

**MINUTES OF THE MEETING OF THE
SENATE COMMITTEE ON FINANCE
AND
ASSEMBLY COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEES ON GENERAL GOVERNMENT**

**Seventy-ninth Session
April 28, 2017**

The joint meeting of the Subcommittees on General Government of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Aaron D. Ford at 8:10 a.m. on Friday, April 28, 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.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Aaron D. Ford, Chair
Senator David R. Parks
Senator Becky Harris

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Teresa Benitez-Thompson, Vice Chair
Assemblywoman Olivia Diaz
Assemblyman Chris Edwards
Assemblyman John Hambrick
Assemblywoman Ellen B. Spiegel

COMMITTEE MEMBERS EXCUSED:

Assemblywoman Heidi Swank, Chair (Excused)

STAFF MEMBERS PRESENT:

Alex Haartz, Principal Deputy Fiscal Analyst
Cindy Jones, Fiscal Analyst
Jon Stieber, Program Analyst
Cathy Crocket, Program Analyst

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 2

Leandra Copeland, Program Analyst
Mary Sullivan, Committee Secretary
Edgar Cervantes, Committee Secretary

OTHERS PRESENT:

Heather Korbolic, Executive Director, Silver State Health Insurance Exchange

CHAIR FORD:

We will begin our budget closing process with budget account (B/A) 101-1337.

Administration - Director's Office — Budget Page ADMIN-4 (Volume I)
Budget Account 101-1337

JON STIEBER (Program Analyst):

Discussion on B/A 101-1337, the Department of Administration (DOA) Director's Office, begins on page 3 of ([Exhibit C](#)). This budget account includes two major closing items. The first major closing item is decision unit E-227 regarding the information technology (IT) cloud solution. The Governor recommends \$209,230 over the 2017-2019 biennium for an IT cloud solution that would afford 610 DOA employees the ability to access data and e-mails from any device, anywhere, without needing a virtual private network account. The 2013 Legislature approved the Governor's recommendation to migrate the State's e-mail system from a State-owned and hosted Microsoft Exchange system to an outsourced cloud-based e-mail solution. However, that was never executed. This request is a pilot program which would eventually include all State agencies as funding becomes available. As proposed, the full migration of all agencies would occur in the 2019-2021 biennium. According to the Agency, the IT cloud solution would directly replace the current e-mail system and would be evaluated using the same metrics.

E-227 Efficient and Responsive State Government — Page ADMIN-7

Do the Subcommittees wish to approve cost-allocation-funded expenditures of \$209,230 over the 2017-2019 biennium to support licensing for an IT cloud-based e-mail solution for DOA employees?

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 3

ASSEMBLYMAN EDWARDS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE COST-ALLOCATION-FUNDED EXPENDITURES OF \$209,230 OVER THE 2017-2019 BIENNIUM TO SUPPORT LICENSING FOR AN IT CLOUD-BASED E-MAIL SOLUTION FOR DOA EMPLOYEES.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

MR. STIEBER:

The second major item of B/A 101-1337 is decision unit E-226 regarding out-of-State travel. The Governor recommends expenditure authority of \$10,170 over the 2017-2019 biennium to annualize the Director's and Deputy Director's travel expenditures that were not included in the base amount due to position vacancies. Requested travel includes meetings to discuss Lean Six Sigma practices.

E-226 Efficient and Responsive State Government — Page ADMIN-6

Do the Subcommittees wish to approve cost-allocation-funded expenditures of \$10,170 over the 2017-2019 biennium to support out-of-State travel for the DOA Director and Deputy Director?

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE COST-ALLOCATIONS-FUNDED EXPENDITURES OF \$10,170 OVER THE 2017-2019 BIENNIUM TO SUPPORT OUT-OF-STATE TRAVEL FOR THE DOA DIRECTOR AND DEPUTY DIRECTOR.

SENATOR PARKS SECONDED THE MOTION.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 4

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

MR. STIEBER:

There are six other closing items in B/A 101-1337 beginning on page 5 of [Exhibit C](#). Other closing item 5, decision unit E-805, regarding a the position reclassification will be determined by the money committees when the Pay Bill is considered.

E-805 Classified Position Changes — Page ADMIN-9

Other closing item 1, decision unit E-225, regards membership dues. Other closing item 2, decision unit E-229, regards disk storage. Other closing item 3, decision unit E-230, regards the elimination of one vacant administrative assistant position. Other closing item 4, decision unit E-710, regards equipment replacement. Other closing item 6, decision unit E-903, regards business process analyst transfer from the DOA Director's Office to the IT Office of the Chief Information Office.

E-225 Efficient and Responsive State Government — Page ADMIN-6

E-229 Efficient and Responsive State Government — Page ADMIN-7

E-230 Efficient and Responsive State Government — Page ADMIN-8

E-710 Equipment Replacement — Page ADMIN-8

E-903 Transfer From BA 1337 To BA 1373 — Page ADMIN-9

Do the Subcommittees wish to approve other closing items 1 through 4 and 6 as recommended by the Governor, excluding other closing item 5, which will be determined at a later date, and provide Fiscal staff with authority to make technical adjustments as necessary?

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS 1 THROUGH 4

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 5

AND 6 AS RECOMMENDED BY THE GOVERNOR IN B/A 101-1337, EXCLUDING OTHER CLOSING ITEM 5, WHICH WILL BE DETERMINED AT A LATER DATE, AND GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

MR. STIEBER:

Discussion on B/A 101-1301, Special Appropriations, begins on page 7 of [Exhibit C](#). There are six major closing items in this account.

Governor's Finance Office - Special Appropriations — Budget Page ELECTED-65
(Volume I)
Budget Account 101-1301

The first major closing item in B/A 101-1301 is the Clark County Nutrition Program, decision unit E-228, discussed on page 8 of [Exhibit C](#). The Governor recommends General Fund appropriations of \$275,000 in fiscal year (FY) 2017-2018 to fund a pilot program to increase Clark County School District (CCSD) participation in all federal nutrition programs. The Agency indicates that the request was supported by the CCSD to implement a pilot program that expands breakfast and after-school feeding programs by lowering the threshold for eligibility from 70 percent of free-and-reduced price lunch to 60 percent free-and-reduced price lunch. The Agency indicates that the funds would be managed based upon recommendations received from the Food Security Council at the Department of Health and Human Services.

E-228 Efficient and Responsive State Government — Page ELECTED-66

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 6

Do the Subcommittees wish to approve \$275,000 in General Fund appropriations in FY 2017-2018 to serve as matching funds for CCSD's participation in the federal nutrition programs?

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE \$275,000 IN GENERAL FUND APPROPRIATIONS IN FY 2017-2018 TO SERVE AS MATCHING FUNDS FOR CCSD'S PARTICIPATION IN THE FEDERAL NUTRITION PROGRAM.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

MR. STIEBER:

The second major closing item of B/A 101-1301, decision unit E-360, regarding the pilot reentry program, begins on page 8 of [Exhibit C](#). The Governor recommends General Fund appropriations of \$699,575 to supplement the \$850,111 in General Fund appropriations for a pilot reentry program in the Department of Public Safety, Parole and Probation Division (P&P) budget for the 2017-2019 biennium. This supplemental funding provides for five additional full-time positions and related expenditures to support the positions in the event the number of parolees requiring supervision is greater than projected during the 2017-2019 biennium.

E-360 Safe and Livable Communities — Page ELECTED-67

The Governor's Finance Office (GFO) indicated that when preparing decision units relating to the pilot reentry program, it was hesitant to allocate additional resources to P&P without having workload statistics to support additional full-time equivalent (FTE) positions; as such, General Fund appropriations are recommended in the Special Appropriations budget, should additional FTEs be

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 7

needed. However, in response to Fiscal staff questions after the March 2, 2017, budget hearing, the Agency indicates these funds should be placed in the restricted portion of the Interim Finance Committee (IFC) Contingency Account for the Agency to access through the IFC as needed and justified by workload, a recommendation supported by Fiscal staff.

Do the Subcommittees wish to approve the Governor's recommendation for \$699,575 in General Fund appropriations to supplement recommended funding for a pilot reentry program in the P&P budget, contingent upon the approval of the P&P's pilot program? If so, Fiscal staff recommends the Subcommittees also approve a technical adjustment to remove the \$699,575 from B/A 101-1301 and appropriate the funding to the restricted portion of the IFC's Contingency Account.

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR \$699,575 IN GENERAL FUND APPROPRIATIONS TO SUPPLEMENT RECOMMENDED FUNDING FOR A PILOT REENTRY IN THE P&P BUDGET, CONTINGENT UPON THE APPROVAL OF THE P&P'S PILOT PROGRAM, AND APPROVE A TECHNICAL ADJUSTMENT TO REMOVE THE \$699,575 FROM B/A 101-1301 AND APPROPRIATE THE FUNDING TO THE RESTRICTED PORTION OF THE IFC'S CONTINGENCY ACCOUNT.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

MR. STIEBER:

The third major closing item of B/A 101-1301, includes decision units E-225 and E-226, regarding cybersecurity, SilverNet bandwidth and last mile connectivity. Discussion on these decision units begins on page 9 of [Exhibit C](#).

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 8

E-225 Efficient and Responsive State Government — Page ELECTED-65

E-226 Efficient and Responsive State Government — Page ELECTED-66

The Governor recommends General Fund appropriations of \$2.8 million over the 2017-2019 biennium for loans to the Enterprise IT Services Division (EITS) to enhance the State's cybersecurity resources and to increase the bandwidth and connectivity of the State's wide area network, known as SilverNet. The Agency indicates that because the loans relate to capital equipment and software purchases, EITS must charge depreciation to user agencies over the equipment's useful life, instead of a lump sum as would be the case should this be included in the EITS budget. A lump-sum payment could also result in a potential federal payback due to user agencies paying unallowable expenses. Fiscal staff recommends that if this recommendation is approved, language be included in the Appropriations Act restricting the use of funds and terms of the loan repayment.

Do the Subcommittees wish to approve the Governor's recommendation of \$2.8 million in General Fund appropriations over the 2017-2019 biennium as loans to EITS to enhance the State's cybersecurity resources and to increase the bandwidth and connectivity of the State's wide area network? If so, Fiscal staff requests authority to include language in the Appropriations Act specifying the use of the funds and the loan repayment terms.

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION OF \$2.8 MILLION IN GENERAL FUND APPROPRIATIONS OVER THE 2017-2019 BIENNIUM AS LOANS TO EITS TO ENHANCE THE STATE'S CYBERSECURITY RESOURCES AND TO INCREASE THE BANDWIDTH AND CONNECTIVITY OF THE STATE'S WIDE AREA NETWORK, AND GRANT FISCAL STAFF AUTHORITY TO INCLUDE LANGUAGE IN THE APPROPRIATIONS ACT SPECIFYING THE USE OF FUNDS AND THE LOAN REPAYMENT TERMS. ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 9

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

MR. STIEBER:

The fourth major item in B/A 101-1301, decision unit E-230, regards the transition cost for elected Constitutional Officers. Discussion on decision unit E-230 begins on page 9 of [Exhibit C](#). The Governor recommends General Fund appropriations of \$70,000 in FY 2018-2019 to support the transition of newly elected Constitutional Officers after the 2018 General Election. The Agency indicates that the funds would not be expended if the incumbent Officer does not change.

E-230 Efficient and Responsive State Government — Page ELECTED-67

Do the Subcommittees wish to approve \$70,000 of General Fund appropriations in FY 2018-2019 to support the transition of newly elected Constitutional Officers after the 2018 General Election?

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE \$70,000 OF GENERAL FUND APPROPRIATIONS IN FY 2018-2019 TO SUPPORT THE TRANSITION OF NEWLY ELECTED CONSTITUTIONAL OFFICERS AFTER THE 2018 GENERAL ELECTION.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 10

MR. STIEBER:

Discussion on fifth major closing issue in B/A 101-1301, decision unit E-227, regarding the Civil Air Patrol begins on page 9 of [Exhibit C](#). The Governor recommends General Fund appropriations of \$25,000 in FY 2017-2018 to provide a one-time transfer to the Civil Air Patrol, a non-*Executive Budget* account to support the program.

E-227 Efficient and Responsive State Government — Page ELECTED-66

The Agency indicates that the recommended funding would last approximately four years and would supplement the decline in aviation fuel sales that the Civil Air Patrol budget has experienced in recent years.

Fiscal staff recommends that if this recommendation is approved, language be included in the Appropriations Act restricting the use of funds as well as allowing any unspent balance of this appropriation to balance forward at the end of FY 2017-2018, FY 2018-2019 and FY 2019-2020.

Do the Subcommittees wish to approve the Governor's recommendation of General Fund appropriations of \$25,000 in FY 2017-2018 in B/A 101-1301 to provide a one-time appropriation to support the Civil Air Patrol? If so, Fiscal staff requests authority to include language in the Appropriations Act specifying the use of the funds and the ability to balance forward unspent appropriations at the end of FY 2017-2018 to FY 2018-2019, and if a balance remains, to FY 2019-2020 and FY 2020-2021.

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION OF GENERAL FUND APPROPRIATIONS OF \$25,000 IN FY 2017-2018 IN B/A 101-1301 TO PROVIDE A ONE-TIME APPROPRIATION TO SUPPORT THE CIVIL AIR PATROL AND GRANT FISCAL STAFF AUTHORITY TO INCLUDE LANGUAGE IN THE APPROPRIATIONS ACT SPECIFYING THE USE OF THE FUNDS AND THE ABILITY TO BALANCE FORWARD UNSPENT APPROPRIATIONS AT THE END OF FY 2017-2018 TO FY 2018-2019 AND IF A BALANCE REMAINS, TO FY 2019-2020 AND FY 2020-2021.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 11

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

MR. STIEBER:

The last major closing item , the budget account transfer, begins on page 10 of [Exhibit C](#). The Governor recommends removing the Special Appropriations budget from the DOA and placing it under the authority of the GFO. There are no FTEs in the Special Appropriations budget and the priorities/funding are determined by the Governor's Office.

Do the Subcommittees wish to approve the Governor's recommendation to transfer the Special Appropriations budget and associated costs and place it under the authority of the GFO?

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION TO TRANSFER THE SPECIAL APPROPRIATION BUDGET AND ASSOCIATED COSTS AND PLACE IT UNDER THE AUTHORITY OF THE GFO.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 12

MR. STIEBER:

There are three other closing items in B/A 101-1301. Other closing item 1 regards the graduate medical education programs. Other closing item 2 regards the Holocaust education. Other closing item 3 regards the Nevada Volunteers program. These recommendations all appear reasonable.

Do the Subcommittees wish to approve other closing items 1 through 3 as recommended by the Governor, and provide Fiscal staff with authority to make technical adjustments as necessary?

SENATOR PARKS MOVED RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS 1 THROUGH 3 AS RECOMMENDED BY THE GOVERNOR AND PROVIDE FISCAL STAFF WITH AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

MR. STIEBER:

Discussion on B/A 101-1302, the Judicial College and College of Juvenile and Family Justice begins on page 13 of [Exhibit C](#). There are two major closing items.

Judicial Coll & Coll of Juvenile & Family Justice — Budget Page ADMIN-12
(Volume I)
Budget Account 101-1302

The first major closing item, decision unit E-225, regards Judicial Education Programs. The Governor recommends General Fund appropriations of \$69,570 in each year of the biennium to expand educational programs and initiatives at

the National Judicial College (NJC) and to allow the National Council of Juvenile and Family Court Judges (NCJFCJ) to address emerging issues. The table on page 14 of [Exhibit C](#) demonstrates historical General Fund appropriations.

E-225 Efficient and Responsive State Government — Page ADMIN-12

The NJC indicates that additional General Fund appropriations would support an annual course in southern Nevada that covers handling cases with self-represented litigants, advanced evidence and complex commercial litigation, and expand the partnership with the University of Nevada, Las Vegas, William S. Boyd School of Law. Additionally, General Funds would be used to support the National High School Mock Trial Competition by providing judges for the competition, assist Project Real to expand their program to the north and provide incentive to the Nevada judges to seek Masters and Ph.D. Judicial Studies degrees through the University of Nevada, Reno program, run jointly with the NJC.

The NCJFCJ indicates additional General Fund appropriations would allow the Council to expand their reach and be more proactive when addressing emerging issues on behalf of the Nation's children and families.

The NCJFCJ indicates that federal award funding has steadily increased from 67 percent of total revenue in FY 2011-2012 to 80 percent of total revenue in FY 2015-2016 while other funding sources have decreased from \$2.5 million in FY 2011-2012 to \$1.6 million in FY 2015-2016. Federal awards are restricted funds that must be used for program purposes. Additionally, the cost to prepare proposals and apply for grants has increased from \$286,295 in FY 2011-2012 to \$373,761 in FY 2015-2016 as federal requirements associated with proposals become more stringent, partner focused and evidence/data driven.

Do the Subcommittees wish to approve General Fund appropriations of \$69,570 in each year of the 2017-2019 biennium to expand educational programs and initiatives at the NJC and to allow the NCJFCJ to address emerging issues?

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE GENERAL FUND APPROPRIATIONS OF \$69,570 IN EACH YEAR OF THE 2017-2019 BIENNIUM TO EXPAND

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 14

EDUCATION PROGRAMS AND INITIATIVES AT THE NJC AND TO
ALLOW THE NCJFCJ TO ADDRESS EMERGING ISSUES.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN
BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED
FOR THE VOTE.)

* * * * *

MR. STIEBER:

The second major closing item, decision unit E-350, regards the drought
initiative.

E-350 Safe and Livable Communities — Page ADMIN-13

As part of the Governor's recommended Drought Initiative, General Fund
appropriations of \$25,000 in FY 2017-2018 is recommended for the NJC to
offer a judicial education program on water law and emerging topics. The
program would be available to all Nevada judges and topics would include State,
interstate and federal/State water law/rights, adjudications, public trust and
tribal treaties. According to the Agency, if approved, funding would continue in
each even-numbered year of the biennium.

Do the Subcommittees wish to approve General Fund appropriations of \$25,000
in FY 2017-2018 for the NJC to fund an education program on water law and
emerging topics?

SENATOR PARKS MOVED TO RECOMMEND TO FULL COMMITTEES TO
APPROVE GENERAL FUND APPROPRIATIONS OF \$25,000 IN
FY 2017-2018 FOR THE NJC TO FUND AN EDUCATION PROGRAM ON
WATER LAW AND EMERGING TOPICS.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 15

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

MR. STIEBER:

Discussion on B/A 101-1345, the Merit Award Board, begins on page 17 of [Exhibit C](#). There are no major closing items and no other closing items.

Administration - Merit Award Board — Budget Page ADMIN-14 (Volume I)
Budget Account 101-1345

Fiscal staff recommends this budget be closed as recommended by the Governor, with authority for Fiscal staff to make technical adjustments as necessary.

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-1345 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

MR. STIEBER:

Discussion on B/A 716-1371, Administrative Services, begins on page 19 of [Exhibit C](#). There is one major closing item, decision unit E-226, regarding a new

administrative services officer position. The Governor recommends eliminating three vacant accounting assistant positions and adding a new administrative services officer position to supervise ten employees and manage the internal service fund analysis and compliance.

Administration - Administrative Services — Budget Page ADMIN-18 (Volume I)
Budget Account 716-1371

E-226 Efficient and Responsive State Government — Page ADMIN-20

The Agency indicates that this position would supervise the staff responsible for policy and procedure maintenance, inventory management, Statewide assessment processing, cost-allocation compliance, website maintenance, internal control testing, monitoring performance measures, timesheet and authorization form processing and procurement card management.

According to the Agency, the position would be responsible for developing service rates, operating statements, monitoring compliance for the State's internal service funds, rate change analysis, developing systems, preparing the Statewide costs allocation plan, supporting bond issuance, processing timesheets, managing procurement cards, developing policies and procedures.

The Agency indicates that technology has increased productivity and efficiencies, allowing for the three vacant accounting assistant positions to be eliminated.

Do the Subcommittees wish to eliminate three vacant accounting assistant positions and approve a new administrative services officer position, resulting in a net decrease in administrative charge-supported expenditures of \$90,879 over the 2017-2019 biennium, as recommended by the Governor?

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO ELIMINATE THREE VACANT ACCOUNTING ASSISTANT POSITIONS AND APPROVE A NEW ADMINISTRATIVE SERVICE OFFICER POSITION, RESULTING IN A NET DECREASE IN ADMINISTRATIVE CHARGE-SUPPORTED EXPENDITURES OF \$90,879 OVER THE 2017-2019 BIENNIUM, AS RECOMMEND BY THE GOVERNOR.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 17

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

MR. STIEBER:

There are three other closing items in B/A 716-1371. Other closing item 3, decision unit E-815, regarding a salary increase for the Division's administrator will be determined by the full committees when the Pay Bill is considered.

E-815 Unclassified Position Changes — Page ADMIN-21

Other closing item 1, decision unit E-225, regarding a virtual server assessment and other closing item 2, decision unit E-710, regarding equipment replacement both appear reasonable to Fiscal staff.

E-225 Efficient and Responsive State Government — Page ADMIN-20
E-710 Equipment Replacement — Page ADMIN-21

Do the Subcommittees wish to approve other closing items 1 and 2 as recommended by the Governor, excluding other closing item 3, which will be determined at a later date, and provide Fiscal staff with authority to make technical adjustments as necessary?

ASSEMBLYWOMAN SPIEGEL MOVED TO APPROVE OTHER CLOSING ITEMS 1 AND 2 IN B/A 716-1371 AS RECOMMENDED BY THE GOVERNOR, EXCLUDING OTHER CLOSING ITEM 3, WHICH WILL BE DETERMINED AT A LATER DATE, AND GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 18

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED FOR THE VOTE.)

* * * * *

MR. STIEBER:

Discussion on B/A 711-1354, Fleet Services, begins on page 23 of [Exhibit C](#). This budget account has one major closing item, decision unit E-225, regarding a new fleet services position.

Administration - Fleet Services — Budget Page ADMIN-116 (Volume I)
Budget Account 711-1354

E-225 Efficient and Responsive State Government — Page ADMIN-119

The Governor recommends \$88,251 over the 2017-2019 biennium to support a new fleet services worker position and associated operating costs in response to increasing workloads at the Las Vegas fleet service location.

Currently there are three fleet service workers that support a fleet of 530 units at the Las Vegas maintenance facility, which equates to 1 technician per 176 units. The Division's targeted shop staffing ratio for the Las Vegas facility is 1 technician per 150 units. If this recommendation is approved, the anticipated staffing ratio would be 1 technician per 132 units. The Reno and Carson City Fleet Services facilities currently maintain a staffing ratio of around 1 technician per 150 units.

Do the Subcommittees wish to approve \$88,251 over the 2017-2019 biennium to support a new fleet services worker position and associated operating costs in response to increasing workloads at the Las Vegas fleet services location?

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE \$88,251 OVER THE 2017-2019 BIENNIUM TO SUPPORT A NEW FLEET SERVICES WORKER POSITION AND ASSOCIATED

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 19

OPERATING COST IN RESPONSE TO INCREASING WORKLOADS AT THE
LAS VEGAS FLEET SERVICES LOCATION.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR HARRIS WAS EXCUSED
FOR THE VOTE.)

* * * * *

MR. STIEBER:

There are 11 other closing items in B/A 711-1354. Other closing item 1 regards technical adjustments to reconcile the transfer-in and transfer-out amounts between this account and B/A 711-1356, Fleet Services Capital Purchasing and with the updated Municipal Finance Capital lease schedule. It also includes a technical adjustment for the additional 87 vehicles that are being requested in B/A 711-1356.

Administration - Fleet Services Capital Purchase — Budget Page ADMIN-126
(Volume I)

Budget Account 711-1356

Other closing item 2, decision unit E-226, regards AssetWorks Fleet Management Software. Other closing item 4, decision unit E-228, regards the Rocky Mountain Fleet Managers Conference. Other closing item 5, decision unit E-229, regards vehicle replacement reduction.

E-226 Efficient and Responsive State Government — Page ADMIN-119

E-228 Efficient and Responsive State Government — Page ADMIN-120

E-229 Efficient and Responsive State Government — Page ADMIN-121

Other closing item 3, decision unit E-227, regarding a new southern Nevada fleet services maintenance facility, appears reasonable per Fiscal staff. However, Fiscal staff requests authority to eliminate this budget enhancement if Capital Improvement Project 17-P04 is not approved.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 20

E-227 Efficient and Responsive State Government — Page ADMIN-120
Project No. 17—P04—Advance Planning: Southern Nevada Fleet Services
Maintenance Facility (Grant Sawyer Site)

Do the Subcommittees wish to approve other closing items as recommended by the Governor, and provide Fiscal staff with authority to make technical adjustments as necessary, including adjustments for actions taken in the Fleet Services Capital Purchase budget and the 2017 Capital Improvement Program?

SENATOR HARRIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY, INCLUDING ADJUSTMENTS FOR ACTIONS TAKEN IN THE FLEET SERVICES CAPITAL PURCHASE BUDGET AND THE 2017 CAPITAL IMPROVEMENT PROGRAM.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. STIEBER:

Discussion on B/A 711-1356, Fleet Services Capital Purchase, begins on page 27 of [Exhibit C](#). There is one major closing item, Capital Vehicle Lease Program and related adjustments.

Administration - Fleet Services Capital Purchase — Budget Page ADMIN-126
(Volume I)
Budget Account 711-1356

Fiscal staff received a request from the GFO to change the way new and replacement vehicles are acquired in the 2017-2019 biennium. Historically,

vehicles are purchased with General Fund appropriations; however, the GFO requests to utilize a new-to-the-state, fixed-rate four-year Municipal Finance Program to purchase all replacement vehicles and add 87 new vehicles that were requested by agencies in enhancement decision units in the *Executive Budget*, but were excluded from the Governor's recommended Fleet Services budget.

The projected total cost for 87 new vehicles in Fleet Services Purchasing is \$2.6 million. Using the Program, only FY 2017-2018 and FY 2018-2019 lease payments of \$486,676 and \$648,901, respectively, would be included as a technical adjustment in the 2017-2019 biennium. The remaining lease payments of \$1.5 million would be paid in FY 2019-2020, FY 2020-2021 and FY 2021-2022.

The GFO indicates that the Program would allow Fleet Services to acquire the additional 87 vehicles without increasing the Governor's recommended vehicle rental rates or adding General Fund appropriations to purchase the vehicles, the funding mechanism which has been used in past biennia.

To effect this transaction, the GFO recommends technical adjustments in FY 2017-2018 and FY 2018-2019 to reduce initial expenditure authority in decision units E-711 and E-225 and use savings to cover FY 2017-2018 and FY 2018-2019 principal and interest payments for the additional 87 vehicles as illustrated in the table on page 29 of [Exhibit C](#).

E-711 Equipment Replacement — Page ADMIN-128

E-225 Efficient and Responsive State Government — Page ADMIN-127

The GFO indicates that rates would be adjusted in the 2019-2021 biennium to meet future obligations; however, Fiscal staff notes that no rate analysis has been performed or provided. In addition to preserving capital, the GFO indicates that, if implemented, the Program would normalize fleet rental rates, which have varied over the years based on timing of new vehicle purchases and inflation. The historical rental rates are reflected in the table on the bottom of page 29 of [Exhibit C](#).

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 22

Do the Subcommittees wish to approve the GFO request to utilize a Municipal Finance Program to purchase 98 replacement vehicles and an additional 87 new vehicles, not included in the Governor's recommended Fleet Services Capital Purchase budget, and give staff authority to make any other technical adjustments as necessary?

If the Subcommittees do not approve the GFO request to utilize a Municipal Finance Program, do the Subcommittees wish to approve the budget as recommended by the Governor? Fiscal staff would note that this decision would not provide this budget with the authority for 87 new vehicles recommended in the *Executive Budget* for other agencies.

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GFO REQUEST TO UTILIZE A MUNICIPAL FINANCE PROGRAM TO PURCHASE 98 REPLACEMENT VEHICLES AND AN ADDITIONAL 87 NEW VEHICLES NOT INCLUDED IN THE GOVERNOR'S RECOMMENDED FLEET SERVICES CAPITAL PURCHASE BUDGET AND GRANT FISCAL STAFF AUTHORITY TO MAKE ANY OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. STIEBER:

There are four other closing items in B/A 711-1356. Other closing item 1 regards on adjustment to reserves. Other closing item 2, decision unit E-225, regards vehicle reductions. Other closing item 3, decision unit E-711, regards replacement vehicles. Other closing item 4, which includes decision units E-712 and E-713, regards replacement maintenance equipment. All these closing items mentioned above appear reasonable to Fiscal staff.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 23

E-711 Equipment Replacement — Page ADMIN-128

E-712 Equipment Replacement — Page ADMIN-128

E-713 Equipment Replacement — Page ADMIN-128

Do the Subcommittees wish to approve other closing items 1 through 4 with the technical adjustments noted by Fiscal staff in other closing items 1 through 3, and give Fiscal staff authority to make technical adjustments as necessary?

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS 1 THROUGH 4 WITH TECHNICAL ADJUSTMENTS NOTED BY FISCAL STAFF IN OTHER CLOSING ITEMS 1 THROUGH 3, AND GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR HARRIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY

* * * * *

MR. STIEBER:

Discussion on B/A 101-1341, Grants Office, begins on page 33 of [Exhibit C](#). There are two major closing items in this account. The first major closing item is decision unit E-550, regarding a new Statewide grant management system. The Governor recommends \$423,822 of General Fund appropriations over the 2017-2019 biennium for a grants management system that would integrate all electronic and paper grant reports and correspondence into one unified system. The Agency also indicates that a Statewide grant management system would allow the Grants Office to identify a greater number of opportunities, more efficiently track the application and receipt of federal funding, and monitor grant funding that is not awarded or applied for by State agencies.

Administration - Grants Office — Budget Page ADMIN-133 (Volume I)
Budget Account 101-1341

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 24

E-550 Technology Investment Request — Page ADMIN-136

The Agency indicates that grant funds and awards are managed independently by individual agencies and that no Statewide grant management system is in place to effectively and accurately manage data and the awards. A Statewide grants management system was one of five recommendations submitted to the Governor and the Legislature by the Nevada Advisory Council on Federal Assistance for consideration during the 2017 Legislative Session.

Do the Subcommittees wish to approve \$423,822 in General Fund appropriations over the 2017-2019 biennium for a new grants management system, as recommended by the Governor?

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE \$423,822 IN GENERAL FUND APPROPRIATIONS OVER THE 2017-2019 BIENNIUM FOR A NEW GRANTS MANAGEMENT SYSTEM AS RECOMMENDED BY THE GOVERNOR.

SENATOR PARKS SECONDED THE MOTION.

SENATOR PARKS:

What I see happening with the Grants Management Office is what I envisioned in 2011 when I submitted the initial bill to create the Office. The greater coordination between the Office and the agencies is going to have a significant return on investment that will far exceed the cost of this item.

CHAIR FORD:

This is also priority of the Southern Nevada Forum, and I am happy to support this.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 25

MR. STIEBER:

Major closing item 2 of B/A 101-1341, decision unit E-226, regards the new administrative assistant position and begins on page 34 of [Exhibit C](#).

E-226 Efficient and Responsive State Government — Page ADMIN-135

The Governor recommends a new administrative assistant position, and associated costs, to support the Nevada Advisory Council on Federal Assistance. The position request is consistent with the fiscal note submitted at the time the Council was proposed indicating that the Grants Office would need an administrative assistant position to support the Council. In addition to supporting the Council, the requested position would provide administrative and secretarial support to the Grants Office, which has no administrative staff.

Do the Subcommittees wish to approve \$112,683 in General Fund appropriations over the 2017-2019 biennium to fund a new, full-time administrative assistant position?

ASSEMBLYMAN EDWARDS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE \$112,683 IN GENERAL FUND APPROPRIATIONS OVER THE 2017-2019 BIENNIUM TO FUND A NEW FULL-TIME ADMINISTRATIVE ASSISTANT POSITION.

SENATOR HARRIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. STIEBER:

Discussion on other closing items for B/A 101-1341 begins on page 35 of [Exhibit C](#). Other closing item 1, decision unit E-225, regards membership fees. Other closing item 2, decision unit E-710, regards equipment replacement. Both closing items appear reasonable to Fiscal staff. Do the Subcommittees wish to

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 26

approve other closing items as recommended by the Governor, and provide Fiscal staff with authority to make technical adjustments as necessary?

E-225 Efficient and Responsive State Government — Page ADMIN-135
E-710 Equipment Replacement — Page ADMIN-136

ASSEMBLYMAN EDWARDS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND PROVIDE FISCAL STAFF WITH AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. STIEBER:

Discussion on B/A 101-1015, the Hearings Division, begins on page 37 of [Exhibit C](#). There are no major closing items and three other closing items. Discussion on other closing items begins on page 37. Other closing item 1, decision unit E-225, regards a legal writing training course. Other closing item 2, decision unit E-671, regards salary adjustments for IT positions. Other closing item 3, decision unit E-710, regards equipment replacement. The other closing items all appear reasonable to Fiscal staff. Other closing item 2 will be considered by the money committees when all other Statewide decision units are discussed.

Administration - Hearings Division — Budget Page ADMIN-140 (Volume I)
Budget Account 101-1015

E-225 Efficient and Responsive State Government — Page ADMIN-142
E-671 Salary Adjustment For 2017-2019 Biennium — Page ADMIN-142
E-710 Equipment Replacement — Page ADMIN-143

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 27

Do the Subcommittees wish to approve other closing items 1 and 3 as recommended by the Governor, excluding other closing item 2, which will be determined at a later date, and provide Fiscal staff with authority to make technical adjustments as necessary?

ASSEMBLYMAN EDWARDS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS 1 AND 3 AS RECOMMENDED BY THE GOVERNOR, EXCLUDING OTHER CLOSING ITEM 2, WHICH WILL BE DETERMINED AT A LATER DATE, AND GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. STIEBER:

Discussion on B/A 287-4895, Victims of Crime, begins on page 39 of [Exhibit C](#). There are no major closing items and two other closing items. Other closing item 1 is a base budget technical adjustment and other closing item 2, decision unit E-710, regards equipment replacement. Other closing items 1 and 2 both appear reasonable to Fiscal staff.

Administration - Victims of Crime — Budget Page ADMIN-147 (Volume I)
Budget Account 287-4895

E-710 Equipment Replacement — Page ADMIN-149

Do the Subcommittees wish to approve the other closing items as recommended by the Governor, with technical adjustments noted in other closing item 1, and provide Fiscal staff with authority to make technical adjustments as needed?

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 28

SENATOR HARRIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS NOTED IN OTHER CLOSING ITEM 1 AND GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. STIEBER:

Discussion on B/A 718-1358, Purchasing, begins on page 41 of [Exhibit C](#). There are four major closing issues. The first major closing item of B/A 718-1358 is decision unit E-550, regarding a new e-procurement system and administrative fee charge.

Administration - Purchasing — Budget Page ADMIN-202 (Volume I)
Budget Account 718-1358

E-550 Technology Investment Request — Page ADMIN-205

The Governor recommends total expenditures of \$1.2 million in FY 2017-2018 and \$300,000 in FY 2018-2019 for Phase 1 of a new cloud-based E-Procurement System. According to the Agency, Phase 1 includes automating the purchasing process by moving it online and providing a vendor portal and online catalogue. Phase 1 is meant to be a standalone system. Once fully implemented, the new system would completely automate the procurement of products and services Statewide. This request is contingent upon passage of Assembly Bill (A.B.) 480 assessing a vendor administrative fee on master service contracts, which would pay for the system.

ASSEMBLY BILL 480: Authorizes the assessment of an administrative fee on certain public purchases. (BDR 27-899)

The 2015 Legislature approved new Executive Branch auditor positions in the GFO, Division of Internal Audits, to audit State contracts and provide recommendations to improve the State's contract procurement and management process. The report was issued in June 2016 and includes nine recommendations to improve the procurement process. According to the Agency, the requested E-Procurement System would implement six of the nine recommendations included in the report, and if all decision units are approved as recommended by the Governor, all nine recommendations detailed beginning on page 42 of [Exhibit C](#) would be addressed.

The Governor recommends \$1.65 million of new vendor administrative fee revenue over the 2017-2019 biennium to fund the eProcurement system. The Agency indicates that the administrative fee would be similar to the fee charged by the preferred purchase program (PPP). The fee would not exceed 4 percent of total vendor sales on all Statewide contracts and would be scaled accordingly based on departmental needs. The Agency indicates that there have been no objections from vendors regarding the administrative fee, and that vendors recognize the efficiencies they would gain in working with the State should an eProcurement system be adopted. According to the Agency, there are 30 states that leverage some type of vendor administrative fee, which ranges from 0.25 percent to 1.75 percent.

Do the Subcommittees wish to approve expenditures of \$1.5 million over the 2017-2019 biennium to implement a new eProcurement system and associated costs, funded by a new vendor administrative fee of \$1.65 million over the 2017-2019 biennium, contingent upon the passage and approval of A.B. 480 or other enabling legislation?

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE EXPENDITURES OF \$1.5 MILLION OVER THE 2017-2019 BIENNIUM TO IMPLEMENT A NEW E-PROCUREMENT SYSTEM AND ASSOCIATED COSTS, FUNDED BY A NEW VENDOR ADMINISTRATIVE FEE OF \$1.65 MILLION OVER THE 2017-2019 BIENNIUM, CONTINGENT UPON THE PASSAGE AND APPROVAL OF A.B. 480 OR OTHER ENABLING LEGISLATION.

ASSEMBLYWOMEN DIAZ SECONDED THE MOTION.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 30

ASSEMBLYWOMAN BENITEZ-THOMPSON:

It is important that we do not resort to using additional General Fund dollars as a backup as A.B. 480 moves forward. If a problem occurs with vender fees falling short of 4 percent, there needs to be an additional conversation instead of obligating ourselves to resort to spending additional General Fund dollars.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. STIEBER:

Major closing item 2 of B/A 718-1358, decision unit E-227, regards a new unclassified attorney position. The Governor recommends eliminating one vacant administrative services officer position and adding one unclassified attorney position to assist with solicitation and procurement processes. The net increase in salary and operating expenditures related to the new position would be \$19,163 over the 2017-2019 biennium and would be funded with purchasing assessment revenue.

E-227 Efficient and Responsive State Government — Page ADMIN-205

According to the Agency, the requested attorney position would review solicitations and contracts for content to ensure adherence to Nevada laws and procurement policies, provide risk mitigation as needed, develop and maintain a single set of legal terms and conditions with guidelines for reviewing and approving variances, manage legal reviews, contract negotiations, provide statute interpretation and maintain a single set of solicitation and contract documents that represent Nevada procurement laws and policies. The Agency indicates a dedicated legal counsel for purchasing would standardize solicitation and contract documents, expand support to State agencies, and increase cost savings through consolidated contracting opportunities. Assembly Bill 477 authorizes the Administrator of the Purchasing Division to appoint a general counsel of the Division in the unclassified service. Assembly Bill 477 was passed by the Assembly Committee on Government Affairs on April 14, 2017, and re-referred to the Committee on Ways and Means on April 19, 2017.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 31

ASSEMBLY BILL 477: Authorizes appointment of a General Counsel of the Purchasing Division of the Department of Administration. (BDR 27-895)

Do the Subcommittees wish to approve the Governor's recommendation for \$19,163 in purchasing assessment revenue over the 2017-2019 biennium to eliminate one vacant administrative services officer position and add one unclassified attorney position to assist with solicitation and procurement processes, contingent upon the passage and approval of A.B. 477 or other enabling legislation?

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR \$19,163 IN PURCHASING ASSESSMENT REVENUE OVER THE 2017-2019 BIENNIUM TO ELIMINATE ONE VACANT ADMINISTRATIVE SERVICES OFFICER POSITION AND ADD ONE UNCLASSIFIED ATTORNEY POSITION TO ASSIST WITH SOLICITATION AND PROCUREMENT PROCESS, CONTINGENT UPON THE PASSAGE AND APPROVAL OF A.B. 477 OR OTHER ENABLING LEGISLATION.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. STIEBER:

Major closing item 3 of B/A 718-1358 is decision unit E-226 regarding travel. The Governor recommends \$73,769 of purchasing assessment revenue over the 2017-2019 biennium to support travel for contracting opportunities, procurement conferences, and professional networking and educational events. Historically, travel was directly paid through National Association of State Procurement Officers. However, in an effort to be more transparent, travel is paid by the Agency in accordance with the *State Administrative Manual*.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 32

Do the Subcommittees wish to approve \$73,769 of purchasing assessment revenue over the 2017-2019 biennium to support travel for contracting opportunities, procurement conferences, and professional networking and educational events?

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE \$73,769 OF PURCHASING ASSESSMENT REVENUE OVER THE 2017-2019 BIENNIUM TO SUPPORT TRAVEL FOR CONTRACTING OPPORTUNITIES, PROCUREMENT CONFERENCES, AND PROFESSIONAL NETWORKING AND EDUCATIONAL EVENTS.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. STIEBER:

Major closing item 4 of B/A 718-1358 is decision unit E-908, regarding the transfer of the PPP. The Governor recommends transferring the PPP from the Department of Employment, Training and Rehabilitation (DETR) to the DOA, Purchasing Division. The PPP allows government entities to contract for goods and services from nonprofit organizations in which 75 percent of their billable labor is performed by people with disabilities.

E-908 Transfer From DETR To Purchasing — Page ADMIN-206

Assembly Bill 483 transfers the administration of the PPP from the DETR, Rehabilitation Division, to the DOA, Purchasing Division. Assembly Bill 483 was passed by the Assembly Committee on Government Affairs on April 13, 2017, and referred to the Assembly Committee on Ways and Means on April 14, 2017.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 33

ASSEMBLY BILL 483: Revises provisions governing the Program to Encourage and Facilitate Purchases by Agencies of Commodities and Services From Organizations. (BDR 27-911)

The recommendation to transfer the PPP out of the DETR, Rehabilitation Division, to the DOA, Purchasing Division, will be considered by the Subcommittee on Human Services on May 10, 2017.

Do the Subcommittees wish to approve the Governor's recommendation to transfer the PPP from the DETR, Rehabilitation Division, to the DOA, Purchasing Division, contingent upon the passage and approval of A.B. 483 or other enabling legislation?

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION TO TRANSFER THE PPP FROM THE DETR, REHABILITATION DIVISION TO THE DOA, PURCHASING DIVISION, CONTINGENT UPON THE PASSAGE AND APPROVAL OF A.B. 483 OR OTHER ENABLING LEGISLATION.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. STIEBER:

There is one other closing item for B/A 718-1358, decision unit E-710, regarding equipment replacement. This recommendation appears reasonable. Do the Subcommittees wish to approve other closing items as recommended by the Governor, and provide Fiscal staff with authority to make technical adjustments as necessary?

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 34

SENATOR HARRIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND PROVIDE FISCAL STAFF WITH AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. STIEBER:

Discussion on B/A 715-1352, Insurance and Loss Prevention, begins on page 45 of [Exhibit C](#). This budget account has no major closing items and includes three other closing items. Other closing item 1 is a technical adjustment to the projected reserves that will be balanced forward to FY 2017-2018. Other closing item 2, decision unit E-710, regards equipment replacement. Other closing item 3 relates to rate changes. All other closing items in B/A 715-1352 appear reasonable to Fiscal staff.

Administration - Insurance & Loss Prevention — Budget Page ADMIN-210
(Volume I)

Budget Account 715-1352

E-710 Equipment Replacement — Page ADMIN-213

Do the Subcommittees wish to approve the other closing items, with the technical adjustments noted in other closing item 1 and provide Fiscal staff with authority to make other technical adjustments as needed?

SENATOR HARRIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE OTHER CLOSING ITEMS, WITH TECHNICAL ADJUSTMENTS NOTED IN OTHER CLOSING ITEM 1 AND

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 35

GRANT FISCAL STAFF THE AUTHORITY TO MAKE OTHER TECHNICAL
ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CATHY CROCKET (Program Analyst):

Discussion on B/A 101-3823, Real Estate Administration, begins on page 47 of [Exhibit C](#). There is one major closing item in B/A 101-3823 which includes decision units E-350 and E-490. Through decision units E-350 and E-490, the *Executive Budget* recommends changing the funding source in the 2017-2019 biennium for six positions which provide administrative and enforcement functions related to real estate, appraiser and timeshare licensing, and are comprised of two compliance/audit investigators and four administrative assistants, to retain the positions, following the elimination of the transfer of funding from the Office of the Attorney General National Settlement Administration budget, B/A 340-1045, to this budget. The recommendation eliminates national mortgage settlement funding of \$709,477 over the 2017-2019 biennium and changes the funding source for the six positions to General Fund appropriations.

B&I - Real Estate Administration — Budget Page B & I-148 (Volume II)
Budget Account 101-3823

E-350 Safe and Livable Communities — Page B&I-152
E-490 Expiring Grant/Program — Page B & I-152

AG - National Settlement Administration — Budget Page ELECTED-171
(Volume I)
Budget Account 340-1045

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 36

The 2011 Legislature approved eliminating nine positions in this budget causing the Agency to experience significant backlogs as a result of those position eliminations. The 2013 Legislature restored eight positions with mortgage settlement funds. The 2015 Legislative Session continued the use of mortgage settlement funds to restore six of the eight positions for the 2015-2017 biennium. This decision would eliminate the use of the mortgage settlement funding. At the March 23, 2017, budget hearing, the Agency indicated that these positions are key to its operations and the effect on the Real Estate Division would be "devastating" if this decision unit were not approved and the six positions were eliminated.

Do the Subcommittees wish to approve the Governor's recommendation to eliminate \$709,477 in national mortgage settlement funds to fund six positions, and to fund those six positions with General Fund appropriations totaling \$709,477 over the 2017-2019 biennium?

ASSEMBLYMAN EDWARDS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE \$709,477 IN NATIONAL MORTGAGE SETTLEMENT FUNDS TO FUND SIX POSITIONS AND TO FUND THOSE SIX POSITIONS WITH GENERAL FUND APPROPRIATIONS TOTALING \$709,477 OVER THE 2017-2019 BIENNIUM.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS.CROCKET:

There are six other closing items in B/A 101-3823. Other closing item 1 is comprised of decision units M-800, M-803 and E-800 and addresses a cost allocation for the department of Business and Industry's (B&I) Director's Office. Other closing item 2 includes decision units E-710 and E-711 and addresses the replacement of equipment. Other closing item 3 relates to the Real Estate

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 37

Division cost allocation. Other closing item 4 addresses testing fee revenue. Other closing item 5 adjusts a funding source. Other closing item 6 is an informational item regarding S.B. 285. Other closing items 1 through 5 appear reasonable to Fiscal staff with various technical adjustments.

B&I - Real Estate Administration — Budget Page B & I-148 (Volume II)
Budget Account 101-3823

M-800 Cost Allocation — Page B & I-151
M-803 Cost Allocation — Page B & I-151
E-800 Cost Allocation — Page B & I-153
E-710 Equipment Replacement — Page B & I-153
E-711 Equipment Replacement — Page B & I-153

SENATE BILL 285: Revises provisions relating to real estate licenses.
(BDR 54-790)

Fiscal staff recommends that other closing items 1 and 2 be closed as recommended by the Governor and requests authority to make technical adjustments noted in other closing items 3, 4 and 5 with authority for Fiscal staff to make other technical adjustments as necessary.

ASSEMBLYMAN EDWARDS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS 1 AND 2 AS RECOMMENDED BY THE GOVERNOR AND GRANT AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS NOTED IN OTHER CLOSING ITEMS 3, 4 AND 5 WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR HARRIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 38

MS.CROCKET:

Discussion on B/A 216-3826, Real Estate Education and Research, begins on page 51 of [Exhibit C](#). There are no major closing issues and five other closing items. Other closing item 1 is comprised of decision units M-800, M-803 and E-800 and regards cost allocations. Other closing item 2, decision unit E-710, regards equipment replacement. Other closing item 3 is a Real Estate Division cost allocation. Other closing item 4 is a transfer from the Real Estate Recovery Account. Other closing item 5 is an informational item regarding S.B. 285. Other closing items 1 through 4 appear reasonable to Fiscal staff. Fiscal staff recommends that other closing items 1 and 2 be closed as recommended by the Governor and requests authority to make technical adjustments noted in other closing items 3 and 4 with authority for Fiscal staff to make other technical adjustments as necessary.

B&I - Real Estate Education and Research — Budget Page B & I-156 (Volume II)
Budget Account 216-3826

M-803 Cost Allocation — Page B & I-158

M-800 Cost Allocation — Page B & I-158

E-800 Cost Allocation — Page B & I-159

E-710 Equipment Replacement — Page B & I-159

ASSEMBLYWOMAN DIAZ MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEM 1 AND 2 AS RECOMMENDED BY THE GOVERNOR AND GRANT AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS NOTED IN OTHER CLOSING ITEMS 3 AND 4 WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENT AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 39

Ms.CROCKET:

Discussion on B/A 216-3827, Real Estate Recovery Account, begins on page 53 of [Exhibit C](#). There are no major closing items and one other closing item related to the transfer to the Real Estate Education and Research budget. This recommendation appears reasonable with the noted technical adjustment. Fiscal staff recommends the other closing item be closed as recommended by the Governor with the noted technical adjustment, with authority for Fiscal staff to make technical adjustments as necessary.

B&I - Real Estate Recovery Account — Budget Page B & I-161 (Volume II)
Budget Account 216-3827

ASSEMBLYWOMAN SPIEGEL MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEM 1 AS RECOMMENDED BY THE GOVERNOR WITH NOTED TECHNICAL ADJUSTMENTS AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR HARRIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms.CROCKET:

Discussion on B/A 101-3820, Common Interest Communities, begins on page 55 of [Exhibit C](#). There are no major closing items and five other closing items. Other closing item 1 is comprised of decision units M-800, M-803 and E-800, and regards cost allocation associated with the B&I's Director's Office. Other closing item 2, decision unit E-710, regards replacement equipment. Other closing item 3 is a Real Estate Division cost allocation. Other closing item 4 regards homeowner association fee revenue. Other closing item 5 is an informational item regarding S.B. 114. These other closing items appear reasonable to Fiscal staff.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 40

B&I - Common Interest Communities — Budget Page B & I-162 (Volume II)
Budget Account 101-3820

M-800 Cost Allocation — Page B & I-164
M-803 Cost Allocation — Page B & I-165
E-800 Cost Allocation — Page B & I-165
E-710 Equipment Replacement — Page B & I-165

SENATE BILL 114: Revises provisions relating to common-interest communities
(BDR 18-681)

Fiscal staff recommends that other closing items 1 and 2 be closed as recommended by the Governor and requests authority to make technical adjustments noted in other closing items 3 and 4 and with authority for Fiscal staff to make other technical adjustments as necessary.

SENATOR HARRIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS 1 AND 2 AS RECOMMENDED BY THE GOVERNOR AND GRANT AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS NOTED IN OTHER CLOSING ITEM 3 AND 4 AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

LEANN DRA COPELAND (Program Analyst):
Discussion on B/A 101-1400, Silver State Health Insurance Exchange (SSHIX) Administration begins on page 59 of [Exhibit C](#). There are two major closing issues included in this budget. The first major closing item is decision unit E-275 regarding the transition from the federal health insurance exchange to a private exchange.

Silver State Health Insurance Exchange Admin — Budget Page HEALTH INS
EXCHANGE-3 (Volume III)
Budget Account 101-1400

E-275 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-5

This recommendation is prompted by a scheduled for increase for *Healthcare.gov*. Currently the cost to use *Healthcare.gov* is 1.5 percent of monthly insurance premiums for each policy offered through the exchange in calendar year (CY) 2017. In CY 2018 the fees are scheduled to increase to 2 percent and then increase to 3 percent in CY 2019. Currently SSHIX charges 3.15 percent of premiums collected. By January 2019, SSHIX would only be returning 0.15 percent to fund operations. It is not financially feasible to continue to pay for the use of *Healthcare.gov*. Therefore, the Governor recommends using reserves to transfer the technology to a private vendor.

As the Subcommittees are aware, some other states have opted to forego operating a state based exchange and instead allow the federal government to handle all aspects of enrolling consumers in qualified health plans through the federal exchange. In these situations, the PMPM fee associated with an insurance policy is paid directly from the insurance company to the federal government. When questioned by the Subcommittees about the benefits of operating a private health insurance exchange, the Agency indicated that a private exchange would allow for enhanced programming to reduce the incidence of problematic scenarios such as dual, simultaneous enrollments in overlapping health plans. The Agency also believes that a private exchange could provide broader support for mobile computing devices and offer greater flexibility to providers in developing their plan designs and certification timelines. The Agency also testified that a private vendor would allow the SSHIX to receive member level data on its consumers, allowing the Agency to better its marketing and outreach.

In April of 2017, the SSHIX requested three significant changes to the Governor's recommended 2017-2019 biennium budget. The first request was for a delay in the timing of the transition to a private exchange by six months to reduce costs. The table on page 62 of [Exhibit C](#) demonstrates the difference between the Governor's recommendation and the updated plan. The grey boxed area in the graph is the delay in the transition of the vendor. In the Governor's

recommendation, the SSHIX plans to move to the private vendor beginning in January 2018 and the delayed plan has the transition beginning in January 2019. The SSHIX indicates that it is a more focused plan and offers a cost savings compared to what is in the Governor's recommendation.

The second request by the SSHIX is the additional of \$2.2 million in federal grant funds for marketing and outreach in FY 2017-2018. The third request was an update in projected reserves balance and revenue projections.

The SSHIX was able to add \$3.8 million in FY 2017-2018. The SSHIX also reprojected their revenue and took it down by approximately \$500,000 in each year of the upcoming biennium. The Subcommittees expressed concern that the recent change in leadership in Washington, D.C., might result in substantial changes or repeal to the Affordable Care Act. As a result of this hesitation to transition now, the SSHIX has provided some options as shown page 63 of [Exhibit C](#).

As the table on page 63 demonstrates, under all scenarios the SSHIX would have sufficient reserves in FY 2018-2019. If the Subcommittees wish to delay the transition to a private exchange to the next Legislative Session, the SSHIX would go live in FY 2020-2021.

The Legislative Council Bureau Fiscal Analysis Division, the GFO and SSHIX discussed these options. The SSHIX expressed concern that the Center for Medicare and Medicaid Services recently tightened the enrollment period from 90 days to 45 days. This could impact the SSHIX's incoming revenue. The SSHIX also noted that [S.B. 394](#) and [A.B. 374](#) would require the SSHIX to operate as a State-based marketplace in order to sell additional products that the federal government currently limits.

[SENATE BILL 394](#): Revises provisions relating to health insurance.
(BDR 57-950)

[ASSEMBLY BILL 374](#): Requires the Department of Health and Human Services to establish a healthcare plan within Medicaid for purchase by persons who are not otherwise eligible for Medicaid. (BDR 38-881)

Two options are listed on page 64 of [Exhibit C](#) for the consideration of the Subcommittees:

- a) Approve the transition of SSHIX from a State-based exchange on the federal platform, utilizing *Healthcare.gov*, to a private exchange during the 2017-2019 biennium. If so, Fiscal staff recommends approving the Agency's April 2017 revised implementation plan and updated revenue and reserve projections. This would include reserve reductions of \$1 million in FY 2017-2018 and \$2.9 million in FY 2018-2019 to allow the SSHIX to contract with a vendor to provide a privately developed system that would serve Nevada's health insurance exchange needs at a lower cost than the federal option currently in use, with the estimated go live date to occur around January 2019.
- b) Not approve the Governor's recommendation that the SSHIX transition to a privately developed health insurance exchange during the 2017-2019 biennium. If the Subcommittee selects this option, it should consider directing the Agency to approach the 2019 Legislature, or the IFC, as necessary, with a plan to transition to a private exchange if it is determined to be in the State's best interest at that time.

Regardless of the option chosen, the Subcommittees may wish to also consider recommending to the full committees that a letter of intent be issued directing the SSHIX to report every six months on their operations.

ASSEMBLYWOMAN SPIEGEL:

If we choose option b to not approve the Governor's recommendation, but the federal exchange is eliminated, how long will it take the Legislature to find a substitute and make the transition? How much advance time would we have?

HEATHER KORBULIC (Executive Director, Silver State Health Insurance Exchange):

If the federal exchange was eliminated, it would likely mean that all subsidy assistance for the entire Country would be eliminated and all state-based market places would also be eliminated. Thus, it would be unnecessary for us to purchase any technology if that were the case.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 44

ASSEMBLYWOMAN BENITEZ-THOMPSON:

We have the ability to watch what happens at the federal level before we act. We also have the flexibility to respond in the Interim depending on what happens at the federal level. It is prudent that we do not approve the Governor's recommendation to allow the SSHIX to transition to the privately developed health insurance exchange during the 2017-2019 biennium. We should direct the Agency to approach us in the 2019 Legislative Session or through the IFC, as necessary, with a plan to transition to a private exchange if it is determined to be in the State's best interest.

CHAIR FORD:

I agree. Congress deciding not to vote on the repeal or replacement of the Affordable Care Act is another reason why we need to slow down and not rush to make such a decision.

ASSEMBLYMAN EDWARDS:

We do not know what the future holds, but I want to ensure the Legislature and the Governor both have maximum flexibility to respond quickly to whatever happens at the federal level. That is why I am in favor of moving something into place so if something catastrophic happens at the federal level, we are able to respond and provide insurance for everyone.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO NOT APPROVE THE GOVERNOR'S RECOMMENDATION FOR THE SSHIX TO TRANSITION TO A PRIVATELY DEVELOPED HEALTH INSURANCE EXCHANGE DURING THE 2017-2019 BIENNIUM AND REQUIRE THE AGENCY APPROACH THE 2019 LEGISLATURE OR IFC, AS NECESSARY, WITH A PLAN TO TRANSITION TO A PRIVATE EXCHANGE IF IT IS DETERMINED TO BE IN THE STATE'S BEST INTEREST, AND DIRECT THE SSHIX TO REPORT TO THE IFC ON THE EXCHANGE'S OPERATIONS.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 45

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. COPELAND:

Discussion on major closing item 2, decision unit E-276 of B/A 101-1400, begins on page 64 of [Exhibit C](#). Major closing item 2 relates to a user fee paid to the federal government for the use of *Healthcare.gov*. The expected fees are different for the different technologies private vender vs. using *Healthcare.gov*. Since the Subcommittees voted to not approve the transition for the upcoming biennium, option b would provide the correct fees for *Healthcare.gov*. So since the Subcommittees do not wish to approve the transition to a private exchange during the 2017-2019 biennium, Fiscal staff recommends approval of this decision unit with revised funding of \$6.2 million in FY 2017-2018 and \$9.3 million in FY 2018-2019 to remain on *Healthcare.gov*.

E-276 Educated and Healthy Citizenry — Page HEALTH INS EXCHANGE-5-6

SENATOR PARKS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE E-276 WITH REVISED AMOUNTS OF \$6.2 MILLION IN FY 2017-2018 AND \$9.3 MILLION IN FY 2018-2019 TO REMAIN ON HEALTHCARE.GOV.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. COPELAND:

Discussion on other closing items of B/A 101-1400 begins on page 65 of [Exhibit C](#). Other closing item 1, decision unit E-671, regarding salary adjustments for IT positions will be determined when Statewide decision units are determined. Other closing item 2, decision unit E-710, regards replacement computer equipment. Fiscal staff recommends approval of other closing item 2

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 46

as recommended by the Governor. Staff requests authority to make technical adjustments to this budget as necessary.

E-671 Salary Adjustment For 2017-2019 Biennium — Page HEALTH INS EXCHANGE-6

E-710 Equipment Replacement — Page HEALTH INS EXCHANGE-6

SENATOR HARRIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEM 2 AS RECOMMENDED BY THE GOVERNOR AND GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY. OTHER CLOSING ITEM 1 WILL BE DETERMINED AT A LATER DATE.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Remainder of page intentionally left blank; signature page to follow.

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 47

CHAIR FORD:

Seeing no public comment, we are adjourned at 9:13 a.m.

RESPECTFULLY SUBMITTED:

Edgar Cervantes,
Committee Secretary

APPROVED BY:

Senator Aaron D. Ford, Chair

DATE: _____

Assemblywoman Teresa Benitez-Thompson, Vice Chair

DATE: _____

Senate Committee on Finance
Assembly Committee on Ways and Means
Subcommittees on General Government
April 28, 2017
Page 48

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	4		Attendance Roster
	C	65	Jon Stieber	Closing List 7 April 28 2017