

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

**Seventy-Ninth Session
May 31, 2017**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 9:18 a.m. on Wednesday, May 31, 2017, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 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 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

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Sarah Coffman, Principal Deputy Fiscal Analyst
Anne Bowen, Committee Secretary
Lisa McAlister, Committee Assistant



Following the call of the roll, Chair Carlton opened the hearing for public comment. There being no public comment, Chair Carlton opened the work session starting with Assembly Bill 395.

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

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented Assembly Bill (A.B.) 395. Ms. Jones said A.B. 395 was heard on May 8, 2017. This bill would revise statutes governing registration and community notification concerning certain juvenile sex offenders, and the measure set forth revised registration and community notification processes regarding a child who was 14 years of age or older at the time of the alleged offense and who was adjudicated delinquent for the offense. The bill included other procedures and policy adjustments. Ms. Jones noted that the bill contained State General Fund appropriations of \$3,570,934 that were not included in The Executive Budget for juvenile justice programs in each of the 11 judicial districts.

ASSEMBLYMAN ARAUJO MOVED TO DO PASS
ASSEMBLY BILL 395.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Anderson and Benitez-Thompson were not present for the vote.)

Chair Carlton stated she would handle A.B. 395 on the floor.

Assembly Bill 94 (1st Reprint): Repeals the prospective expiration of the NV Grow Program. (BDR S-217)

Chair Carlton stated that Assembly Bill (A.B.) 94 (1st Reprint) was the NV Grow Program that was sponsored by Assemblywoman Dina Neal and was a continuation of a program that was begun last session. It contained an appropriation that was not in The Executive Budget. She believed the current, correct numbers were \$250,000 for fiscal year (FY) 2018 and \$175,000 for FY 2019.

ASSEMBLYMAN FRIERSON MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 94 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Anderson and Benitez-Thompson were not present for the vote.)

Chair Carlton requested that Assemblywoman Swank present the floor statement for A.B. 94 (R1).

Assembly Bill 487 (1st Reprint): Revises provisions relating to vehicles. (BDR 58-783)

Chair Carlton said there was a proposed amendment, which was a little more complicated than normal, to Assembly Bill (A.B.) 487 (1st Reprint).

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau explained that A.B. 487 (R1) was approved by the Committee on May 10, 2017, as an amend and do pass; however, the amendment that was passed was only one-sided and not two-sided. Some of the provisions in the amendment were not available for review by the Committee. Ms. Jones said it would be appropriate for the Committee to rescind that action from May 10, 2017, and reconsider the bill with the proposed amendment she would present.

ASSEMBLYMAN FRIERSON MOVED TO RESCIND THE PREVIOUS ACTION TAKEN ON MAY 10, 2017, BY THE ASSEMBLY COMMITTEE WAYS AND MEANS ON ASSEMBLY BILL 487 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Anderson and Benitez-Thompson were not present for the vote.)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that A.B. 487 (R1) concerned transportation companies, and the intent of the bill in general was to codify an interlocal agreement having to do with joint jurisdiction in certain matters between the Taxicab Authority and the Nevada Transportation Authority. Ms. Jones presented Exhibit C, "Proposed Amendment to AB 487," which provided clarification. In addition, there was some concern expressed during the May 10, 2017, hearing by the Washoe County Sheriff's Office about a section that was repealed having to do with dynamic signs. The backside of this amendment added that provision and amended the measure to govern the ability of these vehicles to display dynamic signs. Chair Carlton noted that dynamic displays could not be used if the vehicle was going 55 miles per hour or greater, and Ms. Jones stated that was correct.

Assemblyman Frierson commented that he was pleased with the result in this language because it allowed for the enforcement of rules regarding drivers who went "off app." The amendment allowed law enforcement to cite gypsy drivers who went off app, but it also included the requirement of probable cause.

ASSEMBLYMAN FRIERSON MOVED TO AMEND AND DO PASS ASSEMBLY BILL 487 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

Assemblywoman Titus stated that unfortunately she would vote no on this bill. She said she was uncomfortable with the moving display component and up to 55 miles per hour was still going pretty fast, and distracted driving was something that could cause major accidents.

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

Chair Carlton stated she would take the floor statement for A.B. 487 (R1), and she opened the hearing on Assembly Bill 517.

Assembly Bill 517: Provides for compensation of state employees. (BDR S-1188)

Sarah Coffman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the bill established maximum allowable salaries for employees in unclassified service. The bill also made appropriations from the State General Fund and the State Highway Fund for salary increases for nonclassified, classified, and unclassified state employees. Specifically, the bill included funding for a 2 percent salary increase in fiscal year (FY) 2018 effective July 1, 2017, and a 2 percent salary increase in FY 2019 effective July 1, 2018. Additionally, this bill included funding to support salary increases effective January 7, 2019, for elected officials in accordance with existing laws.

Chair Carlton called for testimony in support of Assembly Bill (A.B.) 517 and, hearing none, called for testimony in opposition or neutral.

Kent M. Ervin, representing the Nevada Faculty Alliance, testified as neutral on A.B. 517 and read the following statement into the record:

The Nevada Faculty Alliance appreciates the overall funding increases in the Nevada System of Higher Education (NSHE) budgets. The General Fund allocations for the seven formula-driven instructional budgets are increased 7.77 percent or \$65.4 million over the actual FY 2017 base budgets, including Cost of Living Adjustment (COLA). We also appreciate the 2 percent COLAs each year for all state employees including NSHE professionals.

However, we feel obligated to put on the record three primary concerns. The 2 percent COLAs are less than the current and projected inflation rates, and therefore at best keep up and do nothing to make state wages competitive. State classified staff in the lower grades will remain below the threshold for Medicaid. Our teaching faculty will fall further behind national averages, which increased by 3 percent last year according to the American Association of University Professors (AAUP) 2016-2017 compensation survey.

The \$65.4 million increase in General Fund dollars is insufficient to cover the stated \$89.3 million combined Weighted Student Credit Hours (WSCH)

caseload growth, WSCH Career and Technical Education enhancement, and the Workforce Capacity enhancement in those budgets. Either student fees or tuition are subsidizing the State General Fund enhancements or the funds will be carved out of existing programs.

The faculty merit steps have not been funded by the Legislature, even though merit steps are funded for classified employees. Faculty merit has been funded only once in ten years, which is the main contributor to difficulties retaining high-quality faculty and to serious issues with salary compression and inversion. We have yet to have heard articulated by the Legislature why faculty merit pay is not being funded.

The *Nevada Constitution* mandates that the Legislature provide for a merit system of state employment. That should include that hiring decisions, promotion decisions, and compensation decisions are based on merit.

We feel we are falling behind in those categories.

Chair Carlton closed the hearing on A.B. 517 and opened the hearing on Assembly Bill 518.

Assembly Bill 518: Makes various changes regarding state financial administration and makes appropriations for the support of the civil government of the State. (BDR S-1185)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 518 was the Appropriations Act that allowed state government to operate in the upcoming biennium. The State General Fund appropriations and other appropriations considered throughout the session delineated the amount of State General Fund support approved by the money committees for the operation of state government in the 2017-2019 biennium. The State General Fund appropriations included in the Appropriations Act, which was now A.B. 518, included \$2,443,637,714 in fiscal year (FY) 2018 and \$2,540,020,926 in FY 2019. This was an increase of approximately \$544 million compared with the State General Fund appropriations approved by the 2015 Legislature for the current biennium. The Act also included State Highway Fund appropriations totaling \$141,126,656 for FY 2018 and \$145,723,709 for FY 2019, an increase of \$4.1 million from the previous biennium.

Chair Carlton called for testimony in support of A.B. 518 and, hearing none, called for testimony from anyone in opposition.

Kent M. Ervin, representing the Nevada Faculty Alliance, testified in opposition to A.B. 518. Mr. Ervin called the Committee's attention to section 69 on page 24 of A.B. 518. Section 69 prohibited the Nevada System of Higher Education (NSHE) from using State General Fund allocations, including Weighted Student Credit Hours (WSCH) caseload formula funds, for professional merit salary increases. The Legislature had funded the faculty merit pool only once, in FY 2015. Mr. Ervin noted that no reason for not funding faculty merit steps had been articulated by the Legislature, either as a whole or by its committees. If legislators believed that awarding excellence in teaching and research through a sustainable compensation system was a valid policy and that student fees and tuition alone should not fund that compensation system, then this provision was inappropriate. The Nevada Faculty Alliance asked the Committee to delete section 69 from A.B. 518, which would allow the institution to use the revenue from student enrollment growth to support its current faculty, rather than only hire new faculty at market rates while other existing faculty were being recruited for better-compensated jobs in other states. Mr. Ervin emphasized that was a waste of the state investment in the faculty who served students.

Chair Carlton asked if anyone else wanted to testify in opposition to A.B. 518 or as neutral, and, hearing none, closed the hearing on A.B. 518.

Chair Carlton requested a motion to do pass Assembly Bill 517.

ASSEMBLYMAN FRIERSON MOVED TO DO PASS
ASSEMBLY BILL 517.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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

Chair Carlton said she would accept a motion to do pass Assembly Bill 518.

ASSEMBLYMAN FRIERSON MOVED TO DO PASS
ASSEMBLY BILL 518.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

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

Chair Carlton requested that Assemblywoman Benitez-Thompson take the floor statement for A.B. 517 and Assemblyman Sprinkle take the floor statement for A.B. 518.

Chair Carlton recessed to the call of the chair at 9:40 a.m.

Because of time constraints, the meeting was not reconvened until the next day and was adjourned at 8:10 a.m. on June 1, 2017.

RESPECTFULLY SUBMITTED:

Anne Bowen
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 amendment to Assembly Bill 487 (1st Reprint) presented by Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.