

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-ninth Session
June 3, 2017**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 9:13 a.m. on Saturday, June 3, 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

GUEST LEGISLATORS PRESENT:

Assemblywoman Carlton, Assembly District No. 14

STAFF MEMBERS PRESENT:

Rick Combs, Director, Legislative Counsel Bureau
Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Brenda Erdoes, Legislative Counsel
Mary Sullivan, Committee Secretary

OTHERS PRESENT:

Tom McCoy, American Cancer Society Cancer Action Network
Elisa Cafferata, Nevada Advocates for Planned Parenthood Affiliates, Inc.
Michael Hackett, Nevada Primary Care Association; Nevada Public Health Association

Jeanine Hansen, State President, Nevada Families for Freedom
Budd Milazzo, Deputy State Treasurer, Office of the State Treasurer
Cadence Matijevich, Deputy Secretary of Operations, Office of the Secretary of State

Charles H. Schardin, Medical Administrator, Department of Corrections
Cyndie Munoz, Chief of Administration, Department of Motor Vehicles
James R. Wells, C.P.A., Director, Office of Finance, Office of the Governor
Wayne Thorley, Deputy Secretary for Elections, Secretary of State
Susan Merriweather, Clerk-Recorder, Carson City
Dagny Stapleton, Deputy Director, Nevada Association of Counties
Les Lee Shell, Director of Risk Management, Clark County
Andy Belanger, Director, Las Vegas Valley Water District
Brad Keating, Clark County School District
Kevin Carman, Provost, University of Nevada, Reno
Constance Brooks, Ph.D., Vice Chancellor for Government and Community Affairs, Nevada System of Higher Education

CHAIR WOODHOUSE:

We will begin today's meeting with Assembly Bill (A.B.) 388.

[Assembly Bill 388 \(1st Reprint\)](#): Making an appropriation for the Women's Health Connection Program. (BDR S-915)

TOM MCCOY, (American Cancer Society Cancer Action Network):

The National Breast and Cervical Cancer Early Detection Program is called the Women's Health Connection in Nevada. We have never funded this program with State funds. With the enactment of Assembly Bill 388, it will be the first time that has happened in Women's Health Connection in nearly 20 years of experience.

Early detection tools are the best means of increasing survival rates in breast and cervical cancer. In the past several years, improvements in treatment, as well as in screening, have given us a survival rate, when breast cancer is detected early, of 99 percent. If detected at stage 3 or stage 4, the survival rate drops to 29 percent. Unfortunately, over the years the Women's Health Connection has not had the funding to screen all the women in Nevada that need to be screened. This is what A.B. 388 addresses.

Today and every day in Nevada, six women will be diagnosed with breast cancer. Unfortunately, this day and every day, at least one will die from breast cancer.

Cervical cancer, if detected early, is almost totally preventable for any long-range problems. If detected late, survival rate drops to 17 percent.

On behalf of the American Cancer Society, I encourage passage of A.B. 388.

CHAIR WOODHOUSE:

We will close A.B. 388 and move on to A.B. 397.

Assembly Bill 397 (1st Reprint): Makes an appropriation for grants to local governmental entities and nonprofit organizations for certain family planning services. (BDR S-856)

Elisa Cafferata (Nevada Advocates for Planned Parenthood Affiliates, Inc.): Briefly, I want to discuss what this bill does and the need for this appropriation. I believe several of you have heard in other hearings that the safety net for family planning programs in Nevada has been eroding. In 2010, we were meeting about 40 percent of the need for women who needed to access family planning through Medicaid or U.S. Title X Family Planning Program (Title X) grants. By 2014, we were only meeting 10 percent of the need in the State. Last year, rural Nevada lost 70 percent of its Title X family planning grant funding. This means that 7 of 13 rural health centers lost all of their funding for family planning grant programs.

Family planning is listed specifically in this bill. In rural Nevada especially, many times there are only community health nurses providing immunizations, preconception health checks, birth control and sexually transmitted disease testing.

This bill makes an appropriation of \$500,000 in Fiscal year (FY) 2017-2018 and the same amount in FY 2018-2019. This money will fill the hole for what was lost in rural Nevada. It will also provide a little bit more to help move women to the most effective methods of birth control.

When Medicaid provides family planning, it is generally spending \$200 per patient. Title X typically spends \$100 per patient, which tells me either women

are not using the services as consistently, or they are using the least effective methods of birth control. This is why we wanted to put in a little more funding so women can get the birth control that is best for them. This bill includes \$150,000 of appropriations to invest in making sure that patients can get the best health care possible.

There has been a lot of evidence and research on the benefits of investing in family planning. Women can plan their families and have children when they want them; they are healthier and their children are healthier. It saves the State a great deal of money when women can choose when to have their children. They are less likely to have an unplanned or unintended pregnancy. They are also less likely to be covered by Medicaid.

We listed in the bill the specific 18 types of methods of contraception that are approved by the U.S. Food and Drug Administration. Cervical cancer screening is essential to maintaining a woman's reproductive health. It is important they get screenings to maintain their fertility throughout their lives.

MICHAEL HACKETT (Nevada Primary Care Association; Nevada Public Health Association):

We are here in support of A.B. 397. We support an investment in public health and health care infrastructure. The Legislature made a significant investment by passing Senate Bill (S.B.) 122 which has been signed into law. We hope that you continue that investment by passing A.B. 397 which will provide funding that can help to fast track the State's Family Planning Program.

[Senate Bill 122 \(2nd Reprint\)](#): Establishes a program to provide grants for family planning services. (BDR 40-630)

CHAIR WOODHOUSE:

We will move on to opposition to A.B. 397.

JEANINE HANSEN (State President, Nevada Families for Freedom):

We do not oppose the money that is going to local government entities, but we do oppose any money going to Planned Parenthood. They are the main advocates of this bill. Nationally, they received \$573.7 million in 2014. They receive an incredible amount of our tax dollars. They are a highly political organization which we consider to be anti-family and anti-life. They are against parental consent at all levels.

We do not have the Hyde Amendment in Nevada. This would ensure that no money ever goes to abortions. We are concerned about that. We know they list the contraceptives in this bill. Some of these contraceptives are abortive agents. We know that in northern Nevada, Planned Parenthood refers patients for abortion and in southern Nevada, they provide chemical drug abortions. We oppose any money going to Planned Parenthood but not local government entities.

CHAIR WOODHOUSE:

We will close A.B. 397 and begin A.B. 501. This bill makes an appropriation to the Legislative Fund for dues and registration costs for national organizations, for computer hardware and radio replacement.

Assembly Bill 501 (1st Reprint): Makes an appropriation to the Legislative Fund for dues and registration costs for national organizations and computer hardware and radio replacements. (BDR S-1191)

RICK COMBS (Director, Legislative Counsel Bureau):

Assembly Bill 501 is the biennial one-shot request for the needs of the Legislative Branch. I have provided an extensive handout, ([Exhibit C](#)), that goes into detail of what is in A.B. 501 and the one-shot items that we will be funding out of the Legislative Fund balance this Interim.

Assembly Bill 501 originally included about \$1,062,900 for dues and registrations costs for national organizations that the Legislature belongs to and computer hardware replacement for the Administrative Division, Audit Division, and Research Division of the Legislative Counsel Bureau (LCB).

Pursuant to making my request in the Assembly, the amount of the one-shot appropriation was reduced by approximately \$4,000 to a total of \$1,058,788. The scope of funding use was expanded slightly to include hardware replacements and radio equipment replacements. The radio equipment replacement is a result of our legislative police mobile radios not functioning properly, therefore needing replacement. One radio will be replaced with this one-shot appropriation. The other radio will be replaced through some equipment funds remaining in the current fiscal year.

Dues and registration costs, as the bill is amended, for national conferences are on page 1 of [Exhibit C](#). During the Session, I was able to get the actual invoice amounts that these organizations will bill us in each year of the biennium.

Page 2 of [Exhibit C](#), shows computer hardware replacements totaling \$150,260 for the Administrative Division, \$35,200 for the Audit Division, and \$52,400 for the Research Division. In [Exhibit C](#), I have listed the items planned for replacement, most of which are on a four-year replacement cycle to keep them under warranty. We keep the printers some time much longer. The final piece is the police radio equipment and installation costs of \$5,094.

The following items are not in [A.B. 50](#), but I would like to discuss them. When the Legislative Commission approved the budget as submitted to the Governor, they approved the use of Legislative Funds for these one-shot items. This was so we did not have to ask for as much from the General Fund in the budget building process. It is important to let the Senate Committee on Finance and the Assembly Committee on Ways and Means know what we are doing, since we are spending money.

On page 3 of [Exhibit C](#) is the replacement of the Legislative Building elevator components for \$200,000. This cost is based on prior elevator repair costs and an estimate from an elevator consultant. We will still have one more elevator to repair in each of the next two interims to get the elevators up to code.

We are requesting \$100,000 for roof repairs due to water intrusion problems. This problem has been occurring for a number of years. We are not sure if the roof needs to be replaced or repaired.

On pages 4 and 5 of [Exhibit C](#) is an extensive list of computer hardware and software that will be replaced this cycle. It breaks down to three different components: wireless network upgrades at \$220,360, network hardware at \$327,300 and software at \$288,860.

On page 6 of [Exhibit C](#) is a continuation of our telecommunications system replacement at \$369,193. Last Session we were approved for funding for phase 1 of this project.

On page 7 of [Exhibit C](#) is a fiber upgrade project for the fiber running from the computer room to the phone room, and from the Legislative Building to the

Sedway Office Building and the State Printing Office. We want to get it done now because currently there is piping available to us, and it may not be in the future.

On page 8 of [Exhibit C](#), there are a couple of different projects for the broadcast and production services unit: replacement of codec machines, videoconferencing infrastructure equipment and equipment hardware replacements. We cannot afford to be down for any length of time. The videoconference equipment will broaden the number of places we can videoconference.

On pages 9 through 11 of [Exhibit C](#) are a number of smaller projects. The one-shot includes funding for computer hardware replacements, general services storage racks, and legislative police items.

SENATOR KIECKHEFER:

When we closed the budget, the Committees agreed to allow a travel allowance for Legislators during the Interim to attend conferences of organizations that we subscribe to. Is this list, on page 1 of [Exhibit C](#), the organizations for which Legislators would be able to seek travel reimbursement?

MR. COMBS:

From the motion that was made in each Committee, my answer would be yes, but as I indicated at the time the proposal was presented, the Legislative Commission will have to actually revise the travel policy. The travel policy has not been in effect for a number of years, and the old policy is not consistent with the amount of funding that was approved by the two money Committees.

SENATOR KIECKHEFER:

Is the American Legislative Exchange Council (ALEC) one of the organizations?

MR. COMBS:

Yes, we were trying to get ALEC to invoice us. They indicate that they do not charge dues in the same way as other organizations. I do not know if they charge individual Legislators. They do not charge dues that are applicable to the Legislative Body.

SENATOR KIECKHEFER:

Would it ultimately be up to the Legislative Commission to decide whether a reimbursement for an ALEC trip would be allowed?

MR. COMBS:

I believe the policy should address this issue.

SENATOR DENIS:

Will the Microsoft Office (MS) software replacement be MS 360? This software is online but also gives access to the MS Office products.

MR. COMBS:

I have talked to Information Technology about the process. We are reluctant to go in that direction because of the cloud component of MS 360. We have a lot of very confidential information. It may be something we will consider in the future. Right now we are hesitant to go to MS 360, so we are looking at MS Office 16.

SENATOR DENIS:

While it has the ability of the cloud product, which means, with whatever device you are on, you can also download the version onto your individual computers. Have you compared the cost of each MS product? You said you are replacing the software after ten years. You will have ongoing costs and upgrades constantly.

MR. COMBS:

If we were not planning to try to get at least six years out of MS Office 16, then it might make financial sense to go with the MS 360 version with the cloud. We looked at it from a cost standpoint; if we do get at least six years out of the MS Office 16, it is actually less expensive to go this route. Not to say, the next time we need to upgrade, we may or may not go in that direction, or maybe a new product will be available.

SENATOR DENIS:

Is that all that needs replacing on the telecommunication system?

MR. COMBS:

We did get a number of handsets as part of phase 1, but this should replace the balance of the handsets that have not been replaced.

SENATOR DENIS:

Do they have added features that the old ones did not have?

MR. COMBS:

That is yet to be determined, and it is up to the folks who decide what type of phone they want for each part of the organization.

SENATOR DENIS:

Is this phone system connected with the Las Vegas office?

MR. COMBS:

They are connected.

SENATOR DENIS:

If we were connected to Las Vegas, we might be able to lower our long distance costs.

MR. COMBS:

We do have the ability not to dial the entire seven digit number because we are connected, and it does save on the long distance costs.

SENATOR DENIS:

I am thinking for us Legislators calling constituents in Las Vegas from Carson City, that it would not be a long distance call.

MR. COMBS:

From a telephone standpoint, we are paying so little in long distance that your telephone allowance costs us more to account for than what you are actually paying for the long distance.

SENATOR DENIS:

That is why I am bringing this up; most of the calls are to Las Vegas. If we can do this through the new system, then you would have less to manage. Are the new codec machines the latest version, and are they digital? Will it improve the quality of what we currently have?

MR. COMBS:

I think that right now the only thing that is probably going to improve is the quality of our inland system. I do not believe we have the wiring and the

devices in every office to enable a full experience from a high-density standpoint. The quality you see on the screens in the committee room is a lot better than what you are seeing through our inland system. I do not know if the codecs will help within our internal network. We do have that in a future plan to make that experience better.

SENATOR DENIS:

I realize that it is a wiring issue to our offices. Will the codec machines improve the quality of the picture for constituents who watch the videos?

MR. COMBS:

It could, but the codecs we currently have are making full use of the signal that we were able to get through the upgrade this past Interim. As we buy new equipment, we get better features and production. I do not think the new codecs will be a significant improvement in the quality of the picture.

SENATOR DENIS:

You mentioned you would be able to Skype or use other applications. Does this mean if we had a witness that needs to call in, would they be able to call from an iPad or computer into our system?

MR. COMBS:

That is the goal. I do not want to overpromise. We have not actually installed this or even tested it. However, it sounds very promising. At a minimum, it would increase the number of other locations that we can videoconference from. If it is not someone's telephone or their desk device, and it is a location that does not have Polycom but has something else, we will not be limited to only Polycom.

SENATOR DENIS:

In the rural areas, we might be limited, but possibly connect to someone at a college who has a system other than Polycom.

SENATOR PARKS:

In keeping with the four-year replacement cycle of computers, will the Legislators be getting new computers in the upcoming biennium?

MR. COMBS:

It would be prior to the next Legislative Session in 2019.

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CHAIR WOODHOUSE:

We will close A.B.501 and open A.B. 502.

Assembly Bill 502 (1st Reprint): Makes an appropriation to the Account for Pensions for Silicosis, Diseases Related to Asbestos and Other Disabilities. (BDR S-1192)

BUDD MILAZZO (Senior Deputy Treasurer, Office of the State Treasurer):

We are seeking an appropriation for \$80,000 for this account. This will cover us for the next two years. Each biennium we will come back asking for an appropriation. This account was established in 1973 for people who had these disabilities. It is for anyone who was affected by these disabilities prior to 1973. The number of claimants go down each year as people pass away. This account has always been General Fund appropriated. In 2009, the Legislature took \$3.5 million to transfer back to the General Fund, as the money was not needed. This is the first time since 2009 we are asking for an appropriation to maintain this account.

SENATOR PARKS:

In the current biennium, how much was paid out in claims?

MR. MILAZZO:

We pay about \$36,000 each year.

CHAIR WOODHOUSE:

We will close A.B. 502 and move on to A.B. 503.

Assembly Bill 503 (1st Reprint): 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)

CADENCE MATIJEVICH (Deputy Secretary of Operations, Office of the Secretary of State):

I will read from my written testimony, ([Exhibit D](#)). This bill provides for a General Fund appropriation to the budget of the Office of the Secretary of State in the amount of \$6,334,319. The appropriation will provide funding for the continuation of our technology investment request that was presented and approved in the 2015 Legislative Session.

This project will replace our current Electronic Secretary of State system (ESOS). The current ESOS is the primary application used by our office for the purpose of receipting, processing and archiving business entity filings. It is over 15 years old. These filings generate General Fund revenues in excess of \$190 million annually. It is critical that we ensure we can process these filings.

The current software is antiquated and increasingly difficult to maintain; portions of the software are no longer supported; work stoppages occur frequently as parts of the system fail; and the entire system operates well below today's technology standard for processing.

The new project will replace ESOS with a state-of-the-art system, which will increase online functionality, be user-friendly for our customers, improve back-end administration and provide significantly increased reliability and security.

SENATOR DENIS:
Will this finish the project?

MS. MATIJEVICH:
We believe that it will. There may be a small amount in the following biennium for warranty and maintenance. Our base plan schedule is predicting completion of the project in early calendar year 2019. If that occurs, we may be able to get the final things in with this appropriation. If not, we may need to come back in the next biennium for \$500,000 or so.

CHAIR WOODHOUSE:
We will close A.B. 503. We have six more bills to hear beginning with A.B. 493.

Assembly Bill 493 (1st Reprint): Makes a supplemental appropriation to the Department of Corrections for a projected shortfall related to outside medical expenditures, contract temporary professional services and personnel expenditures. (BDR S-1177)

CHARLES H. SCHARDIN (Medical Administrator, Nevada Department of Corrections):
I am here to introduce A.B. 493. This is a supplemental appropriation for \$5,952,535 to cover a shortfall related to outside medical expenses, contracted

temporary professional services and personnel expenditures. The funds would be allocated as follows:

1. Outside medical expenditures are \$5,067,144. This is primarily due to two factors. One is the change in accounting methodology from accrual basis to cash basis. The change in accounting method affected the funds we have accessed in the past to pay stale claims. By definition under the cash basis of accounting no claims are technically stale. We could not access funds from the stale claim account to pay those claims.
2. The increase in inmate population has resulted in more utilization of outside medical services and medication costs. The costs of drug regimens for HIV treatments are increasing at rates faster than inflation. In addition, increased utilization of dialysis and hepatitis C treatments have increased.
3. For contracted temporary professional services, \$321,239 is necessary to temporarily fill vacant positions for a psychiatrist, dentist and nurses in rural locations while recruitment is ongoing.
4. Personnel expenditures and revenue shortfall at Florence McClure Women's Correctional Center is \$564,152. This is due to overtime that is necessary to open a housing unit because of the increase in caseload and a revenue shortfall from one of the prison industries that had a deep reduction in volume.

SENATOR KIECKHEFER:

Is the shortfall a one-time issue related to the change from an accrual basis to a cash basis accounting methodology?

MR. SHARDIN:

Yes, it should smooth out going forward. Since the stale claims were accessed from the stale claims accounts, we have been paying the claims on a current basis now.

CHAIR WOODHOUSE:

We will close the hearing on A.B. 493 and move on to A.B. 497.

Assembly Bill 497 (1st Reprint): Makes a supplemental appropriation to the Division of Administrative Services of the Department of Motor Vehicles for a projected shortfall related to credit card processing fees. (BDR S-1167)

CYNDIE MUNOZ (Chief of Administration, Nevada Department of Motor Vehicles): We are asking for a supplemental appropriation in the amount of \$734,147 due to an unanticipated increase in merchant fees for credit and debit cards.

CHAIR WOODHOUSE:

We will close the hearing on A.B. 497 and open the hearing on A.B. 499.

Assembly Bill 499 (1st Reprint): Makes appropriations to restore the balances in the Stale Claims Account, Reserve for Statutory Contingency Account and Contingency Account. (BDR S-1184)

JAMES R. WELLS, C.P.A. (Director, Office of Finance, Office of the Governor): Assembly Bill 499 replenishes the three primary accounts that we use for unanticipated expenditures. Section 1, subsection 1, the Stale Claims Account, is used to pay for prior fiscal year claims that are greater than \$100. Based on our current year projections, we are anticipating an ending balance of \$1.3 million. The additional \$500,000 in Section 1, subsection 1, would give us a balance of \$1.8 million. We believe that is sufficient to cover the 2017-2019 biennium.

Section 1, subsection 2, is the reserve for the Statutory Contingency account. This account is used to pay terminal leave, employee special counsel and certain insurance claims if the insurance premium funds have been exhausted. This Interim we have not come to the Interim Finance Committee (IFC) for money from the contingency fund. The projected ending fund balance is about \$775,000. With the additional \$2 million, we believe that is sufficient to get us through the 2017-2019 biennium.

The IFC contingency fund is used to pay for shortfalls experienced by agencies with General Fund appropriations or for unexpected items that come up that were not included in the Legislatively-approved budget. FY 2016-2017 requests have been about \$3.5 million to date with approximately \$870,000 due to the start-up of the Recreational Marijuana Program. It will be returned from the fees collected for that Program. The current projected ending fund balance is

approximately \$9.3 million. The amended version of the bill has \$7 million going into this account, which would start the 2017-2019 biennium at a little over \$16.3 million. We believe that is sufficient to get us through the 2017-2019 biennium.

CHAIR WOODHOUSE:

We will close the hearing on A.B. 499 and begin A.B. 504.

Assembly Bill 504 (1st Reprint): Makes appropriations to the Office of Finance and the Interim Finance Committee to replace the existing financial and human resource management information technology system.
(BDR S-1194)

MR. WELLS:

Assembly Bill 504 as amended will put approximately \$600,000 into a separate budget account to start the planning process for the Enterprise Resource Program in the 2017-2019 biennium and put the balance of \$14.4 million into the IFC Contingency Account that can be accessed during the Interim as the project moves forward.

The funding split in the amended version of the bill is 19 percent Highway Fund and 81 percent General Fund. This was done to reflect the position split between the two funds. It will also be allocated back to agencies that are not General Fund or Highway Fund due to the Statewide cost allocation plan in the upcoming biennia.

The financial and human resource systems went live in January of 1999. The systems were heavily customized for the State business practices and are no longer supported by the vendor. This program is written in COBOL and programmers are hard to find. The skillsets are becoming difficult to retain as those individuals retire. This system does not offer the flexibility to meet many of the State's current business processes or business needs. The basic reporting and tracking tools are lacking, resulting in agencies using a wide variety of manual external processes as work-arounds for the system's shortcomings. The hope is that a modern Enterprise Resource Program (ERP) system for both financial and human resource management would provide significant efficiencies, enhance fiscal management, and make continuous updates to extend the lifetime of the upcoming project.

The request for proposal (RFP) will be developed over the next six months and released in January 2018. The vendor will be selected around July 2018. It will be an 18-month implementation for human resources, which will go live effective January 2020. The financial system will be started in January 2019 with an effective date of July 2020.

SENATOR KIECKHEFER:

Does this cover the total cost of the systems or will there be additional costs next Session?

MR. WELLS:

This is the down payment; we believe the total cost of this system will be \$50 million to \$60 million.

CHAIR WOODHOUSE:

We will close the hearing on A.B. 504 and begin A.B. 511.

A.B. 511 (1st Reprint): Makes an appropriation to the Millennium Scholarship Trust Fund. (BDR S-1209)

MR. WELLS:

I am introducing A.B. 511 to the Committee. It appropriates \$20 million to the Millennium Scholarship Trust Fund. Currently, the projections are that without this infusion of General Fund appropriations, at the end of the upcoming biennium, this account would have a deficit of approximately \$13.5 million. This is based on the projections of the tobacco revenues, as well as the increases that we are seeing in the scholarship expenditures.

CHAIR WOODHOUSE:

In the Interim, we will need to find a revenue source for this program. We will close the hearing on A.B. 511 and begin A.B. 512.

Assembly Bill 512: Temporarily extends fee for the provision of specialty court programs. (BDR S-1214)

We will pass on this bill and move on to A.B. 519.

Assembly Bill 519: Makes an appropriation to the Secretary of State to provide grants of money to the counties in this State for the purchase of voting machines. (BDR S-1238)

WAYNE THORLEY (Deputy Secretary for Elections, Secretary of State):
Assembly Bill 519 is a bill sponsored by the Assembly Ways and Means Committee. It seeks to appropriate \$8 million to the Secretary of the State. These funds would be used to grant funds to the 17 counties in Nevada for the purchase of voting machines and related costs.

In section 1 of the bill, subsection 2, on lines 9 through 12 of page 1, the bill establishes caps that we could allocate to the counties not more than \$4.5 million could be granted to Clark County and not more than \$1.7 million to Washoe County. The balance of \$1.8 million would be used to grant awards to the other counties in the State.

Our office plans to develop a grant application form that the counties will complete and return before we make the grants.

SENATOR DENIS:

How old are the machines that need replacing? Do all of the machines need replacing?

MR. THORLEY:

The machines in use now in all 17 counties were purchased between 2004 and 2006.

SENATOR DENIS:

Are these funds enough to replace all of the machines?

MR. THORLEY:

The funding in this bill will cover half of the cost needed to replace the machines Statewide. The remaining funding will come from the individual counties.

SENATOR KIECKHEFER:

Can the counties select their machines from various approved vendors?

MR. THORLEY:

Currently, two vendors have systems certified for use in Nevada. The plan is, once the counties receive the grants, they will go through their own county procurement process and select from a certified vendor the system they would like to use. This bill does not designate any particular system.

SENATOR KIECKHEFER:

Does it change your process if different machines are used throughout the State in terms of election returns?

MR. THORLEY:

Currently we are all using one system. Ever since we went with this system, we have not had any counties using different systems. We are confident even if we are running different systems in the counties, we will be able to get election results accurately and timely.

SUSAN MERRIWEATHER (Clerk-Recorder, Carson City):

I am representing all of the rural counties in Nevada. The voting machines are used for federal, State, and county elections and ballot questions. We are asking the State to share the cost of replacing the aging equipment. Rural counties are currently facing a financial burden with replacement of the software for the clerk-recorder, assessor and various departments due to the closure of Advanced Data Systems, a software system we all have used.

DAGNY STAPLETON (Deputy Director, Nevada Association of Counties):

Thank you for your support of this bill and its funding.

LES LEE SHELL (Director of Risk Management, Clark County):

My comments are the same as Ms. Stapleton. Thank you.

CHAIR WOODHOUSE:

We will close the hearing on A.B. 519 and begin A.B. 520.

Assembly Bill 520: Makes an appropriation to the Nevada State Museum, Las Vegas for the construction of a new playground at the Las Vegas Springs Preserve. (BDR S-1243)

ASSEMBLYWOMAN CARLTON (Assembly District No. 14):

I am here to present A.B. 520. The Las Vegas Springs Preserve has a butterfly house. There will be a new teaching garden. This new playground would be the bridge between the two. It would be an area for families to explore. In 2001, the Legislature passed a law that led to a \$200 million environmental bond ballot question in 2002. That bond passed with more than 59 percent of the vote and provided the seed money for the Springs Preserve and the relocation of the State Museum in Las Vegas to the Springs Preserve.

This important partnership between State and local cultural resources was solidified in 2011 when the State Museum opened in Las Vegas. The price of admission for the State Museum includes the Springs Preserve. The State Museum benefits when paid admission increases above the guaranteed amount. This past year has been a good year for the partnership between the State Museum and the Springs Preserve. The opening of Boomtown in February and the water works exhibit this fall are expected to make the current year one of the best years since opening. Overall attendance is up 20 percent. As additional attractions like the butterfly habitat are added, the Springs Preserve has seen increased focus among visitors at the site, especially the botanical gardens. Over the past year, paid admission increased by more than 6 percent. Visitation to the gardens and trails increased by 66 percent, and visitation to the butterfly habitat increased by 25 percent. We hope these trends continue as the garden and the springs mature and additional areas are opened.

Due to a generous grant from the Rogers Foundation, the Springs Preserve's teaching garden is a model community garden that will inspire and educate schoolchildren throughout Las Vegas.

Each year the Springs Preserve hosts 25,000 to 30,000 elementary school students through its free field trip program. We expect many of these field trips include a visit to the teaching garden. The area around the teaching garden and butterfly habitat is an ideal location for a new playground because of the proximity of these two attractions. A playground that is themed around butterflies and garden sustainability will be able to teach Nevada students about the concepts in subtle natural ways. The inclusion of a water feature in the playground and potentially a small amphitheater will help make the corridor around the butterfly habitat and the teaching garden a more robust offering. The continued partnership between the State and the Springs Preserve will be enhanced by this appropriation. Having a water feature with a splash pad will be great in Las Vegas.

ANDY BELANGER (Director, Las Vegas Valley Water District):

We run and operate the Springs Preserve. We support this bill and view this as a great partnership between the State and local the Springs Preserve Foundation. The teaching garden will be a tremendous resource. It will be a great resource for the school districts and for students. The adjacent playground will really help to make this a fun and exciting place.

BRAD KEATING (Clark County School District):

We are proud to be here in support of A.B. 520. Everything that happens at the Springs Preserve is a great benefit to the students in the Clark County School District. In order for students to learn, learning has to be fun. The Preserve provides this for the students.

CHAIR WOODHOUSE:

We will close the hearing on A.B. 520 and begin A.B. 512.

MARK KRMPOTIC (Fiscal Analyst):

The money Committees initiated this bill. It extends the \$100 DUI fee to offset costs of the specialty court programs. When the money committees closed the Judicial Branch's budget for the specialty court programs, they made the decision to extend the \$100 DUI fee for another two years through June 30, 2019 and reduce General Fund appropriations in like amounts. It provides a funding source for the specialty court programs. I believe it is estimated to generate approximately \$550,000 to \$600,000 per year. This will sunset at the end of the next biennium.

CHAIR WOODHOUSE:

We will close the hearing on A.B. 512. We will begin A.B. 522. Without a presentation of this bill, we will go to support of this bill.

Assembly Bill 522: Makes an appropriation to the Nevada Teach Program at the University of Nevada, Reno. (BDR S-1246)

KEVIN CARMAN (Provost, University of Nevada, Reno):

We are all aware of the national shortage of math and science educators in K-12 education. Nevada Teach is an installment of the national program UTeach which was originated through the University of Texas to address this issue. The program involves students who get a degree in math, biology, chemistry, physics or engineering as well as a degree in education. Students do this in four years. Part of the program includes master teachers who come from the community. We provide scholarships to attract students into the program. We know nationally that this program is highly effective. These students participate in the program and go on to teach. We have over 100 students enrolled in the program in its second year. These funds will help us implement the program. We received a grant from the UTeach Foundation and the Howard Hughes Medical Institute, a \$1.5 million grant over five years with decreasing funds

over time. We have to take financial ownership of this program. It will provide funding for master teachers, scholarships for students and program support.

CONSTANCE BROOKS, (Vice Chancellor for Government and Community Affairs, Nevada System of Higher Education):

We would like to thank the sponsors, and we are in full support of this program.

CHAIR WOODHOUSE:

We will close A.B. 522. We will go into work session with A.B. 388.

MR. KRMPOTIC:

Assembly Bill 388 was heard this morning. It makes an appropriation in the amount of \$500,000 per year to the Women's Health Connection program. The appropriation is made to the Division of Public and Behavioral Health for the cost of the Women's Health Connection program. The effective date is July 1, 2017.

SENATOR FORD MOVED TO DO PASS A.B. 388.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE EXCUSED FOR THE VOTE.)

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MR. KRMPOTIC:

The next bill is A.B. 397. This bill includes General Fund appropriations of \$500,000 each year to the Division of Public and Behavioral Health. It provides for family planning services to persons who would otherwise have difficulty obtaining such services due to poverty, lack of insurance, transportation and any other reason. This bill becomes effective July 1, 2017. It includes methods of contraception approved by the U.S. Food and Drug Administration as listed in the bill.

SENATOR FORD MOVED TO DO PASS A.B. 397.

SENATOR PARKS SECONDED THE MOTION.

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SENATOR KIECKHEFER:

I wish to reserve my right to change my vote on the floor.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE
EXCUSED FOR THE VOTE.)

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MR. KRMPOTIC:

Assembly Bill 493 is a supplemental appropriation that was just heard from the Department of Corrections. The bill includes \$5,067,144 for medical expenditures, \$321,000 for temporary professional services and \$564,152 for the Florence McClure Women's Correctional Center.

SENATOR PARKS MOVED TO DO PASS A.B. 493.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE
EXCUSED FOR THE VOTE.)

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MR. KRMPOTIC:

Assembly Bill 497 is a supplemental appropriation from the Highway Fund to the Nevada Department of Motor Vehicles in the amount of \$734,147 for credit card processing fees and merchant fees. It is effective upon passage and approval.

SENATOR FORD MOVED TO DO PASS A.B. 497.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE
EXCUSED FOR THE VOTE.)

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MR. KRMPOTIC:

Assembly Bill 501 was heard this morning and makes an appropriation to the Legislative Fund for dues and registration costs for national organizations, computer hardware and radio replacements. The appropriation is for \$1,058,788. This is a one-time appropriation and is effective upon passage and approval.

SENATOR PARKS MOVED TO DO PASS A.B. 501.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE EXCUSED FOR THE VOTE.)

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MR. KRMPOTIC:

Assembly Bill 502 makes an appropriation to the account for Pensions for Silicosis, Diseases Related to Asbestos and Other Disabilities. The appropriation is for \$80,000. This provides for payments for the upcoming biennium.

SENATOR FORD MOVED TO DO PASS A.B. 502.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE EXCUSED FOR THE VOTE.)

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MR. KRMPOTIC:

Assembly Bill 503 is an appropriation to the Office of the Secretary of State for the continuation of the replacement of the ESOS system. This bill was heard this morning and testified to by the Office of the Secretary of State. The appropriation is for \$6,334,319. This bill is effective upon passage and approval.

SENATOR PARKS MOVED TO DO PASS A.B. 503.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE
EXCUSED FOR THE VOTE.)

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MR. KRMPOTIC:

Assembly Bill 504 is for the replacement of the ERP system, the State's accounting and human resource system, and includes an appropriation from the General Fund totaling \$486,000 and one from the Highway Fund totaling \$114,000. The costs are split, 81 percent General Fund and 19 percent Highway Fund to develop the project plan and RFPs. The larger sum is included in a General Fund appropriation of \$11,664,000 and the smaller sum is included in the \$2,736,000 from the Highway Fund. These would be appropriated to the IFC for the replacement of the existing financial and human resource management system. The Agency can seek allocation from the Contingency Fund upon presentation of a project plan and itemization of the costs.

SENATOR FORD MOVED TO DO PASS A.B. 504.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE
EXCUSED FOR THE VOTE.)

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MR. KRMPOTIC:

Assembly Bill 511 makes an appropriation to the Millennium Scholarship Trust Fund of \$20 million to provide solvency through the next biennium.

SENATOR FORD MOVED TO DO PASS A.B. 511.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE
EXCUSED FOR THE VOTE.)

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MR. KRMPOTIC:

Assembly Bill 512 temporarily extends fees for the provision of specialty court programs. This is the DUI fee that provides funding for the specialty court programs over the next two years within the Judicial Branch.

SENATOR FORD MOVED TO DO PASS A.B. 512.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE
EXCUSED FOR THE VOTE.)

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MR. KRMPOTIC:

Assembly Bill 519 includes a General Fund appropriation of \$8 million to pay for one-half of the cost of replacement voting machines throughout the State. The other half of the cost is to be provided by the counties.

SENATOR FORD MOVED TO DO PASS A.B. 519.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE
EXCUSED FOR THE VOTE.)

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MR. KRMPOTIC:

Assemblywoman Carlton presented A.B. 520. This includes a \$500,000 appropriation to the Nevada State Museum in Las Vegas for construction of a new playground at the Las Vegas Springs Preserve for construction of a new playground. This bill is effective July 1, 2017.

SENATOR FORD MOVED TO DO PASS A.B. 520.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE
EXCUSED FOR THE VOTE.)

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MR. KRMPOTIC:

Assembly Bill 522 includes General Fund appropriations of \$300,000 for the Nevada Teach program at the University of Nevada, Reno, in FY 2017-2018. This bill is effective July 1, 2017.

SENATOR KIECKHEFER MOVED TO DO PASS A.B. 522.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS HARRIS AND DENIS WERE
EXCUSED FOR THE VOTE.)

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CHAIR WOODHOUSE:
The meeting is adjourned at 10:35 p.m.

RESPECTFULLY SUBMITTED:

Mary Sullivan,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	4		Attendance Roster
A.B. 501	C	11	Rick Combs / LCB	One-shot Fund Request Handout
A.B. 503	D	5	Cadence Matijevich / SOS	Presentation of A.B. 503