her understanding that the clock started as soon as the BDR was introduced. The time frame would be 24 hours from the time the BDR was introduced on the floor and given a bill number; if the BDR was introduced by the Committee behind the bar today, that would be a quick turnaround, and the bill could then be heard and moved to the Senate.

Ms. Jones explained that when the money bills were brought back to the Committee for hearing, testimony would be taken, but staff would not walk the Committee through the sections of the bill again. Fiscal Analysis Division staff would be available for questions at that time.

Chair Carlton asked whether there were further questions regarding the Appropriations Act, BDR S-1185, and there were none. The Chair asked Ms. Jones to address the Pay Bill, bill draft request (BDR) S-1188.

BDR S-1188—Provides for compensation of state employees. (Later introduced as [Assembly Bill 517](#).)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the Committee had reviewed the Pay Bill, bill draft request (BDR) S-1188, and members had had an opportunity to review and consider the BDR. Fiscal Analysis Division staff would recommend that the Committee vote to introduce the BDR. The Pay Bill would sit with the other money bills in the Senate until the K-12 education bill was passed.

Ms. Jones said BDR S-1188 was an act relating to public employees, established the maximum allowed salaries for certain employees in the classified and unclassified service of the state, and made appropriations from the State General Fund and State Highway Fund for increases in the salaries of certain employees of the state.

Ms. Jones stated that also included in the BDR were the amounts set aside in the State General Fund and State Highway Fund to support the 2 percent cost-of-living adjustments (COLAs) in each fiscal year of the 2017-2019 biennium, which had been approved as a statewide decision. The money was not placed in every budget account, rather the funds were placed in an account that was maintained by the State Board of Examiners and would be allocated to agencies that needed additional funds to support the COLA increases.

Chair Carlton asked whether there were any questions on the Pay Bill, BDR S-1188, and there being none, the Chair called for a motion.

ASSEMBLYWOMAN BENITEZ THOMPSON MOVED FOR
COMMITTEE INTRODUCTION OF BDR S-1188.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

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

Chair Carlton reopened the work session with Assembly Bill 397.

Assembly Bill 397: Makes an appropriation for grants to local governmental entities and nonprofit organizations for family planning services. (BDR S-856)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated Assembly Bill (A.B.) 397 was heard by the Committee on April 10, 2017. As drafted, the bill made an appropriation to the Division of Public and Behavioral Health, Department of Health and Human Services, for grants of money to local governmental entities and nonprofit organizations for family planning services. The funds would serve persons who would otherwise have difficulty obtaining such services because of poverty, lack of insurance, lack of transportation, or any other reason.

A conceptual amendment had been submitted on the bill that provided some definition of the types of services that could be provided regarding family planning. Ms. Jones believed there would be another proposed amendment that reduced the \$4 million appropriation.

Chair Carlton agreed, and stated the amendment would reduce the appropriated amount to \$500,000 in each year of the biennium. That funding would help rural areas provide family planning, which was a service in danger of reduced funding. The testimony heard from rural area representatives when the bill was heard on April 10, 2017, delineated the services that had been cut and the effect that would have on the family planning clinics. Chair Carlton wanted to ensure that there were some resources available for rural clinics during the 2017-2019 biennium.

Chair Carlton recommended that A.B. 397 be amended to reduce the amount of the appropriation to \$500,000 in each year of the biennium, that any remaining funding at the end of fiscal year (FY) 2018 be allowed to balance forward for use in FY 2019, and that any remaining funds at the end of FY 2019 revert to the State General Fund. The 2019 Legislature could then make a determination whether to continue that funding.

Chair Carlton asked whether there were questions regarding the proposed amendment to A.B. 397 or the bill itself, and there being none, the Chair called for a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE AMEND AND DO PASS ASSEMBLY BILL 397.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

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

Assemblywoman Spiegel was assigned the floor statement.

Chair Carlton continued with Senate Bill 150 (1st Reprint).

**Senate Bill 150 (1st Reprint): Revises provisions related to energy efficiency programs.
(BDR 58-568)**

Sarah Coffman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Senate Bill (S.B.) 150 (1st Reprint) required the Public Utilities Commission of Nevada (PUCN) to establish annual goals for energy savings for electric utilities. In addition, the bill required each electric utility to adopt an energy efficiency plan that was cost-efficient and designed to meet the goals for energy savings established by the PUCN.

Ms. Coffman noted that S.B. 150 (R1) further required that at least 5 percent of expenditures related to energy efficiency programs must be directed toward low-income customers of the electric utility.

The PUC had indicated that the amendment required an additional full-time senior partner position, a part-time senior attorney position, and a part-time regulatory economist, which would cost \$487,618; that cost would be covered by an approximately 1-cent increase in customer charges from the mill assessments.

Chair Carlton asked whether there were any questions on S.B. 150 (R1), and there being none, the Chair called for a motion.

ASSEMBLYMAN ARAUJO MOVED THAT THE COMMITTEE DO PASS
SENATE BILL 150 (1ST REPRINT).

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus voted no. Assemblymen Anderson and Benitez-Thompson were not present for the vote.)

Assemblyman Sprinkle was assigned the floor statement.

Chair Carlton declared the Committee in recess at 6:55 p.m. and reconvened the hearing at 8:25 p.m. behind the bar of the Assembly. Roll was called and Assemblyman Anderson was excused.

Chair Carlton said the Committee would consider bill draft request (BDR) S-1185.

BDR S-1185—Makes various changes regarding state financial administration and makes appropriations for the support of the civil government of the State. (Later introduced as [Assembly Bill 518](#).)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that BDR S-1185, the Appropriations Act, had been presented and reviewed by the Committee earlier today and required Committee introduction. She stated the bill had to be placed on the Chief Clerk's desk for 24 hours with no amendments.

There being no further questions or comments, the Chair called for a motion.

ASSEMBLYMAN FRIERSON MADE A MOTION FOR COMMITTEE INTRODUCTION OF BDR S-1185.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

There being no further business to come before the Committee, Chair Carlton adjourned the meeting at 8:30 p.m.

RESPECTFULLY SUBMITTED:

Carol Thomsen
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 mock-up of proposed amendment 4953 to Assembly Bill 422 (1st Reprint) dated May 25, 2017, presented by Assemblyman Nelson Araujo.

[Exhibit D](#) is a mock-up of the final version of amendment 4953 to Assembly Bill 422 (1st Reprint) dated May 30, 2017, presented by Assemblyman Nelson Araujo.

[Exhibit E](#) is a mock-up of proposed amendment 5140 to Assembly Bill 422 (1st Reprint) dated May 30, 2017, presented by Assemblyman Nelson Araujo.

[Exhibit F](#) is a mock-up of proposed amendment 4744 to Assembly Bill 382 (1st Reprint) dated May 29, 2017, presented by Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit G](#) is a proposed amendment to Assembly Bill 413 (1st Reprint) dated May 27, 2019, submitted by Joshua Hicks, Chelsea Capurro, and Kim Surratt, and presented by Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.