

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-ninth Session
June 2, 2017**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 8:14 a.m. on Friday, June 2, 2017, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Moises Denis
Senator Aaron D. Ford
Senator Ben Kieckhefer
Senator Pete Goicoechea
Senator Becky Harris

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Cathy Crocket, Program Analyst
Joi Davis, Senior Program Analyst
Jeff Ferguson, Senior Program Analyst
Jennifer Gamroth, Program Analyst
Brody Leiser, Senior Program Analyst
Julie Waller, Senior Program Analyst
Edgar Cervantes, Committee Secretary

OTHERS PRESENT:

Steve Canavero, Ph.D., Superintendent of Public Instruction, Nevada
Department of Education
Nicole Rourke, Clark County School District
Chris Daly, Nevada State Education Association

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Ed Gonzalez, Clark County Education Association
Kent Ervin, Nevada Faculty Alliance
Sena Lloyd, Carson City Library Director; Nevada Library Association
Marcie Smedley, Library Manager, Henderson Libraries
Forrest Lewis, Library Director, North Las Vegas Library District
Jeff Scott, Library Director, Washoe County Library System
Carol Lloyd, Director, Churchill County Library
Luis Valera, University of Nevada, Las Vegas
Rama Venkat, Ph.D., Dean, Howard R. Hughes College of Engineering,
University of Nevada, Las Vegas

VICE CHAIR PARKS:

I will open the hearing on Senate Bill (S.B.) 548.

SENATE BILL 548 (1st Reprint): Provides for the establishment of the Nevada Institute on Teaching and Educator Preparation. (BDR 34-1232)

SENATOR JOYCE WOODHOUSE (Senatorial District No. 5):

I am submitting my written testimony ([Exhibit C](#)). This is an exciting bill to bring before you today. The idea for this bill was brought to me a week ago by Steve Canavero, Ph.D., Superintendent of Public Instruction, Nevada Department of Education, and representatives from the Governor's Office, and I said, "I love it! Let's do it."

It is no secret that Nevada suffers from an acute shortage of teachers. This shortage has grown in recent years as enrollment in teachers colleges has declined dramatically, 40 percent in some reports. As a result, our school districts have been forced to hire an army of substitute teachers and sometimes to compromise on the education and experience desired of our teachers. As more of the State's "baby boomers" retire, our need for new teachers will only grow, making our teacher core even younger and less experienced.

A problem separate from our need for more teachers is a need for teachers who are better prepared for the rigors of the classroom when they begin their teaching careers. The growing complexity of our world and the increasing diversity of our communities necessitates that teachers possess knowledge and skills that would have seemed totally unnecessary when I entered the profession. When high school seniors graduate this summer, many will head off to careers in industries that did not exist when they entered kindergarten in

2004, including mobile apps, autonomous vehicles, drones, virtual reality, advanced robotics and more. The same is true for the kids who enter kindergarten this fall. What new industries will spring up before they graduate? Our schools need to be nimble enough to prepare those children for whatever may come 13 years from now. Our schools must also provide a depth of education sufficient to the challenge of these unknown opportunities.

On top of this spiraling complexity, our teachers need to deliver rigorous and technical academic content to all students, many of whom enter school unable to speak English. Imagine the challenge in the Clark County School District, where nearly one in five students speaks a foreign language, and not just Spanish, but literally dozens of different languages. We also have a large percentage of kids who come from challenging economic circumstances or whose parents have not been educated beyond high school. These students bring an additional set of challenges.

So how do we educate these children and prepare them for a life of opportunity? The answer is not easy, but it is simple: We need excellent teachers. A teacher who is well prepared, adequately resourced, properly supported and appropriately compensated can achieve wonders. How do we get those teachers? Nevada already invests millions of dollars in professional development programs to enhance our teachers' knowledge and skills. Such programs, however, can be costly for school districts. In 2015, the nonprofit New Teacher Project reported that school districts spend an average of \$18,000 per teacher on professional development, yet only 30 percent of teachers who participated in those programs reported substantial improvement in their classroom performance. A more cost-effective approach in recruiting and retaining the best educators is to effectively prepare them right from the beginning.

That is why I am urging your support for S.B. 548. This measure creates an elite institute designated to attract the most promising future educators from throughout Nevada and the Nation. The program will provide thorough and rigorous preparation and clinical skills to our future educators. Further, the program will emphasize professional autonomy and responsibility so teachers learn to be responsive to the dynamics of each unique and diverse classroom.

We need to be proactive. We need to recruit and attract the best and the brightest to the profession of teaching, and we need to provide them with an

education and preparation that are second to none. Nevada's future leaders, innovators and job creators are counting on it.

STEVE CANAVERO, PH.D. (Superintendent of Public Instruction, Nevada Department of Education):

It did not take long after joining Governor Brian Sandoval's cabinet to realize he has no shortage of big ideas for Nevada. When we were preparing the *Executive Budget*, Governor Sandoval told us of his vision to have Nevada become a national beacon for the teaching profession by means of a highly selective institute that could expand across the entire State to give us a nationally significant teachers college. We are now calling that school the Nevada Institute on Teaching and Educator Preparation. Senator Woodhouse was the perfect person to sponsor this bill.

Senate Bill 548 describes the vision for the Institute. Section 1, subsection 2 of the bill lays out the vision with a \$5 million philanthropic gift and a \$1 million appropriation from the State. Paragraph (a) ensures it will be highly selective and recruit the most promising students into the profession of teaching.

The Institute will be dedicated to continued evaluation and research. It will not just be a single cycle of teacher preparation for highly selective candidates; it will also be a laboratory that the entire State and hopefully the Nation can learn from through research, publication and constant evaluation of the program.

The bill also contains an appropriation to incentivize the Institute to match the State's gift to begin to draw down against the philanthropic contribution of \$5 million over time.

SENATOR KIECKHEFER:

Who does the philanthropic gift go to? Does it go to the Nevada System of Higher Education (NSHE) or to the Institute?

MR. CANAVERO:

Neither. There is a partnership with Teach For America in this process, and the gift will move through that organization. It will essentially help the State and act as both the performance and fiscal agent for the gift.

SENATOR KIECKHEFER:

Is it open to any institution within NSHE?

MR. CANAVERO:

It is open to any institution. Section 1, subsection 1 of S.B. 548 states, "A college or university within the System is eligible to apply" The conditions are laid out in section 1, subsections 2 and 3 of the bill. The school must be able to meet these requirements and demonstrate that it has the match and can sustain and expand the Institute over time.

SENATOR KIECKHEFER:

From the NSHE perspective, are they building a new program or adding to an existing educator program? Does that get rolled into their base funding going forward? Is that the basis for the appropriation?

MR. CANAVERO:

The way that it has been conceptualized, as the Governor talked about it originally, was like a school within a school, or an institute within a college. One of the benefits of that is it can begin quickly rather than having to go through an entire approval process. The idea is that it is a practical lab within an existing college.

SENATOR KIECKHEFER:

They do not need to find new resources for sustainability. They can use their existing resources to run it.

MR. CANAVERO:

That is correct. In my first draft of a budget for the Institute, I included the human investment but nothing for a physical plant.

SENATOR KIECKHEFER:

Is the \$500,000 a 10 percent match or a 20 percent match? Is the gift \$5 million per year or \$5 million over the Biennium?

MR. CANAVERO:

The gift is \$5 million, and those dollars will be contributed and allocated based upon benchmarks consistent with the Governor's vision and supported by Senator Woodhouse.

NICOLE ROURKE (Clark County School District):

We are here in support of S.B. 548. Our teacher vacancies are well documented over the last several decades. We currently have some 670 vacancies, and we

are expecting more teacher retirements as the school year closes. An institute like this would go another step in the right direction to providing high-quality teachers in our schools and helping our students learn every day.

CHRIS DALY (Nevada State Education Association):

We support S.B. 548. We believe this Institute will go a long way to address two of the most challenging issues in the education field: the teacher pipeline and improving the craft and profession of teaching.

ED GONZALEZ (Clark County Education Association):

We are in support of S.B. 548. Anything we can do to get more teachers into the classroom to fill our vacancies is much appreciated. You heard us speak yesterday in great detail of our commitment to have teachers teach in our at-risk schools and our Title I schools. We think this bill will help solve that situation.

KENT ERVIN (Nevada Faculty Alliance):

I do not know much about S.B. 548, but we support programs to help educate teachers for Nevada. As you know, during the recession, the budget for our colleges of education were cut. Programs like this are a way to inch back.

VICE CHAIR PARKS:

I will close the hearing on S.B. 548.

CHAIR WOODHOUSE:

I will open the hearing on S.B. 549.

SENATE BILL 549: Makes an appropriation to the Division of State Library, Archives and Public Records of the Department of Administration for certain projects, services and technology. (BDR S-1240)

SENA LLOYD (Carson City Library Director; Nevada Library Association):

I have written testimony ([Exhibit D](#)) explaining the bill's purpose. This bill would fund an additional \$500,000 to allow Nevada's libraries to enhance current services and recommend how those funds are to be expended. Our recommendation is that \$190,000 go to Collection Development, \$20,000 to \$30,000 each to the bookmobile and statewide databases, and \$10,000 to emerging technology each year of the biennium.

MARCIE SMEDLEY (Library Manager, Henderson Libraries):

I am here in support of S.B. 549. I have written testimony ([Exhibit E](#)) describing the need for this bill in our libraries.

FORREST LEWIS (Library Director, North Las Vegas Library District):

It is my honor and privilege to speak to you today in support of S.B. 549. I have written testimony ([Exhibit F](#)) describing how this bill would benefit Nevada's libraries.

JEFF SCOTT (Library Director, Washoe County Library System):

I am here in support of S.B. 549. This bill provides needed support for emerging technologies in libraries.

Recently, when my staff and I toured the DeLaMare Science & Engineering Library at the University of Nevada, Reno (UNR), I marveled at the technological advances provided by UNR. One thought rose prominently in my mind: Will our children be prepared when it is time to go to college? Will they be prepared for tomorrow's workforce? This was the worry in my mind as Washoe County Library began to enhance its technology services for our patrons. In the past year, we have provided enhanced programming and technology. We have coding camps at eight of our branches. Children supported by Nevada State Libraries are getting prepared for 21st century skills. Just a few months ago, we introduced a 3D printer where children will now learn to program and print a 3D item. Next year, we will be renovating the Downtown Reno Library. On our fourth floor is a digital physical and early literacy makerspace that will build a bridge for children to enter the workplace of tomorrow. The funding provided in S.B. 549 will help our libraries continue to build that bridge.

CAROL LLOYD (Director, Churchill County Library):

Thank you for considering the funding that will serve all of Nevada's libraries. I have written testimony ([Exhibit G](#)) explaining what this bill will mean to Churchill County and all of Nevada.

CHAIR WOODHOUSE:

I have received a letter in support of S.B. 549 ([Exhibit H](#)) from Joan Dalusung of the Nevada Library Association.

SENATOR DENIS:

Libraries are the great equalizer for American society. When the free public libraries were started, it gave all people an opportunity to have access to books. Originally it was just books, and now it is all about materials and other things. I am currently reading an audio book I downloaded from the library. I also have books checked out. I am able to get information I would not be able to get otherwise.

Any money we put in to libraries is an investment for all Nevadans. It helps that lifelong learning we have. I regret that during the years when the State did not have a lot of money, we had to cut way back on library funding. That was probably when we needed it the most, because that was the perfect time to improve your skills so you could get a better job. I would not have been into computers if it had not been for the computer club at the library.

The nice part about S.B. 549 is this benefits everyone in Nevada. It is not just for Clark County or the rural counties. The bookmobiles are huge in the rural counties. Just knowing kids will have access to books, and not just the kids who can afford to go to a bookstore and buy them, is amazing. I definitely support S.B. 549 and wish we could do a lot more than this.

The biggest concern right now is the cuts that are being talked about at the federal level. If that money goes away, we are really going to be suffering in the materials we can provide. Hopefully, we can continue to talk to our federal allies too, so they do not cut that funding.

CHAIR WOODHOUSE:

When I was teaching, the first school I taught at was in an at-risk neighborhood. The kids loved to come to school, but the thing they and their parents loved most of all was the bookmobile coming out into their neighborhoods. It is a very special program.

SENATOR GOICOECHEA:

The one concern I have is that you are only talking about \$20,000 to \$30,000 a year for the bookmobiles. Clearly, when you get into Elko County and northern Humboldt County, where you have places like Currie, Jiggs, Tuscarora and Kings River, I do not know if that amount of money will get bookmobiles out there. It is a real drain, and some of the roads are bad. But as you say, students in rural schools or communities rely on the bookmobile. Kids come from the

ranches in the summer to meet the bookmobile so they can check books out. I am just concerned that we are not putting enough into that program.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 549 and open the hearing on Assembly Bill (A.B.) 517.

ASSEMBLY BILL 517: Provides for compensation of state employees.
(BDR S-1188)

JOI DAVIS (Senior Program Analyst):

We went through this bill in a bill draft request format on Monday, May 29, so I will just do a brief, high-level overview for you at this time.

Section 1 of the bill sets forth the maximum annual salary amounts for unclassified State employees. These amounts represent a 1 percent cost-of-living adjustment (COLA) approved in fiscal year (FY) 2015-2016 and a 2 percent COLA approved in FY 2016-2017. They do not include the 2 percent COLA approved for each year of the upcoming biennium.

Sections 2 and 9 through 12 are standard language carried over from the prior Pay Bill.

Section 3 of the bill provides for a 2 percent COLA for State employees for each year of the upcoming biennium. The General Fund portion of the COLA outlined in the following sections total \$18.6 million in FY 2017-2018 and \$38.4 million in FY 2018-2019. The Highway Fund portion of those COLA total \$1.4 million in FY 2017-2018 and \$2.8 million in FY 2018-2019.

Sections 4 through 8 provide funding for State agencies to come forward to the State Board of Examiners to meet any deficiencies they may have in their budgets based on the 2 percent COLA.

Section 13 is a new section for employees of the Tahoe Regional Planning Agency for the 2 percent COLA. It provides language for the state of California to provide its required two-for-one match.

Section 14 provides funding to effectuate the salary increases to elected officials that takes place on January 7, 2019.

Section 15 is transitory language regarding the 95 percent rule for those employees who are at 95 percent of the Governor's salary. That salary will catch up on January 7, 2019.

Sections 16 and 17 of A.B. 517 are new provisions to align the *Nevada Revised Statutes* (NRS) with budgetary actions that have occurred in the past. The bill corrects the statute regarding the Department of Motor Vehicles and the Department of Employment, Training and Rehabilitation.

SENATOR GOICOECHEA:

By way of disclosure, I have a family member who is named in this bill. I will be abstaining from voting on this bill.

MR. ERVIN:

We are neutral on A.B. 517. I have written testimony ([Exhibit I](#)) regarding our two concerns about State worker compensation in this bill having to do with salary compression.

CHAIR WOODHOUSE:

I will close the hearing on A.B. 517 and open the hearing on A.B. 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)

JEFF FERGUSON (Senior Program Analyst):

I will go through A.B. 518, which is also known as the Appropriations Act. There is a lot of carryover language in this bill. As I go through the bill, I will merely note those sections and focus instead on the language that is new.

Sections 2 through 29 list General Fund appropriations to the various State agencies. The total for FY 2017-2018 is \$2.4 billion, and the total for FY 2018-2019 is \$2.5 billion.

Section 30 outlines the appropriations from the State Highway Fund to various agencies. These appropriations total \$141.1 million in FY 2017-2018 and \$145.7 million in FY 2018-2019.

Section 31 is carryover language.

Section 32 is carryover language. It lists the agencies that can use the funding in both years of the biennium.

Section 33 of A.B. 518 is carryover language.

Section 34 indicates that it is the intent of the Legislature that the sums appropriated for early intervention services shall be expended in order to continue the service delivery model approved by the 2015 Legislature, in which the caseload is divided between the State and the community providers, and each is reimbursed according to the methods in place during the 2015-2017 biennium.

Section 35 concerns the \$1 million appropriations to the Governor's Office of Science Innovation and Technology in each year of the biennium. That is to fund broadband development and improvements for schools and libraries. It is also available in both years of the biennium.

Section 36 is carryover language.

Section 37 details the sums that are appropriated to the Northern Nevada Adult Mental Health Services and the Southern Nevada Adult Mental Health Services that may be transferred to each budget from FY 2018-2019 to FY 2017-2018 in an amount not to exceed \$2,750,000.

Section 38 lists the amounts appropriated to the Governor's Finance Office to the Special Appropriations budget. A total of \$25,000 in FY 2017-2018 is intended to support Civil Air Patrol operations and is available through FY 2020-2021.

Section 39 is new. Of the amounts that are appropriated to the Governor's Finance Office Special Appropriations budget, \$497,625 in FY 2017-2018 and \$306,690 in FY 2018-2019 are loans to the Division of Enterprise Information Technology Services to enhance the State's cybersecurity resources. There are requirements that must be repaid in annual installments of 25 percent.

Section 40 is new. Of the amounts appropriated to the Department of Administration's Special Appropriations budget, approximately \$2 million in FY 2017-2018 is a loan to the Division of Enterprise Information Technology Services to increase the bandwidth and connectivity of the State's wide area

network. This is required to be repaid in annual installments of 25 percent of the loan.

Section 41 of A.B. 518 is new and discusses the disposition of any amount remaining from the appropriations approved by the 2015 Legislature to the Office of the Secretary of State for the 2015-2017 biennium to finance replacement of existing Electronic Secretary of State (ESOS) software and hardware at the end of FY 2016-2017. These funds, less the sum of \$2.4 million, do not revert to the General Fund and must be carried forward into FY 2017-2018 to be used in FY 2017-2018 to replace the existing ESOS software and hardware.

Section 42 is new. Of the amounts appropriated to the Federal Programs and Administration budget within the Aging and Disability Services Division, \$1,181,293 to support equipment for home-delivered meals programs is available for both years of the biennium.

Section 43 is carryover language.

Section 44 is new. Of the amounts appropriated to the Conservation and Natural Resources Administration budget, \$185,000 is available in each year of the biennium to fund contract services to update the Conservation Credit System Manual and Nevada's Scientific Methods Document and Habitat Quantification Tool.

Section 45 is new. Of the amounts appropriated to the Division of State Parks, \$3,397,900 is available in both years of the biennium to fund construction and maintenance projects.

Section 46 is new. Of the amounts appropriated to the Department of Corrections, \$4,785,000 in FY 2017-2018 and \$6,351,000 in FY 2018-2019 is available in both years of the biennium to fund the contract costs to provide housing for inmates out-of-State.

Section 47 of A.B. 518 is new. It requires that any remaining balance of the \$1,000,000 General Fund appropriation approved by the 2015 Legislature for Sagebrush Habitat Improvement Projects does not revert to the State General Fund.

Section 48 is new. The balance of any remaining monies at the end of FY 2016-2017 received by the Administrator of the Securities Division in the Office of the Secretary of State as the result of an enforcement action relating to securities must be reverted to the State General Fund not later than September 15, 2017.

Section 49 is carryover language.

Section 50 is new. This appropriates from the General Fund to the Interim Finance Committee (IFC) \$2,067,036 for FY 2018-2019 for allocation to the Northern Nevada Veterans Home account for vendor services related to contracting with a health management company to operate the Home. That money can be released by the IFC upon submittal by the Agency of an analysis demonstrating a need for the funds and a plan for utilizing the funding.

Section 51 is carryover language.

Section 52 is carryover language, as are sections 53 through 58.

Section 59 is carryover language, though the numbers are different. This section appropriates from the General Fund \$1,392,066 in FY 2017-2018 to the IFC for allocation to the Home and Community-Based Services account for the costs of services provided by the Autism Treatment Assistance Program. Those funds can be released by the IFC upon submittal of documentation indicating a sufficient number of providers is available to provide for additional children diagnosed with an autism spectrum disorder in FY 2017-2018 and FY 2018-2019.

Section 60 is new. This is an appropriation from the General Fund to the IFC of \$516,779 for allocation to the Rural Child Welfare account in FY 2018-2019 to fund specialized foster care provider payments. Those funds can be released upon submittal of an analysis demonstrating a need for the funds and a plan for utilizing the funding.

Sections 61 through 67 are carryover language.

Section 68 is new. This provision appropriates \$683,656 from the General Fund in FY 2017-2018 to the IFC for allocation to NSHE to support the Nevada State Cloud Seeding program. It may be allocated in either FY 2017-2018 or

FY 2018-2019 and can be released upon submittal to the IFC of a detailed expenditure plan, and upon determination by the IFC that the plan and allocation are in the public interest.

Section 69 of A.B. 518 is carryover language.

Section 70 is carryover but with different language. It appropriates from the General Fund \$149,119 to the Public Employees Retirement Board to be expended for the administration of the Legislators' Retirement System for FY 2017-2018 and FY 2018-2019.

Section 71 is new. This is an appropriation from the General Fund to the IFC of \$370,235 in FY 2017-2018 and \$239,340 in FY 2018-2019 to the Division of Parole and Probation to supplement funding for a pilot reentry program. Those funds can be released upon submittal of documentation demonstrating additional resources are needed to support the program.

Section 72 is new. This sets up the Non-State Retiree Rate Mitigation account, which is to be administered by the Public Employees' Benefits Program (PEBP). The money committees approved aligning the monthly premium paid by a non-State, non-Medicare retiree with a similarly participating state non-Medicare retiree effective July 1, 2017, and approved General Fund appropriations of \$4.2 million over the biennium to phase in increased local government support of non-State, non-Medicare retirees contingent on passage and approval of other enabling legislation.

Sections 73 through 80 are carryover language.

Section 81 is new. This appropriates from the General Fund to the Legislative Fund \$3 million for the cost of the 79th Legislative Session.

Section 82 indicates that sections 41, 47, 48, 49, 73 and 81 become effective upon passage and approval. All the rest of the sections become effective on July 1, 2017.

SENATOR KIECKHEFER:

In section 71, is the pilot reentry program referred to in section 71 the CSM Program we approved?

MR. FERGUSON:
I am not sure.

MARK KRMPOTIC (Senate Fiscal Analyst):

Several new programs have been approved in the Division of Parole and Probation. I believe this provision of A.B. 518 relates to a program that allows inmates to be released under a house arrest program with an ankle bracelet. This appropriation would provide additional resources in the way of staff to supervise those offenders, depending on the caseload over the biennium.

SENATOR KIECKHEFER:

Did this provision of the bill go through a subcommittee?

MR. KRMPOTIC:

The money aspect of it, yes. The Public Safety Subcommittee examined the initiatives within the Division of Parole and Probation. This particular funding happened to be included in the Special Appropriations account within the Department of Administration. Rather than approve it in the Governor's recommended budget as it was brought forward, where the Governor's Finance Office would allocate the money, it was determined that it be placed in the IFC and have the agency approach the Committee if it wished to release some of these funds.

SENATOR KIECKHEFER:

Section 81 funds the Session we are currently in. Is that correct? Did we overrun costs, or do we usually make an appropriation at the end of the Session?

MR. KRMPOTIC:

Actually, we came in under budget this Session. We set aside \$20 million, and \$15 million was appropriated in S.B. 1 at the beginning of the Session. This appropriates another \$3 million for a total of \$18 million. Last Session, we did not appropriate money in the back language, but in prior Sessions we had to make up the difference. I believe in 2015 the Legislature appropriated closer to the full amount at the start of Session to cover the cost of Session.

SENATOR KIECKHEFER:

So we just appropriated less at the beginning knowing we would come back and make up the rest. Is that right?

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MR. KRMPOTIC:
Correct.

MR. ERVIN:

We are neutral on A.B. 518. I have written testimony ([Exhibit J](#)) regarding two items we wanted to place on the public record.

In section 69, the bill states that it is the intent of the Legislature not to support professional merit salary increases with General Fund dollars. That was described as carryover language, but as far as I know, it just popped up last Session. I do not know why that is the intent of the Legislature; that has not been articulated. We ask that you delete section 69 or at least clarify the intent of the bill in this regard.

CHAIR WOODHOUSE:

I will close the hearing on A.B. 518 and open the hearing on S.B. 553.

SENATE BILL 553 (1st Reprint): Authorizes and provides funding for the advance planning of the College of Engineering, Academic and Research Building and to complete planning and begin construction of a new building for the Medical School at the University of Nevada, Las Vegas. (BDR S-1244)

BRODY LEISER (Senior Program Analyst):

I will give a brief overview of the project and then go through the bill.

On May 20, this project was discussed at a Joint Meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means regarding Capital Improvement Projects (CIP). This is a planning project for a new engineering building at the University of Nevada, Las Vegas (UNLV). This would be an approximately 50,000 square foot facility located in the north part of the campus near the Thomas T. Beam Engineering Complex. The University has indicated that engineering is one of the fastest growing programs at the University, and it is also one of the top grant-getting disciplines.

Project No. 17-P09—Advance Planning UNLV College of Engineering, Academic and Research Building

When the project was discussed on May 20, the proposal was a 60-40 split of State and University funds. The bill before you today, S.B. 553, is to authorize funding for planning efforts on this facility. The split has since been revised; UNLV has committed to a 50-50 split of State and University funds. My understanding is that University funds for both the planning efforts and future construction would be facilitated through donor funds.

This bill authorizes \$3.5 million for the planning efforts. Section 1 of S.B. 553 appropriates \$1.75 million from the General Fund for this project.

Section 2 of the bill authorizes the University's share—again, an equal split of \$1.75 million.

Section 2, subsection 2 requires that the Public Works Division, Department of Administration, shall not execute a contract for construction on this project until the University has secured their portion of the funding.

Sections 3 and 4 are general language included to carry out CIPs. Section 3 requires that the Public Works Division carry out the provisions of NRS 341 and use qualified personnel to carry out the project. Section 4 requires that State and local governments cooperate with the Public Works Division in moving forward with the project. The act becomes effective on passage and approval.

Regarding future construction costs, when this project was discussed on May 20, we estimated future construction costs at \$31.4 million. As I noted at the time, that was for construction only and did not include contingencies or inflation. We have received a projected cost estimate to incorporate all costs for future construction. That total is \$43.6 million prior to inflation. The revised estimate used an 8 percent inflation factor, which is slightly higher than was included in the 2017 CIP. But with the inflationary factor, total future costs are looking at approximately \$50 million.

SENATOR KIECKHEFER:

For the prospective total of \$50 million, that would be \$25 million from the State and \$25 million from the University in the next CIP. Is that right?

MR. LEISER:

That is correct.

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SENATOR PARKS:

Do we have an estimated square footage of this structure?

MR. LEISER:

It is approximately 50,000 square feet.

LUIS VALERA (University of Nevada, Las Vegas):

We are in support of this bill and thank the Committee for bringing it forward.

CHAIR WOODHOUSE:

Would you put UNLV's commitment to the 50-50 match on the record?

MR. VALERA:

Yes. We are committed to a 50-50 split. We will be bringing funds forward through donor funds for the rest of the project.

CHAIR WOODHOUSE:

I believe you have some folks ready to make those commitments.

MR. VALERA:

We do. We have a number of folks who have expressed great interest in contributing to this project because it is very much needed. We are waiting to see a commitment from the State.

RAMA VENKAT, PH.D. (Dean, Howard R. Hughes College of Engineering, University of Nevada, Las Vegas):

I have been with UNLV for 27 years. Let me give you my perspective on the College of Engineering and its role in local economic diversification in Nevada.

The College of Engineering is growing rapidly. In 2010, our undergraduate head count was 1,600 students; today it is 2,400, a growth of 50 percent. Computer science and mechanical engineering are booming. Computer science has about 800 students. The total head count at the College of Engineering is 2,800, including masters and doctoral students, who bring in annual research funding of about \$10 million. We have a faculty of 74.

One important aspect of the College of Engineering is that it is at the center of economic diversification in Nevada. We supply the workforce for casinos, cybersecurity, big data and gaming technology companies. Our students are

enrolled in Hyperloop. We are looking forward to Faraday Future. We worked with NASA on its space station project and with Lockheed Martin on the man-on-Mars project. We work on a lot of different, interesting things.

However, for us to really grow, we need space. I sit in a building right now that is 35 years old. The College of Engineering is only 170,000 square feet. Utah State University is comparable in terms of enrollment and faculty size, but they have four times the physical space we have. Without more space, we cannot graduate more students who are needed for casinos, cybersecurity and the work that happens in the downtown area.

I would like to point out that one-sixth of the space the College of Engineering currently occupies is in a 99 Cents Only Store. A great roboticist who is a faculty member at UNLV has his lab in a 99 Cents Only Store. That is the only space I could give him. He took us to a national robotics competition, and we came in eighth just behind the Massachusetts Institute of Technology. For us to attract that type of faculty member to educate our students so they can work in southern Nevada or in the Tesla factory in northern Nevada, we really need to be able to offer good space.

As you can see, space is a serious problem for us. Please help us with this. I promise that if you help us with this building, economic diversification of southern Nevada will be guaranteed in the next ten years. We will not only be creating the workforce, we will be creating employers. I want my students to not just be employees; I want them to create companies in Las Vegas and Clark County and cause the economic growth of Nevada.

SENATOR HARRIS:

Did I hear correctly? Is UNLV seriously leasing space in a 99 Cents Only Store?

MR. VALERA:

That is correct. We lease the back part of a 99 Cents Only Store for a nationally recognized roboticist.

SENATOR HARRIS:

Is it an operating store, or is it empty?

MR. VENKAT:

One part of it is a robotics lab called the Drones and Autonomous Systems Lab, and the other part of it a 99 Cents Only Store.

MR. VALERA:

The two entities do not share an entrance.

SENATOR HARRIS:

I am just trying to picture it because that sounded a bit outrageous to me.

MR. VALERA:

It kind of is. The front end of the property that faces a major street is the 99 Cents Only Store. The lab is in the back half of the property.

SENATOR HARRIS:

Is it a strip mall property?

MR. VALERA:

Correct.

SENATOR HARRIS:

What is an average cost per square foot for a CIP on a university campus? My math seems to show that the cost of this new building comes out at about \$1,000 a square foot.

MR. VENKAT:

Typically, it will be anywhere between \$600 and \$1,000 per square foot, depending on how many wet labs you have. If you have wet chemistry labs, the cost will be on the higher end of that range because of the plumbing issues. If it is more computational and electronics labs, the cost will be on the lower end of that range.

MR. VALERA:

The concept for this building is that we will be sharing some of the space with other UNLV colleges. The idea is to generate bioengineering research activity. For that reason, there will probably be a little more wet lab space in this building than in other traditional engineering buildings.

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SENATOR KIECKHEFER:

In previous subcommittee meetings, I have talked about my perspective on planning money for the Universities, so I will not repeat that. I appreciate the school's financial commitment to the project at this point.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 553 and open the work session on S.B. 155.

SENATE BILL 155 (1st Reprint): Makes an appropriation for educational leadership training programs. (BDR S-1)

MR. KRMPOTIC:

This bill was originally passed out of Committee and referred on the Floor. We recommend the Committee rescind its previous action and reconsider S.B. 155, which includes appropriations of \$1 million each year to the Clark County Public Education Foundation for educational leadership training and programs. The Committee could then consider an amendment to reduce the amounts to \$500,000 each year.

SENATOR KIECKHEFER MOVED TO RESCIND THE ACTION OF JUNE 2.

SENATOR DENIS SECONDED THE MOTION.

CHAIR WOODHOUSE:

This is my fault. I made a mistake yesterday and did not put the right number down. This vote corrects that error.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 155 WITH THE APPROPRIATION REDUCED TO \$500,000 IN EACH YEAR OF THE BIENNIUM.

SENATOR DENIS SECONDED THE MOTION.

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THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:
I will open the work session on A.B. 517.

ASSEMBLY BILL 517: Provides for compensation of state employees.
(BDR S-1188)

MR. KRMPOTIC:
This is the compensation bill for State employees discussed this morning. This bill sets unclassified salary levels and funds a 2 percent COLA for State employees and university employees for the next two years. There are no proposed amendments.

SENATOR PARKS MOVED TO DO PASS A.B. 517.

SENATOR DENIS SECONDED THE MOTION.

SENATOR KIECKHEFER:
I am going to vote no for now and reserve my right to vote yes on the Floor.

SENATOR HARRIS:
I echo Senator Kieckhefer's remarks.

SENATOR GOICOECHEA:
I will abstain on this bill.

THE MOTION CARRIED. (SENATOR GOICOECHEA ABSTAINED.
SENATORS HARRIS AND KIECKHEFER VOTED NO.)

* * * * *

CHAIR WOODHOUSE:
I will open the work session on A.B. 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)

MR. KRMPOTIC:

This bill is known as the General Appropriations Act and includes General Fund and Highway Fund appropriations for the operation of State government over the next two years. There are also a number of appropriations in the back language, which also includes necessary allowances for monies to be transferred between fiscal years and other matters pertaining to the fiscal administration of the State.

SENATOR FORD MOVED TO DO PASS A.B. 518.

SENATOR DENIS SECONDED THE MOTION.

SENATOR KIECKHEFER:

As with the last bill, I will vote no and reserve my right to change my vote on the Floor.

THE MOTION CARRIED. (SENATORS GOICOECHEA, HARRIS AND KIECKHEFER VOTED NO.)

* * * * *

CHAIR WOODHOUSE:

I will open the work session on S.B. 49.

SENATE BILL 49 (3rd Reprint): Revises provisions relating to funding for pupils with disabilities. (BDR 34-405)

MR. KRMPOTIC:

There is a conceptual amendment (Exhibit K) for this bill from Senator Kieckhefer.

In its original form, S.B. 49 dealt with a 13 percent cap on funding for students with disabilities. Exhibit K would retain the 13 percent cap. The proposed amendment would also amend NRS 387.122 to provide additional money to a school district or charter school in an amount equal to one-half of the multiplier

then in effect for each pupil with disabilities enrolled in the school district or charter school to the extent that the number of those pupils exceeds 13 percent of total pupil enrollment.

The second proposed change in [Exhibit K](#) includes an amendment to NRS 387.1225. This would ensure that a facility which provides educational services to a pupil with disabilities under the circumstances described in that section also receive a percentage of any multiplier or other money that would otherwise be apportioned to the school district or charter school on behalf of such a pupil.

I believe, Madame Chair, you were involved in a bill in a previous session that provided for basic support for such pupils in a facility. The effect of this proposal would be to provide the multiplier to those facilities that provide those educational services to the children.

JULIE WALLER (Senior Program Analyst):

The amendment in [Exhibit K](#) effectively allows additional funding to be provided to schools with a population that is more than 13 percent students with disabilities. The money committees approved a transfer from the contingency fund for special education services into special education funding. That funding over the two years of the biennium will be \$1.5 million in each year. The idea would be to separate that money from the regular pot of money for special education such that any district that is over 13 percent, those students would be funded at 50 percent. This would lessen the impact on maintenance of effort of all the remaining districts.

Currently, there are approximately 725 students throughout the State in districts that are not funded additionally with State funding for students with disabilities. The estimated multiplier of \$3,200 times that number of students is approximately \$1.1 million. So \$1.5 million in each fiscal year should be sufficient to fund those students at 50 percent.

With respect to the second provision of [Exhibit K](#), which covers funding students in residential treatment facilities, currently facilities report the number of students in their facilities. For the proportional share of time students are in those facilities, the facilities are eligible for payment from the school districts of residence of those students. Similarly, if students have individualized education programs and the facilities are eligible for funding for students with disabilities,

the proportional share of the time those students are in a residential treatment center would be deducted from the district of residence and paid to those hospitals for those students.

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 49 WITH THE AMENDMENT IN [EXHIBIT K](#).

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WOODHOUSE:

I will open the work session on S.B. 377.

[SENATE BILL 377 \(2nd Reprint\)](#): Revises provisions relating to indigent defense.
(BDR 14-1005)

MR. KRMPOTIC:

This bill was heard in May. We have received a proposed amendment ([Exhibit L](#)) from the Administrative Office of the Courts (AOC).

MS. DAVIS:

The first reprint of S.B. 377 was presented on May 12. The bill as amended establishes the Nevada Right to Counsel Commission, which is a 13-member commission to establish standards and guidelines for the delivery of indigent services in Nevada. It establishes the Office of Indigent Legal Services, appoints a chief counsel position to support the Office, and authorizes numerous other positions to be hired for the Office. The bill would eliminate the State Public Defender's Office and instead allow counties under 100,000 population to opt in to a new Office of Indigent Legal Services. Fiscal notes submitted on the bill as introduced ranged from zero to undetermined for the counties that responded. Jeff Fontaine of the Nevada Association of Counties testified that the counties did not reach consensus regarding the bill.

Fiscal staff had expressed some concern regarding this bill in that there is no budget outline for the cost of the Commission or the Office of Indigent Legal Services, including possible branch offices and position costs. It was further

unknown how many counties with populations under 100,000 would opt in to this new office.

Chair Woodhouse asked us to meet with the AOC. The amendment in [Exhibit L](#) is the outcome of those discussions. This amendment does the following. It deletes the sections related to eliminating the State Public Defender's Office and establishing a new Office of Indigent Legal Services. It deletes declarations of the Legislature regarding indigent services that are set forth in section 3 of the bill. It retains provisions to establish the Nevada Right to Counsel Commission, but it revises the membership to include five members from counties under 100,000 and three members from counties over 100,000. It requires one member to have experience in State government finance and one member to have experience in local government finance. The amendment clarifies that the Commission will study the delivery of defense services in the State over the interim and make recommendations to the Legislature by September 1, 2018, for consideration by the 2019 Legislature.

The amendment retains the provision to establish the Indigent Defense Account in the General fund to be administered by the Commission. It authorizes the Commission to hire one or more persons and to contract with experts within Legislative appropriations. It authorizes one bill draft request for the Commission for the 2019 Session. This is in line with what this Committee approved on May 27 for the proposed new Nevada Sentencing Commission.

Mr. McCormick from the AOC provided a proposed budget for the Commission of \$721,018 over the biennium. This was subsequently reduced to approximately \$550,000 for the biennium. That would support two positions and operating and contract costs of \$50,000 each year. However, this afternoon that was revised again to indicate that the Commission could operate for just two years with no staff positions, but instead use contract positions. That would eliminate operating costs as well. Fiscal staff have reviewed that revised budget and indicate that the total amount would be \$115,000 each year, for a total of \$230,000 for the biennium. That would allow the Commission to have \$15,000 for travel and per diem for the Commission members; contract for administrative support of \$25,000 each year, and contracts for professional assistance of \$75,000 each year.

If the Committee wishes to process this bill, we would note that the amendment would require the following:

1. The addition of a General Fund amount of \$115,000 and standard reversionary language to be added to require that any unexpended General Fund appropriations should revert at the end of each fiscal year.
2. That the Commission members would serve for two years, at which time the Commission would expire.
3. That the report provided to the LCB on or about September 1, 2018, should also be provided to the Governor's Finance office.

SENATOR HARRIS:

This is a significant amendment that completely changes the purpose of the Commission. I will vote no tonight but reserve my right to change my vote on the Floor. I need to talk to some stakeholders and find out how the pieces interplay. In the Senate Committee on Judiciary, it was discussed at length how those who are indigent and in need of counsel on criminal matters might have their constitutional rights infringed upon. An office needed to be set up with counsel that was accessible throughout the State so the same rights could be protected Statewide. Now it looks like this is just going to be a commission that studies the problem. The use of the contracted positions is also causing me some concern. I want to have the opportunity to have some conversations to better understand the intent.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 377.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND KIECKHEFER VOTED NO.)

* * * * *

CHAIR WOODHOUSE:

I will open the work session on S.B. 547.

SENATE BILL 547 (1st Reprint): Requires certain large school districts to establish, through negotiations with an employee organization, a salary incentive program for professional growth. (BDR 34-1241)

MR. KRMPOTIC:

We received Proposed Amendment 1085 ([Exhibit M](#)) for this bill. This amendment adds subsection 4 to section 4, stating:

Any money reserved pursuant to subsection 1 for a fiscal year must not be subtracted from the operating expenses of the large school district for purposes of determining the budget of the large school district for any other fiscal year.

The concern here was that this would affect the operating budget for the Distributive School Account for the large school district when that is reformulated next Session for the following two-year period. This provision would require that those monies be included in determining operating expenses.

Section 5.5 is new language. This provision allows the contract in place right now to be considered. If this provision were not here, the monies would be paid out some time after July 1, 2019. The first wave of teachers or employees would receive this benefit beginning in FY 2018-2019.

Those are two concerns Staff had that were brought to Senator Ford, and he agreed to the amendment.

SENATOR FORD MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 547.

SENATOR PARKS SECONDED THE MOTION.

SENATOR KIECKHEFER:

I will vote no on this measure. The professional growth and development plan that was collectively bargained between the Clark County School District and the teacher's association was excellent. It met the needs of both parties and was allowable. The addition of the subject matter into mandatory collective bargaining is unnecessary and potentially problematic. I am concerned that we could be putting our thumb on the scale of an ongoing dispute.

THE MOTION CARRIED. (SENATORS GOICOECHEA AND KIECKHEFER VOTED NO.)

* * * * *

CHAIR WOODHOUSE:

I will open the work session on S.B. 418.

SENATE BILL 418 (2nd Reprint): Revises provisions relating to air pollution.
(BDR 40-970)

MR. KRMPOTIC:

We have received a proposed amendment (Exhibit N) on this bill from the Division of Environmental Protection.

JENNIFER GAMROTH (Program Analyst):

This bill was heard by this Committee on May 18. The bill as amended declares that it is a priority of the Legislature in expending the proceeds from certain consent decrees, orders and settlement agreements involving emissions from vehicles to assist schools and school districts to replace or repower school buses, to reduce nitrogen oxide emissions and other hazardous air pollutants, and to construct publicly available electric charging and hydrogen fueling stations.

In addition, S.B. 418 as amended requires the eligible proceeds received by the State for the purpose of mitigating emissions from vehicles or for supporting the increased use of zero-emission vehicles to be deposited in the account for the management of the air quality managed by the Division of Environmental Protection. The bill also sets forth certain reporting prioritization, development and administration duties of the Division.

There were two fiscal notes attached to the bill. The first was from the Office of the State Treasurer. However, with the amendment to the bill, the Treasurer's Office sent an email (Exhibit O) removing its fiscal note. In addition, the Division had attached a fiscal note. Since the hearing, the Division has submitted the amendment referred to as Exhibit N in a letter dated May 26, and this changed the fiscal note. The primary reason for the change in the fiscal note was new language added to section 8, subsection 5 of the bill requiring the Division to establish by regulation a program to provide financial incentives, including without limitation grants and loans, to promote investments in the construction of publicly available hydrogen fueling stations and vehicle charging stations. However, the consent decree specifically for the Volkswagen settlement does not appear to allow for financial incentives or loans.

Today, Fiscal staff met with the Director of the Department of Conservation and the Administrator of the Division of Environmental Protection regarding the fiscal impact submitted for S.B. 418. To remove its fiscal note from this bill, the Division is suggesting an edit of section 8, subsection 5, as noted in [Exhibit N](#). This amendment removes the requirement of the Division to provide financial incentives and loans, leaving the word "grants" in place. This is consistent with the requirements of the consent decree for the Volkswagen settlement.

In addition, Fiscal staff have had discussions with the legal division and would like to add clarifying language in section 8, subsection 4, paragraphs (a) and (b) relating to the disbursement and allocation of money in the account for the purposes of section 8, subsections 1 through 3. The clarifying language should specify that the funding for section 8, subsections 1 through 3 would come from certain consent decrees, orders or settlements involving emissions instead of all funding in the account, as the account for the management of air quality also includes fees and permits that are assessed and deposited into the account by the Division to support the air quality program.

Finally, Staff request the authority to work with the Legal Division on some cleanup language in the bill as it relates to the mechanics of the account and how it would work with new funding being deposited in the account from settlement income awarded to the State related to vehicle emissions.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 418.

SENATOR PARKS SECONDED THE MOTION.

SENATOR KIECKHEFER:

I will probably oppose S.B. 418 on the Floor, but I will vote yes now so we can move the bill out of Committee.

THE MOTION CARRIED. (SENATORS GOICOECHEA AND HARRIS VOTED NO. SENATOR FORD WAS EXCUSED FOR THE VOTE.)

* * * * *

CHAIR WOODHOUSE:

I will open the work session on S.B. 548.

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SENATE BILL 548 (1st Reprint): Provides for the establishment of the Nevada Institute on Teaching and Educator Preparation. (BDR 34-1232)

MR. KRMPOTIC:

This bill was heard this morning. There were no proposed amendments.

SENATOR PARKS MOVED TO DO PASS S.B. 548.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR FORD WAS EXCUSED FOR THE VOTE.)

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CHAIR WOODHOUSE:

I will open the work session on S.B. 549.

SENATE BILL 549: Makes an appropriation to the Division of State Library, Archives and Public Records of the Department of Administration for certain projects, services and technology. (BDR S-1240)

MR. KRMPOTIC:

This bill was heard this morning. There were no proposed amendments.

SENATOR DENIS MOVED TO DO PASS S.B. 549.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR FORD WAS EXCUSED FOR THE VOTE.)

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CHAIR WOODHOUSE:

I will open the work session on S.B. 550.

SENATE BILL 550 (1st Reprint): Makes an appropriation to a disbursement account for costs relating to a human resource management information

system for the Clark County School District and an appropriation to the Washoe County School District for certain other expenses and an appropriation to the Nevada Alliance of Boys and Girls Clubs, Inc. for certain grants. (BDR S-1231)

MR. KRMPOTIC:

This bill was heard yesterday. There were no proposed amendments.

SENATOR KIECKHEFER MOVED TO DO PASS S.B. 550.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR FORD WAS EXCUSED FOR THE VOTE.)

* * * * *

CHAIR WOODHOUSE:

I will open the work session on S.B. 551 and S.B. 552.

SENATE BILL 551 (1st Reprint): Establishes for the 2017-2019 biennium the subsidies to be paid to the Public Employees' Benefits Program for insurance for certain active and retired public officers and employees. (BDR S-1242)

SENATE BILL 552 (1st Reprint): Revises provisions governing the cost of certain coverage under the Public Employees' Benefits Program. (BDR 23-1226)

MR. KRMPOTIC:

These bills involve the Public Employees Benefits Program (PEBP).

CATHY CROCKET (Program Analyst):

Senate Bill 551 was heard by this Committee last night. It establishes the State share of costs for monthly contributions for group insurance for active and retired State employees, as well as Medicare-eligible retirees. Two representatives of employee groups presented testimony in favor of the bill. The bill implements the *Executive Budget* as approved by the money committees.

Proposed Amendment 1112 ([Exhibit P](#)) would allow for a one-time exception to NRS 218D.475 as discussed in last night's Committee hearing. This would allow the Committee to take action on this bill before fiscal notes are received from State agencies and local government entities.

MR. KRMPOTIC:

I would note that the Committee moved last night to consider this amendment.

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 551 WITH PROPOSED AMENDMENT 1112.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR FORD WAS EXCUSED FOR THE VOTE.)

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MS. CROCKETT:

Senate Bill 552 revises the monthly premiums paid by non-State, non-Medicare retirees who participate in PEBP effective July 1, 2017. It lowers the premium for these retirees and requires local governments to contribute additional funding in support of their retirees. The bill authorizes a one-time exception to the requirement that 30-day written notice be provided to local governments and PEBP participants for a proposed change in rates or premiums and specifies that PEBP is not required to hold an open enrollment period for the plan year beginning July 1, 2017.

The bill also allows for a four-year phase-in period to allow local governments time to allocate additional funding for retiree health-care costs, with the State providing 100 percent of the increased cost to local governments in FY 2017-2018, 75 percent of the cost increase in FY 2018-2019, 50 percent of the cost increase in FY 2019-2020, and 25 percent of the cost increase in FY 2020-2021, with local governments providing 100 percent of the increased contribution thereafter.

With regard to fiscal impact, in closing the PEBP budget, the money committees approved \$2,405,225 in FY 2017-2018 to fund 100 percent of the increased local government contribution and \$1,807,304 in FY 2018-2019 to fund

75 percent. In FY 2017-2018, the local governments will bear no additional cost. In FY 2018-2019, it is estimated that local governments will pay \$602,434, which is 25 percent of the total increase of \$2.4 million.

We have Proposed Amendment 1113 ([Exhibit Q](#)), which is similar to the amendment for S.B. 551 in that it allows for the bill to be processed by the Committee before fiscal notes are printed by the Fiscal Analysis Division.

SENATOR PARKS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 552 WITH PROPOSED AMENDMENT 1113.

SENATOR DENIS SECONDED THE MOTION.

SENATOR GOICOECHEA:

I am supportive of the "orphans," but I will vote yes on this bill now and reserve my right to vote no on the Floor. I am concerned about the impact on local government and would like to get more feedback from local government.

CHAIR WOODHOUSE:

I would like to say on the record that I was contacted today by lobbyists from the City of Henderson. In the last 24 hours, the City has looked at the group of people who would need to be covered, and the City is now fine with S.B. 552.

SENATOR PARKS:

I would like to add that part of the discussion I had with Henderson is that they are seeing this group as declining. As the City picks up a larger share of the cost, there will be far fewer orphans to cover because those orphans will have moved on to be fully covered by Medicare.

THE MOTION CARRIED. (SENATOR FORD WAS EXCUSED FOR THE VOTE.)

* * * * *

CHAIR WOODHOUSE:

I will open the work session on S.B. 553.

SENATE BILL 553 (1st Reprint): Authorizes and provides funding for the advance planning of the College of Engineering, Academic and Research

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Building and to complete planning and begin construction of a new building for the Medical School at the University of Nevada, Las Vegas. (BDR S-1244)

Project No. 17-C15—Complete Planning and Begin Construction of a New Medical School Building, UNLV

MR. KRMPOTIC:

This bill was heard this morning. There are no proposed amendments.

SENATOR DENIS MOVED TO DO PASS S.B. 553.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR FORD WAS EXCUSED FOR THE VOTE.)

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CHAIR WOODHOUSE:

I will open the work session on A.B. 505.

ASSEMBLY BILL 505 (1st Reprint): Makes appropriations to the Department of Corrections for a new telephone system and certain information systems projects. (BDR S-1200)

MR. KRMPOTIC:

This bill is a one-shot appropriation to the Department of Corrections and was heard yesterday. There are no proposed amendments.

SENATOR HARRIS MOVED TO DO PASS A.B. 505.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR FORD WAS EXCUSED FOR THE VOTE.)

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CHAIR WOODHOUSE:

I will open the work session on A.B. 498.

ASSEMBLY BILL 498 (1st Reprint): Makes an appropriation to the Division of Emergency Management of the Department of Public Safety for a joint field office to work with the Federal Emergency Management Agency on certain flood reimbursements. (BDR S-1172)

MR. KRMPOTIC:

This bill was heard by the Committee on May 25. It was termed a companion bill to A.B. 495.

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

Staff would suggest an amendment to change the effective date of the bill from July 1, 2017, to upon passage and approval.

SENATOR HARRIS MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 498.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR FORD WAS EXCUSED FOR THE VOTE.)

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CHAIR WOODHOUSE:

I will open the work session on A.B. 500.

ASSEMBLY BILL 500 (1st Reprint): Makes an appropriation to the Account for the Governor's Portrait for the preparation and framing of a portrait of Governor Brian Sandoval. (BDR S-1190)

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MR. KRMPOTIC:

Staff recommend a change in the bill's effective date from July 1, 2017, to upon passage and approval.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 500.

SENATOR HARRIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:

I will open the work session on A.B. 506.

ASSEMBLY BILL 506 (1st Reprint): Makes appropriations to the Nevada Gaming Control Board for certain costs relating to the Alpha Migration Project. (BDR S-1201)

MR. KRMPOTIC:

This bill was heard on June 1 in this Committee. There are no proposed amendments.

SENATOR KIECKHEFER MOVED TO DO PASS A.B. 506.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:

I will open the work session on A.B. 507.

ASSEMBLY BILL 507 (1st Reprint): Makes appropriations to the Department of Public Safety for the replacement of vehicles, pickup trucks and motorcycles for the Nevada Highway Patrol. (BDR S-1202)

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MR. KRMPOTIC:
There are no proposed amendments.

SENATOR PARKS MOVED TO DO PASS A.B. 507.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:
I will open the work session on A.B. 508.

ASSEMBLY BILL 508 (1st Reprint): Makes an appropriation to the Department of Public Safety for the replacement of dispatch center consoles and portable hand-held radios. (BDR S-1203)

MR. KRMPOTIC:
This bill was heard on June 1 in this Committee. There are no proposed amendments.

SENATOR HARRIS MOVED TO DO PASS A.B. 508.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:
I will open the work session on A.B. 509.

ASSEMBLY BILL 509 (1st Reprint): Makes an appropriation to the Department of Business and Industry for implementation of an electronic management system for public works and prevailing wage surveys in the Office of the Labor Commissioner. (BDR S-1207)

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MR. KRMPOTIC:
There are no proposed amendments.

SENATOR PARKS MOVED TO DO PASS A.B. 509.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WOODHOUSE:
I will open the work session on A.B. 510.

ASSEMBLY BILL 510 (1st Reprint): Makes appropriations to the Bureau of Services to Persons Who Are Blind or Visually Impaired of the Rehabilitation Division of the Department of Employment, Training and Rehabilitation and the Bureau of Vocational Rehabilitation of the Rehabilitation Division of the Department for enhancement of client information systems. (BDR S-1208)

MR. KRMPOTIC:
There are no proposed amendments.

SENATOR PARKS MOVED TO DO PASS A.B. 510.

SENATOR HARRIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Senate Committee on Finance
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CHAIR WOODHOUSE:

Is there any public comment? Hearing none, I will adjourn the meeting at 9:15 p.m.

RESPECTFULLY SUBMITTED:

Lynn Hendricks,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	6		Attendance Roster
	C	4	Senator Joyce Woodhouse	Presentation of Senate Bill 548
S.B. 549	D	4	Sena Lloyd / Nevada Library Association	Written Testimony in Support
S.B. 549	E	1	Marcie Smedley / Henderson Libraries	Written Testimony in Support
S.B. 549	F	1	Forrest Lewis / Nevada Libraries	Written Testimony in Support
S.B. 549	G	1	Carol Lloyd / Churchill County Library	Written Testimony in Support
S.B. 549	H	1	Joan Dalusung / Nevada Library Association	Letter of Support
A.B. 517	I	1	Kent Ervin / Nevada Faculty Alliance	Written Testimony in Support
A.B. 518	J	1	Kent Ervin / Nevada Faculty Alliance	Written Testimony in Support
S.B. 49	K	1	Senator Ben Kieckhefer	Conceptual Amendment
S.B. 377	L	5	Administrative Office of the Courts	Proposed Amendment
S.B. 547	M	6	Mark Krmpotic	Proposed Amendment 1085
S.B. 418	N	3	Greg Lovato / Division of Environmental Protection	Proposed Amendment
S.B. 418	O	1	Budd Milazzo / Office of the State Treasurer	Email Message Removing Fiscal Note
S.B. 551	P	3	Cathy Crockett	Proposed Amendment 1112
S.B. 552	Q	4	Cathy Crockett	Proposed Amendment 1113