

**MINUTES OF THE JOINT MEETING OF THE
SENATE COMMITTEE ON FINANCE
AND THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-ninth Session
May 6, 2017**

The joint meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Joyce Woodhouse at 8:40 a.m. on Saturday, May 6, 2017, in Room 4100 of the Legislative Building, Carson City, 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 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

ASSEMBLY COMMITTEE MEMBERS PRESENT:

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

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 2

COMMITTEE MEMBERS ABSENT:

Assemblyman Jason Frierson, Vice Chair (Excused)

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Joi Davis, Senior Program Analyst
Jay Kriebel, Program Analyst
Adam Drost, Program Analyst
Jon Stieber, Program Analyst
Leandra Copeland, Program Analyst
Jennifer Gamroth, Program Analyst
Lona Domenici, Committee Manager
Colby Nichols, Committee Secretary
Felicia Archer, Committee Secretary

OTHERS PRESENT:

The Honorable James W. Hardesty, Justice, Nevada Supreme Court
Peggy Lear Bowen

CHAIR WOODHOUSE:

We will start this morning with the Governor's Office for Nuclear Projects shown in Closing List #2, May 6, 2017 ([Exhibit C](#)).

JOI DAVIS (Senior Program Analyst):

We will start with the Office of High Level Nuclear Waste. It is also referred to as the Agency for Nuclear Projects (ANP).

ELECTED OFFICIALS

Governor's Office High Level Nuclear Waste — Budget Page ELECTED-40
(Volume I)
Budget Account 101-1005

There is one major closing issue, decision unit E-226, a potential restart of Yucca Mountain licensing activities. The *Executive Budget* includes \$272,707 each year of the 2017-2019 biennium. There were 229 contentions submitted in 2008. Due to consolidation, the State's admitted contentions are now 218 contentions. These are causes of action identified by the Agency regarding the deficiencies in the licensing application for Yucca Mountain.

E-226 Efficient and Responsive State Government — Page ELECTED-43

During the budget hearing on March 13, the subcommittees inquired about the number of approved contentions related to the associated counties. That information is listed on the table on page 4 of [Exhibit C](#). There are 28 contentions for the counties.

Page 5 describes how the President's \$120 million proposal for the budget was not approved in the omnibus bill passed earlier this week. Funding in federal fiscal year (FFY) 2018 could still occur in the FFY that begins October 1, 2017. If funding is approved at the federal level, the Agency indicates it would reconstitute the Yucca Mountain Construction Authorization Boards, referred to as the Nuclear Regulatory Commission (NRC) Licensing Panels. A case management conference for all parties would follow. Then, there would be a hearing on the contentions. The Agency projects the restart proceedings could take at least 12 months. The depositions and the discovery process could take three or more years.

The table at the bottom of page 5 of [Exhibit C](#) shows funding included in this budget account for the 2015-2017 biennium and what is recommended in the Governor's budget. It includes the Office of the Attorney General (AGO), which has the Special Litigation Fund, Budget Account (B/A) 101-1031 that also includes funding for Yucca Mountain.

AG - Special Litigation Fund — Budget Page ELECTED-128 (Volume I) Budget Account 101-1031

The total over the 2017-2019 biennium for the 2 budgets would be about \$2.4 million. There have been federal funds allocated to the State in the past. The Agency is uncertain if federal funds would come if the licensing proceedings are re-started. Do the Committees wish to approve General Fund

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 4

appropriations of \$272,707 in each year of the 2017-2019 biennium for contract costs related to the potential restart of the Yucca Mountain licensing proceedings?

SENATOR PARKS MOVED TO APPROVE B/A 101-1005 WITH GENERAL FUND APPROPRIATIONS OF \$272,707 IN EACH YEAR OF THE 2017-2019 BIENNIUM FOR CONTRACT COSTS RELATED TO THE POTENTIAL RESTART OF THE YUCCA MOUNTAIN LICENSING PROCEEDINGS AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED .

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

There are three other closing items on page 6 of [Exhibit C](#). Staff recommends approval as requested by the Governor with authority for Fiscal staff to make technical adjustments as needed.

E-225 Efficient and Responsive State Government — Page ELECTED-42

E-710 Equipment Replacement — Page ELECTED-43

E-720 New Equipment — Page ELECTED-44

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE IN B/A 101-1005, DECISION UNITS E-225, E-710 AND E-720 WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 5

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Ms. DAVIS:

The first of the AGO budgets is B/A 101-1002, the AGO Extradition Coordinator, beginning on page 7 of [Exhibit C](#).

AG - Extradition Coordinator — Budget Page ELECTED-111 (Volume I)
Budget Account 101-1002

This is a Staff-recommended budget not previously heard by the Committees. There are no major closing issues and one technical adjustment. The AGO worked with the Legislative Counsel Bureau and the Governor's Finance Office to look at the rent allocated to all the AGO budget accounts. There was a reallocation of those rents. Each of the budgets discussed today has a reallocation as a technical adjustment. Staff recommends B/A 101-1002 be closed as recommended by the Governor with the technical adjustment noted and with authority for staff to make other technical adjustments as needed.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE B/A 101-1002 AS RECOMMENDED BY THE GOVERNOR WITH THE TECHNICAL ADJUSTMENT NOTED AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 6

Ms. DAVIS:

The AGO Administrative Fund is B/A 101-1030 beginning on page 9 of [Exhibit C](#). This is the AG's main account.

AG - Administrative Fund — Budget Page ELECTED-115 (Volume I)
Budget Account 101-1030

There are two major closing issues. The first covers decision units E-226 through E-231. There are nine positions eliminated as shown on page 10. These positions are funded by both the AGO cost allocation and the General Fund. It totals \$1.8 million in reductions.

E-226 Efficient and Responsive State Government — Page ELECTED-119
E-227 Efficient and Responsive State Government — Page ELECTED-120
E-228 Efficient and Responsive State Government — Page ELECTED-120
E-229 Efficient and Responsive State Government — Page ELECTED-121
E-230 Efficient and Responsive State Government — Page ELECTED-121
E-231 Efficient and Responsive State Government — Page ELECTED-122

Decision unit E-226 eliminates a vacant legal secretary position. The AGO indicates it is due to management deficiencies and aligns with the recommendation to eliminate some deputy attorneys general positions (DAG).

The total reduction for decision unit E-226 is \$145,570 over the 2017-2019 biennium. Do the Committees wish to approve the elimination of a vacant legal secretary position as recommended by the Governor?

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE ELIMINATION OF A VACANT LEGAL SECRETARY POSITION AS RECOMMENDED BY THE GOVERNOR IN B/A 101-1030, DECISION UNIT E-226.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 7

Ms. DAVIS:

The next decision unit is E-227. It downgrades two filled and unclassified special counsel positions.

The salary reduction is \$136,605 to \$110,133, a 19.4 percent decrease. The two positions are assigned to the Colorado River Commission (CRC). They would be downgraded from special counsel positions to senior DAGs. The Agency indicated it has a team of lawyers that could work with senior DAGs, if this is approved. The total reduction for this decision unit is \$124,226 over the 2017-2019 biennium. During the budget hearing, the AGO felt it was inappropriate to charge other agencies a higher salary for these positions via the AGO cost allocation. Staff notes several other attorney positions are higher paid than a DAG or senior DAG and are included in the Attorney General Cost Allocation Plan (AGCAP), such as the solicitor general, the assistant attorney general, the bureau chiefs and the chief deputy DAGs.

Do the Committees wish to approve the downgrade of two special counsel positions assigned to the CRC to senior DAG positions?

SENATOR PARKS:

I strongly oppose making this downgrade. We should continue to pay these two special counsel positions the existing rates they are currently being paid. It is a fully reimbursed cost from the CRC, which is fully willing to pay the costs.

ASSEMBLYWOMAN CARLTON:

I support Senator Parks' position.

SENATOR PARKS MOVED TO NOT APPROVE THE DOWNGRADE OF THE TWO SPECIAL COUNSEL POSITIONS ASSIGNED TO THE CRC IN B/A 101-1030, DECISION UNIT E-227.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 8

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

* * * * *

Ms. DAVIS:

Decision unit E-228 recommends elimination of two unclassified legal researcher positions.

The AGO indicated they have created some efficiencies regarding these positions, and they spend less time having moved to electronic records management. Fiscal staff notes the budget came over with the positions being filled, but Staff has worked with the Agency to provide a revised organizational chart and determined the positions are indeed vacant at this time, per the State's personnel database.

Fiscal staff would also note that the 2015 Legislature approved a 23 percent increase for the legal researcher positions, however at that time there were no efficiencies identified for these positions. The AGO testified during the budget hearings that these positions have not actually changed. The total reduction for this recommendation is \$318,452 over the 2017-2019 biennium.

Do the Committees wish to approve the elimination of two vacant legal researcher positions?

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE ELIMINATION
OF TWO VACANT LEGAL RESEARCHER POSITIONS IN
B/A 101-1030, DECISION UNIT E-228.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 9

Ms. DAVIS:

Decision unit E-229 recommends elimination of an information technology (IT) professional position. This was a decision made by the IT chief who was hired last year. The Agency looked at the entire IT unit and determined it could eliminate this help desk position. It is vacant. The Agency believes the position is no longer needed. The total reduction for this unit is \$158,055 over the 2017-2019 biennium.

Do the Committees wish to approve the elimination of one vacant IT professional position as recommended by the Governor?

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE ELIMINATION OF ONE VACANT IT PROFESSIONAL POSITION AS RECOMMENDED BY THE GOVERNOR IN B/A 101-1030, DECISION UNIT E-229.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

Decision unit E-230 eliminates a filled unclassified DAG position and requests a budget analyst III position. Elimination of the DAG position is to offset the cost of the budget analyst. No justification was provided for the elimination. The AGO has indicated that through the restructure approved by the 2015 Legislature, it has used less legal and administrative support for the organization.

Do the Committees wish to approve elimination of one DAG position?

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO APPROVE ELIMINATION OF ONE DAG POSITION IN B/A 101-1030, DECISION UNIT E-230.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

The request for the budget analyst position is in decision unit E-230. This is for the AGO Fiscal Unit. A table is provided on page 12 of [Exhibit C](#) to show what the Unit consists of. The administrative services officer (ASO) was approved by the Legislature in 2015. According to the Agency, the new position would work with the ASO to perform some complex analysis of cash flows, expenses, revenue projections, budgets and compilation of work programs. They indicate the budget accounts within the AGO would be divided between the ASO and the new budget analyst. The new position would also work on grant reconciliation processing, and serve as the contract manager and lease manager for three AGO facilities in Carson City, Las Vegas and Reno.

The three AO facilities have two contract managers already. The budget analyst duties have been peripheral duties for those positions, so this position would assume those roles. The total reduction for decision unit E-230 is \$87,948.

Fiscal staff notes there are 21 budgets within the AG. Fourteen are within the *Executive Budget* and seven are nonexecutive. The AGO budgets total about \$100 million over the 2017-2019 biennium. There are 367 positions within the AG. The AGO has another ASO position dedicated to the consumer advocate and responsible for 4 of the 14 budgets. The Chief Financial Officer is responsible for the Fiscal Unit, the Grants Unit, the Torts Claims Unit and the Extraditions Unit. Those units are comprised of 14 staff.

The AGO indicates the proposed position would help the AGO maintain a proactive approach to budgetary issues rather than a reactionary one, and it would help them eliminate any risk for control audit and compliance issues.

Do the Committees wish to approve a new budget analyst position for the AGO Fiscal Unit?

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 11

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE A NEW BUDGET ANALYST POSITION FOR THE AGO FISCAL UNIT IN B/A 101-1030, DECISION UNIT E-230.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

Decision unit E-231 includes a recommendation to eliminate four classified DAG positions to promote efficiencies due to the AGO restructure in 2015. The total amount of the reduction to the budget is \$1 million over the 2017-2019 biennium. The table on page 13 of [Exhibit C](#) shows the Governor's recommended positions and those revised per the AG. Five DAG positions are listed in these tables. One of those was just eliminated with your approval of decision unit E-230.

Many of these were filled positions when the budget came over. Working with the AGO, and reviewing an updated organizational chart and the State's human resources database, staff has been able to confirm the positions on the revised table are all vacant. The four positions recommended for elimination are listed on the table's right side. The bullets below the table indicate how the position eliminations impact the Agency and the remaining number of attorneys.

Do the Committees wish to approve the elimination of four DAGs as recommended by the Governor?

ASSEMBLYWOMAN CARLTON:

It makes it a little easier knowing the positions are vacant. The one I have concern over is DAG position control number 212, in the AGO's Bureau of Government Affairs, Boards and Open Government Division. We always hear about issues with our boards being able to have the appropriate representation. I have seen more bills this Session than I have introduced in the time I have

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 12

been in this building, and I have introduced a lot. There are a lot of moving parts with a lot of Boards out there. I am fairly comfortable with the rest.

ASSEMBLYMAN SPRINKLE:

Confirming these positions are vacant, do you know how long they have been vacant?

Ms. DAVIS:

I do not know.

ASSEMBLYMAN SPRINKLE:

Is this because of the restructure after 2015?

Ms. DAVIS:

Yes. It is the result of management efficiencies due to the restructure.

ASSEMBLYWOMAN BUSTAMANTE ADAMS:

I concur with Assemblywoman Carlton about the concern for the boards represented by the AGO. I have seen the need. Many of our issues have involved the need for this service.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE ELIMINATION OF THREE DAGS IN B/A 101-1030, DECISION UNIT E-231, AND NOT APPROVE ELIMINATING DAG POSITION 212 IN THE AGO'S BUREAU OF GOVERNMENT AFFAIRS, BOARDS AND OPEN GOVERNMENT DIVISION.

SENATOR PARKS SECONDED THE MOTION.

THE ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

The next major issue is a proposed new budget account as described on pages 14 and 15 of [Exhibit C](#). The AGO testified in prior budget hearings for this budget stating there were recent settlement funds that would be available to

the General Fund, referring to the Volkswagen settlement for the clean diesel vehicle dispute. This is not to be confused with the larger Volkswagen settlement the State will receive later this calendar year. This is regarding litigation filed by the AGO on behalf of the State pursuant to Nevada's deceptive trade statutes.

The State received a \$5.4 million settlement in February 2017, which was placed in the AGO's nonexecutive settlement budget. The funds shall be used according to terms of the settlement. The AGO has testified that \$3.5 million of the \$5.4 million in Volkswagen settlement funds or other available settlement funds could be used by the State. The Governor supports using \$1.2 million of those funds over the biennium to continue the Consumer Affairs Unit within the Department of Business and Industry (B&I), contingent on approval of Senate Bill (S.B.) 501, which extends the sunset date for the Unit.

SENATE BILL 501: Extends the prospective expiration of the Consumer Affairs Unit of the Department of Business and Industry. (BDR 18-908)

The AGO indicates \$250,000 over the 2017-2019 biennium would be available in other settlement funds held in the non-Executive settlement account to support the transfer of the confidential address program from the AGO to the Division of Child and Family Services (DCFS) of the Nevada Department of Health and Human Services (DHHS). That is in S.B. 25, which was heard in the Senate Committee on Finance on Monday.

SENATE BILL 25 (1st Reprint): Revises provisions governing the organization and functions of the Office of the Attorney General relating to domestic violence and the fictitious address program. (BDR 18-385)

Fiscal staff recommends establishing the new "State Settlements" budget; transferring the \$5.4 million in Volkswagen settlement proceeds to the new budget; establishing expenditure categories to transfer \$1.2 million over the 2017-2019 biennium to B&I to continue the Consumer Affairs Unit for two more years, contingent upon passage of S.B. 501; and establishing a reserve category to allow the AGO to approach the Interim Finance Committee (IFC) to request use of the settlement funds in the 2017-2019 biennium, within the terms of the settlement agreement. Staff also recommends transferring other available settlement funds identified by the

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 14

AGO to the new budget account to allow a transfer to DCFS in the DHHS of up to \$250,000.

On May 5, the Senate Committee on Finance and the Assembly Ways and Means Subcommittees on General Government approved the \$1.2 million transfer in Volkswagen settlement funds to the AGO Consumer Affairs Unit contingent upon these Committees' approval. The \$250,000 transfer was discussed in the Senate Committee on Finance and, if approved today, could be approved for receipt of those funds in the DCFS budget when the Committees hear that budget.

Do the Committees wish to authorize Fiscal staff to take the recommended actions?

CHAIR WOODHOUSE:
This one is complicated.

SENATOR KIECKHEFER:
I want to get a sense of the discussions that took place between Fiscal staff and the AGO in working this out. It creates a new process for doing things. I want to make sure there is agreement.

MARK KRMPOTIC (Senate Fiscal Analyst):
Staff had discussions with the AGO, the Executive Branch and Senate legal counsel. The AGO is of the opinion the money should be deposited into the General Fund, if the Legislature should appropriate that money for the eligible purposes. Staff has consulted with legal counsel who advised we direct the settlement monies to go into the proposed State Settlements account and then be transferred out to the Consumer Affairs Unit and, if the Committees so desire, to the DCFS confidential address program.

Transferring the settlement funds in this manner would comply with the settlement agreement Staff has provided to legal counsel. It would add an element of transparency and tie the settlement dollars to the purposes stated in the settlement agreement.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 15

SENATOR KIECKHEFER:

Is the \$250,000 that would go to the confidential address program also from the Volkswagen settlement?

Ms. DAVIS:

No. Provisions in the settlement agreement do not fall within the purview of the confidential address program. The AGO has testified to other settlement funds available for that purpose. They could be transferred to the newly established account and then to DCFS.

SENATOR KIECKHEFER:

Have you reviewed the terms of those settlement agreements to make sure they are available for those purposes?

Ms. DAVIS:

Yes. Those consent decrees have been provided to our legal counsel. The AGO has testified they are available for that purpose.

ASSEMBLYWOMAN CARLTON MOVED REGARDING B/A 101-1030 TO AUTHORIZE FISCAL STAFF TO ESTABLISH A NEW STATE SETTLEMENTS BUDGET IN THE AUTHORIZATION ACT AND TRANSFER \$5.4 MILLION IN VOLKSWAGEN SETTLEMENT PROCEEDS TO THAT NEW BUDGET; TO APPROVE A \$1.2 MILLION TRANSFER FROM THE STATE SETTLEMENTS BUDGET TO CONTINUE THE CONSUMER AFFAIRS UNIT IN B&I OVER THE 2017-2019 BIENNIUM, CONTINGENT UPON THE PASSAGE AND APPROVAL OF S.B. 501 AND PLACE THE REMAINDER OF THE VOLKSWAGEN SETTLEMENT FUNDS IN RESERVE; AND TRANSFER UP TO \$250,000 IN OTHER AVAILABLE SETTLEMENT FUNDS IDENTIFIED BY THE AGO TO THE STATE SETTLEMENTS BUDGET FOR TRANSFER TO THE DCFS FOR THE ONE-TIME SUPPORT OF THE CONFIDENTIAL ADDRESS PROGRAM CONTINGENT UPON THE PASSAGE AND APPROVAL OF S.B. 25.

SENATOR PARKS SECONDED THE MOTION

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 16

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

There are other closing items in B/A 101-1030, as shown on pages 15-17 of [Exhibit C](#).

M-107 AG Cost Allocation Change — Page ELECTED-118
E-225 Efficient and Responsive State Government — Page ELECTED-119
E-671 Salary Adjustment For 2017-2019 Biennium — Page ELECTED-122
E-710 Equipment Replacement — Page ELECTED-123
E-800 Cost Allocation — Page ELECTED-123
M-800 Cost Allocation — Page ELECTED-118
E-900 Transfer From Admin Fund To Nat Settle — Page ELECTED-123
E-901 Transfer From Admin Fund To Spec Lit — Page ELECTED-124
E-904 Transfer From Admin Fund To Spec Lit — Page ELECTED-125
E-906 Transfer From Admin Fund To Spec Lit — Page ELECTED-125

Staff recommends approving other closing items recommended by the Governor, excluding items 1 and 3, which will be determined at a later date, with the technical adjustments noted and with authority for Staff to make other technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE ALL OTHER CLOSING ITEMS IN B/A 101-1030 AS RECOMMENDED BY THE GOVERNOR, EXCLUDING ITEMS 1 AND 3, WHICH WILL BE DETERMINED AT A LATER DATE, WITH THE TECHNICAL ADJUSTMENTS NOTED AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.
SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Ms. DAVIS:

The Special Litigation Fund is B/A 101-1031 with discussion starting on page 19 of [Exhibit C](#). There is one major closing issue in this budget, the potential restart of the Yucca Mountain licensing activities. This is the second component of the Agency for Nuclear Projects, which the Committees closed earlier today. Base funding in this budget is \$1.7 million in each year of the 2017-2019 biennium, a decrease from \$2.5 million approved for each year of the 2015-2017 biennium.

Funds in the current biennium, prior funding uses and recommended funding usage were discussed. The State would prepare 30 to 40 new contentions based on new information. Contentions are the causes of actions regarding the licensing proceeding.

In addition to the \$1.7 million each year in the base funding, there is also \$144,000 in each year of the biennium, which is remaining funds from the Omnibus Appropriations Act of 2009 that have been unexpended. With the reserve, that totals \$381,047. Federal funds can only be used for administrative proceedings, which is what the NRC licensing activities are. The State has five cases pending for which these funds cannot be used. The \$341,047 could be used for licensing proceedings. The reserve of \$92,387 is included. If the reserve funds remain, they would be balanced forward to 2020, which would mean these Omnibus funds would be ten years old. Fiscal staff has worked with the Agency and indicated these federal funds should be spent before the General Fund appropriations, and the AGO has agreed to do so.

The Committees' options are listed on page 21 of [Exhibit C](#). Option A would authorize Staff to adjust the budget to expend the remaining federal funds totaling \$381,047 equally over the 2017-2019 biennium, eliminating the \$92,387 reserve balance in fiscal year (FY) 2018-2019. Option B would authorize \$381,047 in federal funds to be spent in FY 2017-2018 and decrease General Fund appropriations by a like amount in FY 2017-2018.

SENATOR GOICOECHEA:

We should go with Option A. I am concerned about the reserve funds.

SENATOR GOICOECHEA MOVED TO APPROVE AUTHORIZING FISCAL STAFF TO ADJUST B/A 101-1031 TO EXPEND THE REMAINING FEDERAL FUNDS TOTALING \$381,047 EQUALLY OVER THE

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 18

2017-2019 BIENNIUM, ELIMINATING THE \$92,387 RESERVE BALANCE
IN FY 2018-2019.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

There are other closing items in this budget beginning on page 21 of [Exhibit C](#).

E-710 Equipment Replacement — Page ELECTED-130

E-901 Transfer From Admin Fund To Spec Lit — Page ELECTED-130

E-904 Transfer From Admin Fund To Spec Lit — Page ELECTED-131

E-906 Transfer From Admin Fund To Spec Lit — Page ELECTED-131

The other closing items appear reasonable. This budget includes the transfer of the confidential address program from the Administrative Fund to this budget, and S.B. 25 recommends transferring the program to DCFS as discussed. Staff recommends approval of the other closing items, with technical adjustments noted, and with authority for Staff to make other technical adjustments as necessary, including final outcome of S.B. 25.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE ALL OTHER CLOSING
ITEMS IN B/A 101-1031, DECISION UNITS E-710, E-901, E-904, AND
E-906, WITH TECHNICAL ADJUSTMENTS NOTED AND WITH
AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL
ADJUSTMENTS AS NECESSARY, INCLUDING ADJUSTMENTS
NECESSARY FROM THE FINAL OUTCOME OF S.B. 25.

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
May 6, 2017
Page 19

BUDGET CLOSED.

* * * * *

Ms. DAVIS:

The AGO Workers' Comp Fraud account is B/A 101-1033 beginning on page 23 of [Exhibit C](#).

AG - Workers' Comp Fraud — Budget Page ELECTED-134 (Volume I)
Budget Account 101-1033

There are no major closing issues and two other closing items on page 24. A technical adjustment to correct an error in rent will result in an increase of \$49,763 in FY 2017-2018 and \$36,545 in FY 2018-2019.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE B/A 101-1033, WITH OTHER CLOSING ITEMS 1 AND 2 AS RECOMMENDED BY THE GOVERNOR WITH A TECHNICAL ADJUSTMENT NOTED, AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Ms. DAVIS:

The AGO Crime Prevention budget was not previously heard by the Committees. It is B/A 101-1036 found on pages 25 and 26 of [Exhibit C](#).

AG - Crime Prevention — Budget Page ELECTED-138 (Volume I)
Budget Account 101-1036

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 20

There are no major closing issues in this budget. There is a technical adjustment regarding rent reallocation which increases the General Fund appropriation in this budget by \$14,656 in FY 2017-2018 and \$15,634 in FY 2018-2019.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE B/A 101-1036, AS RECOMMENDED BY THE GOVERNOR WITH A TECHNICAL ADJUSTMENT NOTED, AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Ms. DAVIS:

The AGO Medicaid Fraud B/A 101-1037 beginning on page 27 of [Exhibit C](#) was not previously heard by the Committees. There are no major closing issues. There are two other closing items, decision unit E-710 and a technical adjustment.

AG - Medicaid Fraud — Budget Page ELECTED-142 (Volume I)
Budget Account 101-1037

E-710 Equipment Replacement — Page ELECTED-144

Staff recommends approval of B/A 101-1037.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO APPROVE B/A 101-1037 WITH DECISION UNIT E-710 AND WITH THE TECHNICAL ADJUSTMENT NOTED AND AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 21

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Ms. DAVIS:

The AGO Consumer Advocate budget is B/A 330-1038, beginning on page 29 of [Exhibit C](#).

AG - Consumer Advocate — Budget Page ELECTED-146 (Volume I)
Budget Account 330-1038

There is one major closing issue regarding the use of Morgan Stanley settlement funds. The Governor recommends \$1.6 million in a combination of reserve funds and Morgan Stanley settlement funds be transferred from the AG's Settlement fund to continue the Civil Mortgage Fraud Unit, established in FY 2011-2012. Two senior DAGs and one legal secretary make up the unit.

Fiscal staff asked why two of the three positions in this unit were vacant, one since April 2015 and the other since June 2015. The AGO responded the positions should be retained and filled as needed, and they are working on cases that might require the positions. During the budget hearing, the Committees asked to receive information regarding the cases worked on by the unit. The AGO provided information showing some of the cases worked on since the unit was created in 2012, per the table on page 30.

The AGO indicated the one filled DAG position works nearly 100 percent on mortgage-related cases. The AGO would like to retain the vacant senior DAG position for large consumer-related, multi-state cases anticipated in the upcoming biennium. The AGO intends to work during the upcoming biennium to reclassify the vacant legal assistant position as a legal researcher who can help review documents in deceptive trade practice cases. To be reclassified, the AGO would need to have the position reviewed through the Department of

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 22

Administration's Division of Human Resource Management reclassification process during the biennium.

Do the Committees wish to approve the Governor's recommendation to retain the senior DAG position and the legal secretary position, both vacant for more than one year, for the Civil Mortgage Fraud Unit during the 2017-2019 biennium to address mortgage-related and consumer-related cases as needed?

ASSEMBLYMAN OSCARSON MOVED TO APPROVE RETAINING THE VACANT SENIOR DAG POSITION AND THE VACANT LEGAL SECRETARY POSITION FOR THE CIVIL MORTGAGE FRAUD UNIT DURING THE 2017-2019 BIENNIUM TO ADDRESS MORTGAGE-RELATED AND CONSUMER-RELATED CASES AS NEEDED.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

There are three other closing items in B/A 330-1038 discussed on pages 31 through 32 that appear reasonable. Under technical adjustments, in addition to the rent reallocation, there is a technical adjustment to correct a miscoded unclassified legal researcher position. A legal secretary position is eliminated in decision unit E-225.

E-225 Efficient and Responsive State Government — Page ELECTED-149

Do the Committees wish to approve other closing items as recommended by the Governor with the technical adjustment noted and with authority for Staff to make technical changes as needed?

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE ALL OTHER CLOSING ITEMS IN B/A 330-1038, AS RECOMMENDED BY THE GOVERNOR, INCLUDING THE ELIMINATION OF A LEGAL SECRETARY

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 23

POSITION IN DECISION UNIT E-225 AND WITH THE TECHNICAL
ADJUSTMENT NOTED AND WITH AUTHORITY FOR FISCAL STAFF TO
MAKE TECHNICAL CHANGES AS NEEDED.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Ms. DAVIS:

The AGO Grants Unit is B/A 101-1040. It includes a variety of discretionary and formula grants. There are two major closing issues.

AG - Grants Unit — Budget Page ELECTED-151 (Volume I)
Budget Account 101-1040

This budget has previously not included any General Fund appropriations. Decision unit E-225 recommends General Fund appropriations of about \$60,000 each year of the biennium to support the nongrant-related staff activities for the three full-time employees to remain compliant within the formula grant in this budget.

E-225 Efficient and Responsive State Government — Page ELECTED-154

The AGO estimated 2 of the positions work 25 percent of their time on nongrant activities such as developing additional grant proposals and supporting initiatives of the AG. Ten percent of the other grant project analyst's time is spent reviewing grant applications reviewed and prepared by the other two positions. The Services Training Officers Prosecutors and the Sexual Assault Services Program grants comprise the two formula grants in this budget. They can use 15 percent of the grant funds to support the positions, which is \$183,950 for FY 2017-2018. The amount does not fully support the

three positions and operating costs. Total position costs exceed the administrative cap.

During its budget hearing on March 27, 2017, the AGO testified they had a site visit from the authorizing agency, the U.S. Department of Justice (DOJ). The AGO testified the DOJ indicated the AGO should include General Fund money in this budget. In follow up information, the AGO staff clarified that, saying the DOJ asked them to develop and implement procedures regarding the detailed time and attendance records regarding these positions, and they have done so.

Staff looked at how the State Grants Office (SGO) might help. The AGO responded it has used the SGO, and the SGO has been helpful in providing the AGO with grant process flow charts, single audit reports and indirect rate information. The SGO also facilitated collaboration between State agencies. The grants awarded to AGO's Grants Unit typically require a partnership with law enforcement, prosecutors and victim services.

Fiscal staff looked at the history of these three positions. It appears the two positions, management analyst and grants and projects analyst III have been administering formula grants for ten years. The grants and projects analyst I position was approved at the December 2011 IFC meeting to help the Unit administer both discretionary and formula grants because the AGO was using contract services.

Do the Committees wish to approve General Fund appropriations of \$53,979 in FY 2017-2018 and \$56,093 in FY 2018-2019 to support position and associated operating costs for the AGO Grants Unit as recommended by the Governor? If this decision unit is approved, Fiscal staff requests authority to make technical adjustments to offset the recommended General Fund appropriation by increasing the applicable subgrantee expenditure categories rather than reducing the federal grant revenue as recommended in the *Executive Budget*.

SENATOR PARKS MOVED TO APPROVE GENERAL FUND APPROPRIATIONS OF \$53,979 IN FY 2017-2018 AND \$56,093 IN FY 2018-2019 IN B/A 101-1040, DECISION UNIT E-225, TO SUPPORT POSITION AND ASSOCIATED OPERATING COSTS FOR THE AGO

GRANTS UNIT AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS TO OFFSET THE RECOMMENDED GENERAL FUND APPROPRIATION BY INCREASING THE APPLICABLE SUBGRANTEE EXPENDITURE CATEGORIES RATHER THAN REDUCING THE FEDERAL GRANT REVENUE.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

The next major issue is the Sexual Assault Test Kit Backlog in the base budget. There is about \$650,000 each year in the base budget for the Sexual Assault Kit Initiative (SAKI) grant funds approved by IFC in the 2015-2107 biennium. In January 2017, the AGO Grants Unit was successful in receiving a \$523,266 Sexual Assault Forensic Evidence Inventory, Tracking and Reporting (SAFE-ITR) grant. The grant is to implement and oversee an automated inventory tracking and record keeping system of the sexual assault test kits and to coordinate the training for the system's site users.

The table on page 36 of [Exhibit C](#) identifies funding available in the *Executive Budget* to support contracts for testing of backlogged sexual assault test kits, tracking of the kits for the activities of the Sexual Assault Working Group and the dedicated grant coordinator required by the grant. There have been other funds awarded for this purpose. The latest information provided to the Committees at the March 27 budget hearing as to testing of kits indicates 2,456 kits were sent for testing, 984 kits were tested, 213 DNA profiles were logged, 58 Combined DNA Index System (CODIS) hits were recorded, 11 arrests warrants were issued and 8 arrests made.

Due to concerns expressed by the Committees regarding the backlog of untested sexual assault testing kits in the State, the Committees may wish to issue a letter of intent directing the AGO to report to the IFC, by county,

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 26

the number of backlogged kits tested, DNA profiles logged, CODIS hits obtained, arrest warrants issued, and the number of arrests and prosecutions. The report should include a status on the activities of the Sexual Assault Working Group in meeting procedural requirements of the SAKI grants, and status updates on the SAFE-ITR grant on a tracking system for SAKI kits. The Letter of Intent could be submitted to the IFC semi-annually, with the first report due by January 1, 2018, and every six months thereafter.

ASSEMBLYWOMAN CARLTON:

This one had much discussion. I know many of the members on both sides had concerns about how these kits were being processed. It seemed like there was a much longer delay than most of us thought. We have realized since then it is really about the lab space and the time. The dollars are there now to get it done, we just need to figure out a way to get the testing done a little more quickly, but there are only so many spots in the labs. Maybe we need to take a step back and look at the lab element in the future. If we are sending these out-of-State, maybe this is a workforce area we should develop for ourselves to make sure our kits get tested. I still have concerns about where this money was spent, but with the proposal to have the Attorney General report back to us, we will be able to watch the progress of this program. It is an important issue.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE ISSUING A LETTER OF INTENT DIRECTING THE ATTORNEY GENERAL TO REPORT TO THE IFC ON A SEMIANNUAL BASIS BEGINNING JULY 1, 2018, ON THE NUMBER AND STATUS OF BACKLOGGED SEXUAL ASSAULT TEST KITS, BY COUNTY, THE ACTIVITIES OF THE SEXUAL ASSAULT WORKING GROUP REGARDING GRANT REQUIREMENTS TO ESTABLISH PROCEDURES FOR THE TESTING OF SEXUAL ASSAULT TEST KITS, AND THE STATUS OF THE SAFE-ITR GRANT TO IMPLEMENT A TRACKING SYSTEM FOR SEXUAL ASSAULT TESTS; AND TO AUTHORIZE FISCAL STAFF TO MAKE THE TECHNICAL ADJUSTMENT NOTED AND OTHER TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR HARRIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 27

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

There are two other closing items in B/A 101-1040 beginning on page 37 of [Exhibit C](#). Decision unit E-491 eliminates a vacant DAG position. Technical adjustments noted bring forward a recently awarded grant for the Department of Public Safety, Office of Traffic Safety for FY 2017-2018, and the federal End Abuse in Later Life grant for FY 2016-2017 that were not included for balance forward to FY 2017-2018 for that purpose. A budget amendment from the Governor's Finance Office corrects an error in rent allocation for AGO budgets.

E-491 Expiring Grant/Program — Page ELECTED-154

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE ALL OTHER CLOSING ITEMS IN B/A 101-1040 INCLUDING DECISION UNIT 491 AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS NOTED AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY, INCLUDING PENDING LEGISLATION BEFORE THE 2017 LEGISLATURE.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Ms. DAVIS:

Next is B/A 101-1041, the AGO Council for Prosecuting Attorneys.

AG - Council For Prosecuting Attorneys — Budget Page ELECTED-157
(Volume I)

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 28

Budget Account 101-1041

There are no major closing issues. There are two other closing items described on pages 40 and 41 of [Exhibit C](#). In addition to rent reallocation addressed previously, this budget includes technical adjustments to increase the conference fees reprojected based on the FY 2016-2017 conference fees, and to isolate the operating costs for the Council from the conference costs for better transparency.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE B/A 101-1041, WITH TECHNICAL ADJUSTMENTS NOTED, AND WITH AUTHORITY FOR STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR FORD SECONDED THE MOTION.

THE ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Ms. DAVIS:

The AGO Victims of Domestic Violence B/A 101-1042 discussed on pages 43 and 44 of [Exhibit C](#).

AG - Victims of Domestic Violence — Budget Page ELECTED-161 (Volume I) Budget Account 101-1042

This budget was not previously heard by the Committees. Staff is responsible for developing closing recommendations. This budget includes the Ombudsman for Victims of Domestic Violence, the Batterer's Treatment Certification Committee, the Committee on Domestic Violence and the Nevada Council for Prevention of Domestic Violence. It also oversees the Victim Information Notification Everyday system.

There are no major closing issues, and there are no other closing items. Staff recommends B/A 101-1042 be approved as recommended by the

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 29

Governor with authority for Staff to make technical adjustments as needed, including budgetary revisions that may be necessary should S.B. 25 or other enabling legislation be approved. Senate Bill 25 consolidates the four councils into one committee. A cost-neutral technical adjustment would be needed to reduce the corresponding categories to just one.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE B/A 101-1042 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED, INCLUDING BUDGETARY REVISIONS THAT MAY BE NECESSARY SHOULD S.B. 25 OR OTHER ENABLING LEGISLATION BE APPROVED.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Ms. DAVIS:

The AGO Forfeiture budget is B/A 101-1043 on page 45 of [Exhibit C](#), a new budget established during the 2015-2017 interim due to the acceptance of \$369,469 the AGO received through the U.S. Department of Treasury Equitable Sharing Program.

AG - Forfeiture — Budget Page ELECTED-165 (Volume I)
Budget Account 101-1043

Funds were received in 2015, and they can only be used for law enforcement purposes. Funds cannot supplant, but must supplement. Information on page 46 of [Exhibit C](#) shows what the Agency used the funds for in the base year, FY 2015-2016. Funds are available for up to three years and would expire in November 2018. Staff has made a technical adjustment to reproject reserves in FY 2016-2017. That will be balanced forward to FY 2017-2018 so they can be used in FY 2017-2018 for the purposes identified. This changes the reserve

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 30

balance from the Governor's recommended budget from \$178,563 to \$142,449, which will have to be expended by November 2018.

Fiscal staff recommends the Committees approve B/A 101-1043 as recommended by the Governor with technical adjustments noted, and with authority for Staff to make other technical adjustments as needed.

ASSEMBLYWOMAN CARLTON:

Forfeiture has been a big issue. Some members have had concerns about that. When we look at the dollars spent, are these in addition to the baseline budget, do they not actually impact the base budget and are they extra dollars used for extra things? Does that mean there is no true fiscal impact, depending on what the forfeiture is?

Ms. DAVIS:

That is all correct.

ASSEMBLYWOMAN CARLTON:

What is being spent in body armor and equipment gives me concern because I think those are supposed to be in the base budget. The fact we are using extra dollars to provide what I consider safety equipment gives me pause. I want to make this clear for the Committees. One of these days that money may not be there.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE B/A 101-1043 AS RECOMMENDED BY THE GOVERNOR WITH THE TECHNICAL ADJUSTMENT NOTED AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR HARRIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 31

Ms. DAVIS:

The AGO Tort Claim Fund B/A 715-1348 begins on page 47 of [Exhibit C](#).

AG - Attorney General Tort Claim Fund — Budget Page ELECTED-167
(Volume I)

Budget Account 715-1348

This budget was not previously heard by the Committees. There are no major closing issues, and there are no other closing items. Staff recommends B/A 715-1348 be approved as recommended by the Governor with authority for Staff to make technical adjustments as needed.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE B/A 715-1348
AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL
STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

Ms. DAVIS:

The AGO National Settlement Administration budget is B/A 340-1045.

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

Budget Account 340-1045

The chart on page 50 of [Exhibit C](#) shows what the Legislature approved for the current biennium and what is recommended in the upcoming biennium.

There are three major closing issues. The first is funding for Statewide financial fraud and for guardianship abuse cases in southern Nevada, decision unit E-242.

E-242 Efficient and Responsive State Government — Page ELECTED-174

The Governor recommends \$1.6 million in National Mortgage Settlement reserve funds for each year of the biennium to continue ten positions and associated operating costs for financial fraud cases Statewide and for guardianship abuse cases in southern Nevada. The Committees may recall IFC approved these positions in June 2016. It was requested this enhancement be brought forward for consideration to continue the positions and contractual legal costs over the upcoming biennium.

The AG's Financial Fraud Unit has fielded 675 constituent complaints and opened 20 financial fraud investigations. Three elder exploitation cases were opened, two of which resulted in convictions. The ten positions approved by IFC and recommended to continue in this decision unit for the upcoming biennium include two senior DAGs, two criminal investigator supervisors, four criminal investigators, one management analyst and one legal secretary.

As of April 25, eight of those positions have been filled, and the remaining two positions are in active recruitment. Included in this decision unit is \$399,352 for contractual nonprofit legal services to provide consumers with representation in guardianship abuse cases in southern Nevada. That is being done through the Legal Aid Center of Southern Nevada (LACSN), supporting 2 attorneys, 1 paralegal and 1 legal assistant, to address a projected 100 guardianship cases each year.

During the budget hearings, the LACSN indicated they opened 56 cases as a result of this funding. They have 82 open cases.

Do the Committees wish to approve \$1.2 million in reserve funds over the 2017-2019 biennium to support ten positions comprising the Financial Fraud Unit within the AGO and associated operating costs, and \$399,352 each year for transfer to the LACSN to provide legal services for guardianship abuse cases in southern Nevada?

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 33

ASSEMBLYMAN SPRINKLE:

As one of the members of this Commission, I cannot speak highly enough to the work that was done and the necessity for what is being recommended here. I strongly recommend we move forward with this.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE B/A 340-1045, DECISION UNIT E-242, WITH \$1.2 MILLION IN RESERVE FUNDS OVER THE 2017-2019 BIENNIUM TO SUPPORT TEN POSITIONS COMPRISING THE FINANCIAL FRAUD UNIT WITHIN THE AGO AND ASSOCIATED OPERATING COSTS, AND \$399,352 EACH YEAR FOR TRANSFER TO THE LEGAL AID CENTER OF SOUTHERN NEVADA TO PROVIDE LEGAL SERVICES FOR GUARDIANSHIP ABUSE CASES IN SOUTHERN NEVADA.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

The second major issue on page 52 of [Exhibit C](#) is funding resources for guardianship abuse cases in northern Nevada. During the approval for funding of the Financial Fraud Unit and the allocation of funding for the LACSN guardianship cases in southern Nevada, the IFC inquired about possible funding for this purpose in northern Nevada. The AGO indicated it would bring that forward in this Session. The recommendation in decision unit E-225 accomplishes that.

E-225 Efficient and Responsive State Government — Page ELECTED-173

The use of reserve funds totaling \$247,000 each year for contractual services in northern Nevada would be for Washoe Legal Services (WLS). When the WLS representative testified at the March 27 budget hearing, the organization indicated it had 200 adult ward cases. It receives funding from the DHHS, Division of Aging and Disability Services, to assist in those cases. Those funds

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 34

are only available for adults aged 60 years and older, and cannot be used outside of Washoe County.

Funds in decision unit E-225, if approved, would allow WLS to serve more adult wards and provide assistance to consumers in Carson, Churchill, Douglas, Lyon and Storey Counties. Funding would support two attorneys, one legal assistant and associated operating costs.

ASSEMBLYMAN SPRINKLE:

For the same reasons, along with the fact these are necessary new steps in northern Nevada, I support the recommendation.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE \$247,000 EACH YEAR OF THE 2017-2019 BIENNIUM, DECISION UNIT E-225, B/A 340-1045, FOR TRANSFER TO WLS TO PROVIDE LEGAL SERVICES FOR GUARDIANSHIP ABUSE CASES IN NORTHERN NEVADA.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

The third major issue, shown on page 52, is the increased funding for nonprofit contract legal services in B/A 340-1045, decision unit E-350. The Governor recommends \$203,973 in National Mortgage Settlement reserve funds each year to support an increase in the contractual legal services provided to LACSN and Nevada Legal Services.

E-350 Safe and Livable Communities — Page ELECTED-174

These are the ongoing legal entities that have provided support to the AGO for the Home Again program. The AGO testified at the budget hearing the Home Again program continues to provide assistance to Nevadans regarding the housing crisis commensurate with the needs identified by consumers.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 35

Some of the issues surround the federal Home Affordable Refinance Program, Home Affordable Modification Program and First-Time Homebuyers Program.

It also provides assistance with credit stabilization, rehabilitation and counseling for seniors and renters. The program has seen an increase in requests for services relating to the down payment assistance programs provided at the federal level and the reverse mortgage program. Some of that is related to inflationary increases regarding vendor contract services and fees.

The Agency testified that approximately 25 percent of cases in the Home Again program are foreclosure-related and the remaining cases are other general consumer-related. Follow up information on page 53 of [Exhibit C](#) was provided by the AGO to clarify those figures to reflect the 2nd quarter of FY 2016-2017. The percentages vary since FY 2015-2016 for the types of services provided.

The Committees asked if there were other programs similar at other government levels regarding services provided by the Home Again program. The Agency indicated it was unaware of any other program with a similar array of services. Fiscal staff has provided information on some of the other housing programs within the State.

There were questions about the Nevada Affordable Housing Assistance Corporation. Those responses were provided to these Committees on April 21.

Do the Committees wish to approve \$203,973 in reserve funds each year of the 2017-2019 biennium to support increased costs for legal services for the Home Again program?

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE \$203,973 IN RESERVE FUNDS EACH YEAR OF THE 2017-2019 BIENNIUM TO SUPPORT INCREASED COSTS FOR LEGAL SERVICES FOR THE HOME AGAIN PROGRAM IN B/A 340-1045, DECISION UNIT E-350. SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 36

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAVIS:

There are three other closing items on page 54. Staff recommends approval of other closing items including decision units E-490, E-491, E-500 and E-900, with authority for Fiscal staff to make technical adjustments as necessary.

E-490 Expiring Grant/Program — Page ELECTED-175

E-491 Expiring Grant/Program — Page ELECTED-175

E-500 Adjustments To Transfers — Page ELECTED-175

E-900 Transfer From Admin Fund To Nat Settle — Page ELECTED-176

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE OTHER CLOSING ITEMS IN B/A 340-1045, INCLUDING DECISION UNITS E-490, E-491, E-500 AND E-900, WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

CHAIR WOODHOUSE:

We welcome Supreme Court Justice James Hardesty.

JAMES W. HARDESTY (Justice, Nevada Supreme Court):

Thank you for the courtesy of allowing me to comment on the recommendations that arose from the Subcommittees' dealings with the Judicial Branch budgets. I want to begin by expressing my appreciation to the Subcommittees for endorsing the enhancements the Judicial Branch requested.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 37

Understandably, the Subcommittees and Staff, operating from projections provided last fall, were concerned about reserve levels in B/A 101-1483, B/A 101-1486 and B/A 101-1487. We, too, were concerned. The source of that concern has been the continuing decline in administrative assessment revenue, which has been discussed extensively with the Committees.

LEGISLATIVE –JUDICIAL

JUDICIAL BRANCH

Administrative Office of the Courts — Budget Page JUDICIAL-33 (Volume I)
Budget Account 101-1483

Uniform System of Judicial Records — Budget Page JUDICIAL-45 (Volume I)
Budget Account 101-1486

Judicial Education — Budget Page JUDICIAL-51 (Volume I)
Budget Account 101-1487

We did not see the closing papers until about two minutes into the hearing. We were unaware that to address reserve levels Staff had recommended three IT positions that we were going to depend on when the new courthouse was built, would be eliminated.

We could resolve this with some updated financial information. I appreciate that Fiscal staff and the Committee chairs have reviewed the information. We also submitted another update last week showing, with the diligence of the court budget manager and the Supreme Court Justices, we actually have a much better situation on reserves than had been expected. Instead of 37 days of reserves, we now have more than 80 days of reserves, with the exception of the Judicial Education Budget, over which we have considerable discretion. Even in that account, the reserve level is 21 days.

We are urging these Committees to take different action than was recommended by the Subcommittees and restore the three IT positions. The elimination of the three IT positions would prevent us from incorporating all the software and IT enhancements the Committees had approved. It would certainly delay, and probably prevent the enhancements.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 38

I sent a letter on April 12, 2017, to both Chairs and to Staff, and we provided the supplemental information last week to Fiscal Staff to evaluate our calculations on reserve days. We would be grateful if the Committees would restore the three positions.

We are transitioning out of the Foreclosure Mediation Program (FMP). One of the people in the FMP is a talented person. We were hoping to preserve her job by putting her in the IT position in Las Vegas. We did not need to fill the position until the building was built. Now that it is occupied and open, we are hoping to allow that employee to move to that IT position.

ASSEMBLYWOMAN CARLTON:

It is typical for closing packets to go out as the Committees gear up, and that is when they are made public. There was nothing nefarious; that is just the way it is done. Regarding the software, within your budget structure you have the opportunity to use some of those dollars for IT. The Subcommittees were seeing this as "people in addition to" the software. The approval of the software could have been accomplished whether we approved these positions or not. I understand the proposal you have to add the extra positions back in. I would defer to the Subcommittees chairs. I do not have an issue.

JUSTICE HARDESTY:

I have had experience with budget closings for six sessions. The closing packet is handed out a few minutes into the meeting, so there is not much opportunity to respond to recommendations. This is why we wanted to bring to your attention that the facts had changed since you considered the issue at the Subcommittees' meeting.

SENATOR KIECKHEFER:

I understand the Subcommittees took action to eliminate the three vacant IT positions that would increase reserves in B/A 101-1483 by \$542,000. If we restore those positions, funded through the normal funding sources, you will have 83 days of reserves. Is that what you said?

JUSTICE HARDESTY:

Reserves would be 80 days.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 39

SENATOR KIECKHEFER:

When the Subcommittees met, was it expected reserves in the account would be for only 11 days?

CHAIR WOODHOUSE:

Yes.

ASSEMBLYWOMAN SWANK:

I was one of the Chairs of the General Government Subcommittees. The status of the reserves was one of our biggest concerns. With new information, it does seem the reserves are in a better spot. I take reserves seriously. I want to make sure, having just gone through a significant economic downturn, we take those things seriously, and I know you, Justice Hardesty, feel just the same.

JUSTICE HARDESTY:

I do.

SENATOR FORD:

I am the other Chair of the General Government Subcommittees. I likewise want to indicate the reserves account was the concern we had. That concern has been alleviated. We received subsequent communication from the Judiciary Branch. I am comfortable, at this juncture, restoring the positions we recommended cutting in the Subcommittees for the reasons stated in the communications and also the reasons stated on the record today.

CHAIR WOODHOUSE:

Is it three positions?

JUSTICE HARDESTY:

Yes. We did agree with the Subcommittees a fourth position we had been leaving vacant should be eliminated. We take no quarrel with that.

CHAIR WOODHOUSE:

Thank you, Justice Hardesty. We appreciate you being here.

JUSTICE HARDESTY:

I have one more point.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 40

CHAIR WOODHOUSE:
Alright. One more.

JUSTICE HARDESTY:

We expressed in overview of the budget the concern the Court has about its continued retention in the Unclassified Pay Bill. We have brought to the attention of leadership on the past six occasions that we believe this violates both the Nevada Constitution and *Nevada Revised Statutes* (NRS) 284.013. That statute was not mentioned in your materials. We repeat our objection to the inclusion of the Court in the Unclassified Pay Bill when the Judicial Branch is specifically exempted, as is the Governor's Office. I want to go on the record with respect to that point.

CHAIR WOODHOUSE:

We will deliberate on the Judicial Branch, beginning with the overview from fiscal analyst Jay Kriebel, as shown in the Joint Subcommittee on General Government Closing Report, Judicial Branch ([Exhibit D](#)).

JAY KRIEBEL (Program Analyst):

The Joint Subcommittees on General Government have completed their review of the Judicial Branch budget request for the 2017-2019 biennium. The closing actions taken by the members of the Subcommittees resulted in General Fund reductions of \$839,628 in FY 2017-2018 and General Fund reductions of \$575,000 in FY 2018-2019. Pursuant to NRS 353.210, the Judicial Branch budgets are included in the *Executive Budget*, but are not subject to review by the Governor. Therefore, the recommendations presented in the *Executive Budget* represent the Judicial Branch's budget request.

The Subcommittees did not recommend approving the reclassification of all unclassified positions within the Judicial Branch, excluding the Commission on Judicial Discipline budget, to nonclassified State service. The Subcommittees recommended approving an increase to the Judicial Branch's share of administrative court assessments, shared with several Executive Branch budgets, from the current 56.5 percent, for the 2015-2017 biennium, to 60 percent for the 2017-2019 biennium, representing a 1.7 percent increase in funding to Judicial Branch budgets supported by administrative court assessments. The Subcommittees recommended

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 41

approving administrative court assessment revenue projections for the Judicial Branch totaling \$25.1 million for the 2017-2019 biennium.

Budget account 101-1494 is the Supreme Court, described on pages 9 through 14 of [Exhibit D](#).

Supreme Court — Budget Page JUDICIAL-11 (Volume I)
Budget Account 101-1494

The Subcommittees recommended approving the replacement of a document management system funded with General Fund appropriations of \$590,089 over the 2017-2019 biennium.

E-712 Equipment Replacement — Page JUDICIAL-14

The Subcommittees recommended approving a market salary analysis and benchmark salary survey, funded with a General Fund appropriation of \$13,525 in FY 2017-2018.

E-850 Special Projects — Page JUDICIAL-16

The Subcommittees recommended approving a 9.7 percent salary increase for a nonclassified executive assistant position, funded with a General Fund appropriation of \$6,753 in each year of the 2017-2019 biennium.

E-848 Non-Classified Position Changes — Page JUDICIAL-15

The Subcommittees recommended approving the remainder of the Supreme Court budget as included in the *Executive Budget*.

The next budget is B/A 101-1489, the Court of Appeals.

Court of Appeals — Budget Page JUDICIAL-18 (Volume I)
Budget Account 101-1489

The Subcommittees recommended approving the replacement of a case management system funded with a General Fund appropriation of \$166,442 in FY 2017-2018, which included a technical adjustment to eliminate duplicative

equipment charges of \$18,808. The Subcommittees recommended approving a 9.1 percent salary increase for a nonclassified executive assistant position, funded with a General Fund appropriation of \$6,753 in each year of the 2017-2019 biennium. The Subcommittees recommended approving the remainder of the Court of Appeals budget as included in the *Executive Budget*.

E-720 New Equipment — Page JUDICIAL-21
E-721 New Equipment — Page JUDICIAL-21
E-848 Non-Classified Position Changes — Page JUDICIAL-21

The Administrative Office of the Courts is B/A 101-1483 described on pages 27 through 33 of [Exhibit D](#).

Administrative Office of the Courts — Budget Page JUDICIAL-33 (Volume I)
Budget Account 101-1483

The Subcommittees recommended approving the elimination of three nonclassified IT positions, each vacant greater than one year, increasing reserves by \$542,500 to ensure an adequate reserve for the budget, as shown on page 28 of [Exhibit D](#).

The Subcommittees recommended approving the replacement of a document management system funded by reserve reductions of \$113,711 over the 2017-2019 biennium.

E-712 Equipment Replacement — Page JUDICIAL-36

The Subcommittees also approved the Governor's budget amendment to include a one-grade salary increase to the IT positions in this budget, consistent with the Statewide initiative, to be determined when Statewide decision units are decided.

There are 5 other closing items listed on pages 32 and 33 of [Exhibit D](#). The Subcommittees recommended approving the remainder of the Administrative Office of the Courts budget as included in the *Executive Budget*, excluding other closing items 2 and 5 which will be determined at a later date, and with authority for Staff to make technical adjustments as needed.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 43

The Judicial Programs and Services Division budget is B/A 101-1484 discussed on pages 35 and 36 of [Exhibit D](#).

Judicial Programs and Services Division — Budget Page JUDICIAL-40 (Volume I)
Budget Account 101-1484

The Subcommittees recommended approving a 4.8 percent salary increase for a nonclassified court research analyst position, funded with a General Fund appropriation of \$3,399 in each year of the 2017-2019 biennium. The Subcommittees recommended approving the remainder of the Judicial Programs and Services budget as included in the *Executive Budget*.

E-849 Non-Classified Salary Adjustments — Page JUDICIAL-43

E-710 Equipment Replacement — Page JUDICIAL-42

E-711 Equipment Replacement — Page JUDICIAL-42

E-848 Non-Classified Position Changes — Page JUDICIAL-43

The Uniform System of Judicial Records is B/A 101-1486 described on pages 37 through 41 of [Exhibit D](#).

The Subcommittees recommended approving two enhancements to the Multi-County Integrated Justice Information System, funded with reserve reductions totaling \$44,270 in FY 2017-2018. Additionally, the Subcommittees recommended approving the elimination of a nonclassified information systems manager position vacant greater than two years, increasing reserves by \$258,522. The Subcommittees also approved the Governor's budget amendment to include a one-grade salary increase to the IT positions in this budget decision unit E-671, consistent with the Statewide initiative, to be determined when Statewide decision units are decided.

E-225 Efficient and Responsive State Government — Page JUDICIAL-47

E-227 Efficient and Responsive State Government — Page JUDICIAL-48

E-226 Efficient and Responsive State Government — Page JUDICIAL-47

E-671 Salary Adjustment For 2017-2019 Biennium

E-710 Equipment Replacement — Page JUDICIAL-48

E-711 Equipment Replacement — Page JUDICIAL-49

E-720 New Equipment — Page JUDICIAL-49

E-849 Non-Classified Salary Adjustments — Page JUDICIAL-49

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 44

The Subcommittees recommended approving the remainder of the Uniform System of Judicial Records budget as included in the *Executive Budget*.

The Specialty Court is B/A 101-1495. The details of this account can be found on pages 45 through 49 of [Exhibit D](#).

Specialty Court — Budget Page JUDICIAL-56 (Volume I)
Budget Account 101-1495

The Subcommittees recommended approving the continuation of Specialty Court programs supported with a General Fund appropriation of \$3 million in each year of the 2017-2019 biennium. The Subcommittees recommended a bill draft request to extend the sunset date of NRS 484C.515 to June 30, 2019, to continue the \$100 fee per DUI offense to support Specialty Court programs. In accordance with the approval to continue the DUI fees, the Subcommittees recommended reestablishing the revenue from the DUI fees totaling \$575,000 each year of the 2017-2019 biennium, resulting in a corresponding reduction of General Fund appropriations of \$575,000 in each year of the 2017-2019 biennium from the stabilization funding requested by the Judicial Branch, with an additional \$240,000 General Fund reduction in FY 2017-2018 from stabilization funds to bring reserves to a 90-day level.

E-350 Safe and Livable Communities — Page JUDICIAL-57
E-351 Safe and Livable Communities — Page JUDICIAL-57

The Subcommittees also recommended closing Judicial Branch budgets B/A 101-1487, B/A 101-1490, B/A 101-1491, B/A 101-1492, B/A 101-1493, B/A 101-1496, B/A 101-1498 and B/A 101-2889 as included in the *Executive Budget*.

State Judicial Elected Officials — Budget Page JUDICIAL-24 (Volume I)
Budget Account 101-1490

Judicial Retirement System State Share — Budget Page JUDICIAL-62 (Volume I)
Budget Account 101-1491

Foreclosure Mediation Program — Budget Page JUDICIAL-64 (Volume I)
Budget Account 101-1492

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 45

Judicial Support Governance and Special Events — Budget Page JUDICIAL-60
(Volume I)
Budget Account 101-1493

Senior Justice & Senior Judge Program — Budget Page JUDICIAL-27 (Volume I)
Budget Account 101-1496

Judicial Selection — Budget Page JUDICIAL-26 (Volume I)
Budget Account 101-1498

Law Library — Budget Page JUDICIAL-29 (Volume I)
Budget Account 101-2889

The Subcommittees also recommended approving technical adjustments noted by Staff and authorized Fiscal staff to make other technical adjustments to the Judicial Branch budgets as needed.

SENATOR FORD MOVED TO APPROVE B/A 101-1484, B/A 101-1486
B/A 101-1487, B/A 101-1489, B/A 101-1490, B/A 101-1491,
B/A 101-1492, B/A 101-1493, B/A 101-1494, B/A 101-1495,
B/A 101-1496, B/A 101-1498 AND B/A 101-2889 AS INCLUDED IN THE
EXECUTIVE BUDGET AND APPROVE THE ADMINISTRATIVE OFFICE OF
THE COURTS B/A 101-1483; INCLUDING RESTORING, INSTEAD OF
ELIMINATING, THE THREE NONCLASSIFIED IT POSITIONS; WITH
AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS
AS NECESSARY.

ASSEMBLYWOMAN SWANK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGETS CLOSED.

* * * * *

CHAIR WOODHOUSE:

We will hear the Commission on Postsecondary Education, as shown in Joint Subcommittees on K-12/Higher Education/CIPs Closing Report, Commission on Postsecondary Education ([Exhibit E](#)). The details of this budget are shown on pages 5 through 8.

ADAM DROST (Program Analyst):

The Joint Subcommittees on K-12/Higher Education/CIPs have completed their review of the Commission on Postsecondary Education (CPE) budget recommendations in the *Executive Budget* for the 2017-2019 biennium. The closing recommendations of the Subcommittees result in no changes in the General Fund appropriations of \$764,396 and federal funds of \$200,000 recommended by the Governor in the 2017-2019 biennium. The Subcommittees recommended approval of the following closing actions.

For the CPE, B/A 101-2666, the Subcommittees recommended approval of the Governor's recommendation to transfer the CPE, its four positions and the associated budget to the Department of Employment, Training and Rehabilitation's (DETR) Employment Security Division; funding a new DETR cost allocation assessment; and reclassifying the CPE Administrator to an unclassified deputy administrator position, contingent upon passage and approval of Assembly Bill (A.B.) 484.

EMPLOYMENT, TRAINING AND REHABILITATION

COMMISSION ON POSTSECONDARY EDUCATION

DETR - Commission on Postsecondary Education — Budget Page DETR-107
(Volume II)

Budget Account 101-2666

ASSEMBLY BILL 484 (1st Reprint): Revises provisions relating to the Commission on Postsecondary Education. (BDR 34-912)

The CPE indicates this transfer to DETR would benefit the Commission by providing additional administrative support and increased public awareness for the Commission if it were part of a larger department. The U.S. Department of Labor Workforce Innovation and Opportunity Act requires DETR to develop

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 47

career pathways for individuals, and the Commission indicates the transfer would also provide its licensed institutions with a stronger voice in the development of those career pathways, including modification of curriculum based on workforce needs. The Governor recommends all other DETR deputy administrator positions within the Department be changed to the unclassified service, and the recommended reclassification of the CPE administrator position aligns with that recommendation.

The Subcommittees recommended approving all other closing items in the CPE budget as recommended by the Governor with authority for Fiscal staff to make technical adjustments as necessary.

E-802 Cost Allocation — Page DETR-109
E-805 Classified Position Changes — Page DETR-109
E-710 Equipment Replacement — Page DETR-109

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR B/A 101-2666 TO TRANSFER THE CPE, ITS FOUR POSITIONS AND THE ASSOCIATED BUDGET TO THE DETR EMPLOYMENT SECURITY DIVISION; FUND A NEW DETR COST ALLOCATION ASSESSMENT, DECISION UNIT E-802; RECLASSIFY THE CPE ADMINISTRATOR TO AN UNCLASSIFIED DEPUTY ADMINISTRATOR POSITION, DECISION UNIT E-805, CONTINGENT UPON PASSAGE AND APPROVAL OF A.B. 484; AND APPROVE THE OTHER CLOSING ITEM, DECISION UNIT E-710, WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

CHAIR WOODHOUSE:

Our next budget is for the Department of Agriculture, as shown in the Joint Subcommittee on General Government Closing Report ([Exhibit F](#)).

JON STIEBER (Program Analyst):

The Joint Subcommittees on General Government have completed their review of the budgets for the Department of Agriculture. The closing actions taken by members of the Subcommittees have resulted in a decrease in General Fund appropriations of \$37,157 in FY 2017-2018 and \$26,452 in FY 2018-2019 when compared to the Governor's recommended budget.

The Governor's recommended budget includes Departmentwide travel enhancements totaling \$253,803 over the 2017-2019 biennium, which represents increases of 55 percent over adjusted base travel amounts. The Subcommittees recommended reducing all travel-related enhancement decision units and related expenditures by 50 percent Departmentwide. The Subcommittees also recommended approving the Governor's recommendation to create an automated information system Departmentwide for registrations, licenses, certifications, permits, inspection, testing and training. The integrated solution would provide the Department and its customers a means to easily access account information and process transactions online.

The Agriculture Administration B/A 101-4554 begins on page 15 of [Exhibit F](#). The Subcommittees recommended approval of the Governor's recommendations for a new grants and project analyst position to assist program managers with the grant application and management process, and a new business process analyst position to manage global positioning data and global information system data, Departmentwide.

COMMERCE AND INDUSTRY

AGRICULTURE

AGRI - Administration — Budget Page AGRICULTURE-5 (Volume I)
Budget Account 101-4554

Registration Enforcement B/A 101-4545 begins on page 29 of [Exhibit F](#). The Subcommittees recommended approving reserve reductions of \$269,933 to fund new equipment purchases that include survey grade global positioning system and gas chromatograph triple quadrupole mass spectrometer, to replace nonfunctioning equipment, in addition to expanding departmental capabilities.

AGRI - Agriculture Registration/Enforcement — Budget Page AGRICULTURE-16
(Volume I)
Budget Account 101-4545

The Subcommittees also directed Staff to analyze Budget Amendment A172024545 from the Governor's Finance Office and present a recommendation to the money Committees. This budget amendment is discussed in the Livestock Inspection budget, B/A 101-4546, beginning on page 51 of [Exhibit F](#).

AGRI - Livestock Inspection — Budget Page AGRICULTURE-48 (Volume I)
Budget Account 101-4546

Plant Health and Quarantine Services B/A 101-4540 begins on page 35 of [Exhibit F](#). The Subcommittees recommended approving the Drought Monitoring Program as recommended by the Nevada Drought Forum, which includes a new environmental scientist position and part-time agriculturist to partner with new network organizations to increase and enhance accuracy of data; a contract with the Desert Research Institute for weather monitoring stations; and a water conservation incentive pool to offset the costs of new technologies and water management practices.

AGRI - Plant Health & Quarantine Services — Budget Page AGRICULTURE-27
(Volume I)
Budget Account 101-4540

The Pest, Plant Disease, and Noxious Weed Control B/A 101-4552 begins on page 39 of [Exhibit F](#). The Subcommittees recommended approving the Governor's recommendation to use federal grant revenues over the 2017-2019 biennium to fund the continuation of one full-time position and the addition of one part-time agriculturist position and related expenditures to support the

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 50

Department's Produce Safety Program as mandated by the U.S. Food and Drug Administration Food Safety Modernization Act.

AGRI - Pest Plant Disease Noxious Weed Control — Budget Page Agriculture-32
(Volume I)

Budget Account 101-4552

The Veterinary Medical Services account is B/A 101-4550 and begins on page 43 of [Exhibit F](#). The Subcommittees recommended to re-establish the Elko laboratory, which includes funding for new equipment, 50 percent of the travel expenditures recommended by the Governor for the State Veterinarian, operating supplies and a new biologist position to advise on or perform wildlife and livestock interaction studies. The Subcommittees also recommended approving the Governor's recommendation for equipment to expand testing capabilities at the Sparks laboratory.

AGRI - Veterinary Medical Services — Budget Page AGRICULTURE-38
(Volume I)

Budget Account 101-4550

The Subcommittees recommended approving B/A 101-4546, beginning on page 51 of [Exhibit F](#), Livestock Inspection. The Subcommittees recommended approving the Governor's proposal to transfer current brand inspectors from seasonal State employees to contracted Manpower employees, as recommended in the *December 2014 Executive Branch Audit Report*; to restore brand inspector travel expenditures of \$100,335 in each year of the 2017-2019 biennium which had been erroneously excluded from the *Executive Budget*; and to eliminate \$60,000 of vehicle purchases over the 2017-2019 biennium which would no longer be needed as a result of brand inspectors transitioning to contract positions. The restoration of brand inspector travel resulted in projected reserves decreasing to levels below amounts needed to provide sufficient cash flows in this budget. The Subcommittees deferred action on the reserve deficit, and directed Staff to present options to the full money Committees.

After technical adjustments, the Livestock Inspection budget would have a projected ending reserve balance of \$54,323, or 14 days of operating expenditures at the end of FY 2018-2019. The recommended days in reserve

for this budget are 45 days, which would require additional reserves of \$124,162. To increase the budget's reserve levels, modifications to this budget are necessary. Fiscal staff has developed closing options for the Committees' consideration. Budget Amendment A172194546 was received from the Governor's Finance Office on April 3, 2017, and will be discussed in Option 4.

To address the financial solvency concerns of the Livestock Inspection budget, Fiscal staff provides six options, as shown on page 8 of [Exhibit F](#) for the Committees' consideration.

Option 1 is increased fee revenues. Brand inspection fees were 35.51 percent of FY 2015-2016 departmental revenues. The Agency indicates if a fee increase were required to make the budget solvent, the current \$1 per head inspection fee would need to be increased to \$1.50-\$1.75 per head, an idea the industry opposes. Increasing the Brand Inspection Fee as suggested by the Agency requires revisions to Nevada Administrative Code 565.230 that established the fee amount.

The Livestock Assessment Tax is a maximum annual per head of livestock tax required by NRS 575.185. The tax ranges from 10 cents for goats to 75 cents for burros, mules, horses or asses. The annual tax for dairy cattle is 60 cents, stock cattle is 50 cents, and hogs and pigs are 30 cents. Increasing the maximum annual per-head Livestock Assessment Tax would require statutory language in NRS 575.185 be amended. Livestock Assessment Tax revenues represented 10.17 percent of all livestock revenues received in this budget in FY 2015-2016.

Option 2 would reduce expenditures and eliminate personnel. According to the Agency, if expenditure reductions are required, the Department recommended eliminating two filled agricultural enforcement officer positions (AEOs). This budget is authorized for four AEOs. Eliminating two AEO positions would result in estimated savings of \$145,630 in FY 2017-2018 and \$151,124 in FY 2018-2019, which would achieve the recommended reserve level.

Option 3 eliminates discretionary enhancements. This option for addressing insolvency of this budget would be to not approve enhancement decision units recommended by the Governor, which could be considered discretionary rather

than mandatory, such as equipment repairs, computer equipment purchases, vehicles, clippers and firearms, and funding for the data systems project. This option would result in savings of \$244,657 over the 2017-2019 biennium.

Option 4 would add General Fund appropriations to support 75 percent of AEO position costs. The Governor's Finance Office submitted Budget Amendment A172194546, which recommends funding for four AEO positions in the Livestock Inspection budget with 75 percent General Fund appropriations and 25 percent Livestock Inspection Fees. The positions are currently 100 percent fee-funded.

Prior to FY 2009-2010, the Department of Agriculture operated the Agriculture Enforcement Unit within the Plant Industry budget that was 75 percent funded with General Fund appropriations and 25 percent funded with transfers from the Livestock Inspection budget. The 2009 Legislature eliminated three of the four AEO positions in order to generate General Fund savings due to the recession. At that time, the responsibilities of the AEOs were 100 percent transferred to the Livestock Inspection budget.

The proposed budget amendment would increase General Fund appropriations by \$492,817 over the 2017-2019 biennium, which would increase reserves to 138 days of operating expenditures, or 93 days more than the recommended amount.

Option 5 would add General Fund appropriations to support 50 percent of the AEO positions' costs. Funding for the AEOs could be modified to 50 percent General Fund appropriations and 50 percent Livestock Inspection Fees and still achieve the budget amendment goal to increase reserves to sufficient levels. Option 5 would require additional General Fund appropriations of \$328,545 over the 2017-2019 biennium and would provide an operating reserve of approximately 97 days, or 52 more days than the recommended amount.

Companion Budget Amendment A172024545 was submitted by the Governor's Finance Office. It recommends funding the AEO position in the Registration/Enforcement budget with 75 percent General Fund appropriations and 25 percent pesticide registration fees, which would add General Fund appropriations of \$104,407 over the 2017-2019 biennium. Fiscal staff did not have any concerns regarding the budgeted reserve balances in the

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 53

Registration/Enforcement budget. It appears this budget amendment was submitted to fund AEO positions consistently within the Department.

Option 6 would approve some combination of Options 1 through 5.

If the Committees select either Option 4 or Option 5, do the Committees also wish to approve the same General Fund percentage to support the AEO position in the Registration/Enforcement budget?

If the Committees approve General Fund appropriations to fund AEO positions in the Livestock Inspection budget, Fiscal staff recommends these positions and the AEO in the Registration/Enforcement budget, and their related operating expenditures, be transferred to a new budget.

CHAIR WOODHOUSE:

I want to stop here and have some discussion.

ASSEMBLYWOMAN CARLTON:

I was not on the Subcommittees, so I have some questions. When was the last time the fees were increased?

MR. STIEBER:

I do not have that information.

ASSEMBLYWOMAN CARLTON:

My concern is we have an issue in front of us, but there are still discretionary enhancements included. I am not sure what those enhancement options might be. These have not received General Fund money in the recent past. I believe this historically has been a fee-based agency.

CINDY JONES (Assembly Fiscal Analyst):

These positions had received some General Fund money in the past, which was changed during the Great Recession to be 100 percent fee funded. This would reverse a portion of that.

MR. STIEBER:

Yes, the positions have received General Fund appropriations in the past. That was in a different budget account as well.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 54

ASSEMBLYWOMAN CARLTON:

I would want to see part of the discretionary enhancements dealt with if we are going to put General Fund money back into this. We need to deal with the enhancements when we are not cutting back. I would be happy to hear from the Chair of the Subcommittee which way they are leaning on this. I realize this is important, and it needs to be addressed. There are so many options here, I want to make sure both Committees are on the same page.

ASSEMBLYWOMAN SWANK:

I was the Chair of the Subcommittee. I agree with Chair Carlton. We do not spend money on discretionary things when we do not have the money. I also want to make sure this budget becomes solvent so we can keep the livestock inspection going. I am wondering about reducing the discretionary enhancements by 50 percent. We do not want to get rid of all of them. We could then let the Department select priorities for those. If we could slightly increase the brand inspection fee, and/or the Livestock Assessment Tax revenues, they could get some of their discretionary enhancements, and we could use some of the fees to make sure this account becomes solvent.

ASSEMBLYMAN SPRINKLE:

I agree with Chair Carlton. There needs to be a focus on the discretionary spending. What Assemblywoman Swank has presented makes sense to me.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

Discretionary enhancements would be at 50 percent, about \$122,000. The fee revenue increase would be about \$1.25-\$1.50 per head.

SENATOR GOICOECHEA:

As a disclosure, I will not be voting on the veterinarian medicine piece as I have a close tie with the State Veterinarian. On the balance of the Agriculture Department budget, this affects most of my constituency. I am going to plead my case for the four AEOs. These are sworn officers. Most are Peace Officer Standards and Training certified. They provide backup to the Nevada Highway Patrol (NHP) and any other local agency. They are law enforcement in this State. We have four. The fifth, in Clark County, is functioning as agriculture enforcement in pesticides. We have five people in the State who are going to control transportation of all livestock that comes in and out of the State. Some of you saw the pictures of the last two truck

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 55

wrecks we had since we have been in Session. These officers are the people who go out there, take care of those situations, get those animals out of those vehicles and help enforce safety. They have radio communication with the NHP.

People are saying we need to raise the livestock fees. That is technically like saying to all the people we have incarcerated and have become paroled, we want you to pay for your enforcement. We do not do that. The livestock inspection fee is at \$1 per head, plus the livestock assessment head tax, plus the \$1 feed promotion fee. It is significant when you add law enforcement. They might be able to stand more, but we know the livestock values have dropped. These people also will enforce quarantine orders that occur in Nevada airports and anything else related to health. These are five officers providing enforcement in the State, one of which we just barely got back in Clark County. It was very difficult to get that person down there.

If you have a truckload of palm trees with fire ants, this is the person who will stop it, no one else, because he or she has a badge, red lights and a gun. They are sworn enforcement officers. If I had my way, there would be five General Fund positions. They do not have a tie to any one industry, not livestock, not pesticide or any of the other enforcement issues. These are five enforcement officers to enforce our regulations. If we are going to cut them back to two officers Statewide, our borders are at high risk.

SENATOR KIECKHEFER:

I did not serve on the Subcommittees either. I am looking at the list of discretionary items on page 55 of [Exhibit F](#). What happens if we go with 50 percent on these items? Are these all separate decision units? It may not make sense to cut some in half because they would become undoable. We need some direction on that.

ASSEMBLYWOMAN CARLTON:

I agree. Option 2 on page 55 of [Exhibit F](#) reads: "If reductions are required, the Department recommends eliminating two filled AEO positions." The Department worked with us to try to figure out what is right. It is a little more complicated than just cutting it in half. I prefer having the State fund this at 50 percent, with the remaining 50 percent coming from fees. I want to make sure Staff has time to reflect this appropriately in the budget.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 56

SENATOR GOICOECHEA:

I am not sure they can maintain the AEO positions using Option 5. This was General Fund monies until 2009. These are positions we would be reducing in addition to the layoffs during the Recession. There is a need. We will have enforcement problems. To go with fewer positions would move us backwards.

ASSEMBLYWOMAN CARLTON:

I understand. Many budgets have not recuperated from the downturn. What we are doing here today is a step forward, not a leap. If we had an open town hall and everyone just asked for what they lost in 2009, we would be here for 48 hours straight. It is fair and equitable for everyone who is impacted. In a Department that is partially fee-based, consumers who use the service pay the fee.

ASSEMBLYWOMAN BUSTAMANTE ADAMS:

I want to speak from a southern Nevada perspective. I support the AEOs. I did not realize how important their work is in our community until recently when constituents brought concerns regarding the lack of staff we have. We normally think about agriculture in the north or rurals, but there is a lot of support needed in the south. I want to advocate for that.

We are still in a recovery process. We can take a step forward. I agree with Chair Carlton.

SENATOR FORD:

This is an important conversation. It is good it is happening on the record here. Yesterday, State workers had a press conference. Others on these Committees and I were out there advocating for an increase in pay for all State workers. We have to make decisions, and some are hard to make. That is why we are having this conversation. This decision affects rural Nevada and several different communities. We need to recognize some groups advocating for additional positions and special fees do not want to pay for those. That is part of the problem we have right now.

If you really want to take care of State workers, agricultural or otherwise, you have to be able to press a button and pay for them. We have to pay the people who are keeping our State moving.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 57

SENATOR KIECKHEFER:

Under Option 5, would there be an increase in the livestock head tax?

MR. STIEBER:

No. Option 5 is to approve General Fund appropriations of \$328,545 over the 2017-2019 biennium. The other 50 percent would come from Livestock Inspection Fee transfers.

SENATOR KIECKHEFER:

Are those fees in place?

MR. STIEBER:

Those inspection fees are already in place and funding the positions.

SENATOR KIECKHEFER:

Would those fees need to increase?

MR. STIEBER:

They would not need to increase at this time.

ASSEMBLYWOMAN CARLTON:

With allowing the discretionary funding to stay, and choosing Option 5, will we be able to address the four AEOs and make sure everything is solvent? I know that is hard to answer off the top of your head.

MR. STIEBER:

Yes. If Option 5 is approved, the livestock inspection problem would be solved, and the AEO positions would be funded 50 percent General Fund and 50 percent Livestock Inspection Fees.

ASSEMBLYWOMAN CARLTON:

If we eliminate the discretionary enhancements, would that put them in a better position?

MR. STIEBER:

Should all the enhancements be eliminated, that would be sufficient to cover the reserve. The Department has moved their livestock inspection data to the Cloud. In doing so, they needed additional equipment. New fees are associated

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 58

with the operational improvements. Eliminating the enhancements would fix the reserve issue, but not address the operational changes.

ASSEMBLYWOMAN CARLTON:

I am concerned about reserves. Things break, and equipment needs to be replaced. If the Committees do not eliminate the discretionary enhancements, where are we in the reserves?

MR. STIEBER:

Any of the six options would address the reserve issue in B/A 101-4546. Should the Committees wish to approve a combination of options, reserves would still be addressed.

ASSEMBLYWOMAN CARLTON:

I am comfortable with Option 5. I am not sure what we need to do with the enhancements.

SENATOR KIECKHEFER:

The enhancements are not fluff; they are part of doing the job. I am comfortable with Option 5.

SENATOR GOICOECHEA:

I would prefer they be totally General Fund supported, but they can survive with Option 5. That will enable us to maintain the positions we have in place. There is no use keeping them on if we are not going to give them the equipment they need. They are bringing a lot of us older ranchers into the 21st century. It will move them forward.

ASSEMBLYWOMAN SWANK:

It makes me uncomfortable to do enhancements when there is an insolvent account, but I understand the need for these. I will support Option 5.

ASSEMBLYMAN SPRINKLE:

With the discussion, I can support Option 5.

ASSEMBLYMAN HAMBRICK MOVED TO APPROVE B/A 101-4546 AS RECOMMENDED BY THE GOVERNOR WITH OPTION 5 ON PAGE 8 OF [EXHIBIT F](#), TO USE GENERAL FUND APPROPRIATIONS OF

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 59

\$328,545 OVER THE 2017-2019 BIENNIUM TO SUPPORT 50 PERCENT OF THE SALARY AND BENEFIT EXPENSES FOR THE FOUR AGRICULTURAL ENFORCEMENT OFFICER POSITIONS FROM B/A 101-4546, AND 50 PERCENT APPROPRIATE FEE REVENUES; TO INCLUDE THE AEO CURRENTLY FUNDED WITH B/A 101-4545 DOLLARS IN THE NEW FUNDING SPLIT; AND TO SET UP A SEPARATE BUDGET ACCOUNT FOR THE FIVE POSITIONS AND THEIR RELATED OPERATING EXPENDITURES SO THEY MAY BE TRACKED; AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR KIECKHEFER SECONDED THE MOTION.

Ms. JONES:

Staff had recommended to include in the new budget all five AEO positions, four from B/A 101-4546 and one from the Registration/Enforcement budget, B/A 101-4545, along with their operating expenditures, and fund them as the Committees indicated at 50 percent General Fund and 50 percent appropriate fee revenues.

ASSEMBLYWOMAN BUSTAMANTE ADAMS:

I want to make sure if we are adding the fifth one, how many AEOs does that make for Clark County?

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY. (ASSEMBLYMAN ANDERSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

CHAIR WOODHOUSE:

We will move on to Consumer Equitability B/A 101-4551 beginning on page 61 of [Exhibit F](#).

AGRI - Consumer Equitability — Budget Page AGRICULTURE-61 (Volume I)
Budget Account 101-4551

MR. STIEBER:

The Governor recommended reserve reductions to fund two new weights and measures inspector positions to perform inspections on commercial weighting, measuring and metering devices for proper installation, use and accuracy, and the inspection of package quality and price verification of prepackaged goods.

After determining reserve levels would be insufficient to provide necessary cash flow if the recommendation were approved, the Governor's Finance Office submitted Budget Amendment A171984551 to eliminate the two new weights and measures positions from the *Executive Budget*. The Subcommittees recommended approval of the budget amendment to eliminate the two new positions, and recommended the Department be authorized to approach the IFC during the 2017-2019 biennium if workload and funding supports additional positions.

The Nutrition Education Program B/A 101-2691 begins on page 65 of [Exhibit F](#). The Subcommittees recommended approval of the Governor's recommendation for a new quality assurance specialist position and associated costs to provide oversight and administration for U.S. Department of Agriculture (USDA) Child Nutrition and Food Programs to schools, institutions, facilities and social service agencies.

AGRI - Nutrition Education Programs — Budget Page AGRICULTURE-69
(Volume I)
Budget Account 101-2691

The Commodity Food Program B/A 101-1362 is described on pages 69 through 72 of [Exhibit F](#). The Subcommittees recommended approval of the Governor's recommendation for a new buyer position to manage and coordinate the USDA Food Programs, including coordinating with sponsors and agencies regarding entitlement funding, managing the annual renewal process for food processors, providing product availability, and communicating with agencies and sponsors regarding needs and problems experienced with items purchased.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 61

AGRI - Commodity Food Prog — Budget Page AGRICULTURE-77 (Volume I)
Budget Account 101-1362

The Subcommittees recommended approval of the Governor's recommendation for General Fund appropriations totaling \$196,796 over the 2017-2019 biennium to comply with federal match requirements of the Food Distribution Program on Indian Reservations and the Emergency Food Assistance Program grants.

The Dairy Fund B/A 233-4470 begins on page 73 of [Exhibit F](#). The Subcommittees recommended approval of the Governor's recommendation to fund a Manpower contract to transport Moolisa, a robotic fiberglass dairy cow model, to various events promoting the dairy industry. The Subcommittees recommended approval of the Governor's recommendation for an additional Moolisa and trailer for southern Nevada, and new laboratory equipment to perform testing and create efficiencies.

AGRI - Dairy Fund — Budget Page AGRICULTURE-84 (Volume I)
Budget Account 233-4470

The Subcommittees recommended approval of other closing items, as shown on page 77 of [Exhibit F](#), within the Department of Agriculture budgets presented to the Subcommittees as recommended by the Governor and authorized Fiscal staff to make technical adjustments as necessary.

The Subcommittees recommended closing Commercial Feed B/A 101-4541 as described on page 49 of [Exhibit F](#) and Predatory Animal and Rodent Control B/A 101-4600 beginning on page 59, with minor technical adjustments.

AGRI - Commercial Feed — Budget Page AGRICULTURE-46 (Volume I)
Budget Account 101-4541

AGRI - Predatory Animal & Rodent Control — Budget Page AGRICULTURE-57
(Volume I)
Budget Account 101-4600

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 62

ASSEMBLYWOMAN BENITEZ-THOMPSON:

I sit on the Subcommittee. I keep coming back to Moolisa. My hope is as we move forward in future years we look at this as more of a private/public cost sharing partnership. We are spending money for Moolisa to have what is essentially a chauffeur when, in other budgets, we are not getting to where we should be. I have concerns about doing that.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE B/A 101-4554, B/A 101-4545, B/A 101-4540, B/A 101-4552, B/A 101-4550, B/A 101-4541, B/A 101-4600, B/A 101-4551, B/A 101-2691, B/A 101-1362 AND B/A 101-4470, IN THE DEPARTMENT OF AGRICULTURE AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY. (ASSEMBLYMAN ANDERSON WAS EXCUSED FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR GOICOECHEA ABSTAINED FROM VOTING ON B/A 101-4550.)

BUDGETS CLOSED.

* * * * *

CHAIR WOODHOUSE:

The next budget is the Department of Tourism and Cultural Affairs, as shown in the Joint Subcommittees on General Government Closing Report, Department of Tourism and Cultural Affairs ([Exhibit G](#)).

MR. STIEBER:

The Joint Subcommittees on General Government heard the budgets for the Department of Tourism and Cultural Affairs (DTCA). Closing actions resulted in an increase in General Fund appropriations of \$30,834 in FY 2017-2018 and \$30,794 in FY 2018-2019, when compared to the Governor's recommended budget. Information is provided in [Exhibit G](#).

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 63

The Tourism Development Fund B/A 225-1522 begins on page 11 of [Exhibit G](#). The Subcommittees recommended approval of the Governor's recommendation for one new management analyst position in decision unit E-225 to provide support for the Department's fiscal operations and recommended a letter of intent to the Department requiring a report to IFC on the results and findings of the *Return on Investment* study, once complete.

COMMERCE AND INDUSTRY

TOURISM AND CULTURAL AFFAIRS

Tourism - Tourism Development Fund — Budget Page TOURISM-14 (Volume II)
Budget Account 225-1522

E-225 Efficient and Responsive State Government — Page TOURISM-16

There are two major closing issues. Information on Major Closing Issue 1, the management analyst position, is on page 12 of [Exhibit G](#). Major Closing Issue 2 is the *Return on Investment Study* recommended by the Subcommittees, beginning on page 14 of [Exhibit G](#). There are other closing items, as discussed beginning on page 14 of [Exhibit G](#), including decision units E-500, E-710 and E-671.

E-500 Adjustments To Transfers For E900 — Page TOURISM-17

E-710 Equipment Replacement — Page TOURISM-18

E-671 Salary Adjustment For 2017-2019 Biennium — Page TOURISM-17

The Subcommittees directed the Agency to work with Fiscal staff on an expenditure plan to present to the full Committees, which redirects additional room tax revenues generated in this budget to fund a greater portion of Nevada State museums, which would generate General Fund savings that could be redirected to fund a bus program to increase student visitation to Nevada State museums.

Based on the Subcommittees' direction, the Division of Museums and History suggested it could establish a pilot school bus program that would focus on fourth grade students. The Division of Museums and History estimates \$175,000 would be required annually to provide transportation

to a Nevada State museum to all fourth grade students in the State. The projected FY 2017-2018 and FY 2018-2019 statewide fourth grade populations are 39,117 and 40,104 students, respectively. The Division of Museums and History indicated an additional \$75,000 would be needed to develop and manage the program, provide outreach to schools and create educational materials for students, for a total recommendation of \$250,000 per year.

When the 2011 Legislature approved the creation of the consolidated Department of Tourism and Cultural Affairs, room tax revenues and General Fund appropriations were approved to equally support the Division of Museums and History operating expenditures. The percentages of General Fund appropriations and room tax transfers recommended by the Governor for the 2017-2019 biennium are consistent with the funding percentages approved by the 2011 Legislature. A comparative analysis of Division of Museums and History funding is provided on page 6 of [Exhibit G](#). The funding split applies to B/A 101-1350, B/A 101-2870, B/A 101-2940, B/A 101-2941, B/A 101-2943 and B/A 101-4216.

Tourism - Museums & Hist - Lost City Museum — Budget Page TOURISM-43
(Volume II)

Budget Account 101-1350

Tourism - Museums & Hist-Nevada Historical Society — Budget Page
TOURISM-47 (Volume II)

Budget Account 101-2870

Tourism - Museums & Hist - Nevada State Museum CC — Budget Page
TOURISM-51 (Volume II)

Budget Account 101-2940

Tourism - Museums & History — Budget Page TOURISM-38 (Volume II)

Budget Account 101-2941

Tourism - Museums & Hist - Nevada State Museum LV — Budget Page
TOURISM-55 (Volume II)

Budget Account 101-2943

Tourism - Museums & Hist - State Railroad Museums — Budget Page
TOURISM-59 (Volume II)
Budget Account 101-4216

Fiscal staff notes if the Committees wish to change the funding split for the Division of Museums and History to 45 percent General Fund appropriations and 55 percent room tax transfer revenue, as shown on page 6 of [Exhibit G](#), there would be sufficient General Fund savings to support the school bus program as proposed by the Division of Museums and History.

Any General Fund amounts in excess of the \$250,000 per year needed to support the bus program would be reflected as savings. With the proposed adjustment to the funding split, the ending reserve balance in the Tourism Development Fund would be \$5.4 million or 74 days of operating expenditures, which is greater than the recommended 60-day level.

Do the Committees wish to approve funding the Division of Museums and History with 45 percent General Fund appropriations and 55 percent room tax transfer revenue, and use \$250,000 of the resulting General Fund savings in each year of the 2017-2019 biennium to support a pilot school bus program to be overseen by the Division of Museums and History that would increase student visitation to Nevada State Museums?

Staff recommends if the Committees approve funding, the Committees issue a letter of intent directing the Division of Museums and History to provide IFC with a report on the results of the program after the first year of operations.

ASSEMBLYWOMAN CARLTON:

This discussion started at a pre-Session briefing. It grew and matured. We tried hard to figure out how we could get more kids to museums. It was the cost of the buses. This age level is appropriate. This is a good move forward. The report back will help us see how the pilot program works. We can make adjustments in the future.

CHAIR WOODHOUSE:

When I managed a lot of school partnerships, I made sure field trips matched a curriculum being offered in schools. This bus program fits right in there to support learning.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE B/A 225-1522 INCLUDING DECISION UNITS E-225, E-500, E-710 AND E-671 AS RECOMMENDED BY THE GOVERNOR; TO ISSUE A LETTER OF INTENT REQUIRING THE AGENCY TO REPORT TO IFC ON THE FINDINGS OF THE RETURN ON INVESTMENT STUDY; APPROVE OTHER CLOSING ITEMS 1 THROUGH 6 ON PAGES 14 AND 15 OF [EXHIBIT G](#), EXCLUDING OTHER CLOSING ITEM 5 TO BE DETERMINED AT A LATER DATE; TO FUND THE DIVISION OF MUSEUMS AND HISTORY WITH 45 PERCENT GENERAL FUND APPROPRIATIONS AND 55 PERCENT ROOM TAX TRANSFER REVENUE, AND USE \$250,000 OF THE RESULTING GENERAL FUND SAVINGS IN EACH YEAR OF THE 2017-2019 BIENNIUM TO SUPPORT A PILOT SCHOOL BUS PROGRAM TO BE OVERSEEN BY THE DIVISION OF MUSEUMS AND HISTORY THAT WOULD INCREASE STUDENT VISITATION TO NEVADA STATE MUSEUMS IN B/A 101-1350, B/A 101-2870, B/A 101-2940, B/A 101-2941, B/A 101-2943 AND B/A 101-4216; AND TO ISSUE A LETTER OF INTENT DIRECTING THE DIVISION OF MUSEUMS AND HISTORY TO PROVIDE IFC WITH A REPORT ON THE RESULTS OF THE PROGRAM AFTER THE FIRST YEAR OF OPERATIONS.

SENATOR PARKS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

MR. STIEBER:

The Nevada Humanities B/A 101-2894 begins on page 21 of [Exhibit G](#). The Subcommittees recommended additional General Fund appropriations of \$25,000 in each year of the 2017-2019 biennium to fund humanity activities, increasing total General Fund appropriations to \$100,000 in each year.

The Museums and History B/A 101-2941 begins on page 25 of [Exhibit G](#). The Governor recommends reinstating the \$20 license plate renewal fee charged to individuals with license plates commemorating the 150th anniversary of Nevada's admission to the Union. The Subcommittees recommended approving license plate renewal fee revenues to fund educational initiatives related to Nevada history and heritage, and preservation and restoration of historic structures as recommended by the Governor with technical adjustments noted by staff, contingent upon passage of [S.B. 37](#) or other enabling legislation.

[SENATE BILL 37](#): Makes various changes relating to the issuance and renewal of license plates which commemorate the 150th anniversary of Nevada's admission into the Union. (BDR 43-232)

The Nevada Arts Council is B/A 101-2979.

Tourism - Nevada Arts Council — Budget Page TOURISM-67 (Volume II)
Budget Account 101-2979

The Subcommittees concurred with the Governor's recommendation for two new cultural resource specialist positions to assist with the traveling art exhibitions and grants management programs. The Subcommittees recommended approving the new arts tourism campaign as recommended by the Governor to market Nevada as a cultural and heritage destination. The Subcommittees approved the Governor's recommendation to eliminate General Fund appropriations of \$100,000 in each year of the 2017-2019 biennium for Partners in Excellence grant awards and recommended restoring the \$100,000 in each year of the biennium with room tax revenues.

The Subcommittees recommended approval of all other closing items within the DTCA's budgets as recommended by the Governor with technical adjustments as noted by Staff, and authorized Fiscal staff to make technical adjustments as necessary.

The Subcommittees also recommended closing DTCA accounts B/A 101-2601, B/A 225-1523, B/A 530-1530, B/A 101-2600, B/A 101-1350, B/A 101-2870, B/A 101-2940, B/A 101-2943 and B/A 101-4216 as recommended by the Governor and with authority for Staff to make technical adjustments as necessary.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 68

Tourism - Stewart Indian School Living Legacy — Budget Page TOURISM-11
(Volume II)
Budget Account 101-2601

Tourism - Tourism Development — Budget Page TOURISM-21 (Volume II)
Budget Account 225-1523

Tourism - Nevada Magazine — Budget Page TOURISM-23 (Volume II)
Budget Account 530-1530

Tourism - Indian Commission — Budget Page TOURISM-29 (Volume II)
Budget Account 101-2600

ASSEMBLYWOMAN SPIEGEL MOVED TO APPROVE B/A 101-2894, B/A 101-2941, B/A 101-2979, B/A 101-2601, B/A 225-1523, B/A 530-1530, B/A 101-2600, B/A 101-1350, B/A 101-2870, B/A 101-2940, B/A 101-2943 AND B/A 101-4216, AND ALL OTHER CLOSING ITEMS WITHIN THE DTCA'S BUDGETS AS RECOMMENDED BY THE GOVERNOR; AND FOR B/As 101-1350, B/A 101-2870, B/A 101-2940, B/A 101-2943 AND B/A 101-4216 WITH THE REVISED FUNDING SPLIT AND SCHOOL BUS PROGRAM APPROVED IN THE PREVIOUS MOTION; AND WITH TECHNICAL ADJUSTMENTS AS NOTED BY FISCAL STAFF AND AUTHORIZATION FOR FISCAL STAFF TO MAKE ADDITIONAL TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR FORD SECONDED THE MOTION

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGETS CLOSED.

* * * * *

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 69

CHAIR WOODHOUSE:

We will hear the Office of the Military, B/A 101-3650, as shown in Joint Subcommittee on Public Safety, Natural Resources and Transportation Closing Report Office of the Military ([Exhibit H](#)).

SPECIAL PURPOSE AGENCIES

MILITARY

Military — Budget Page MILITARY-6 (Volume III)
Budget Account 101-3650

JENNIFER GAMROTH (Program Analyst):

The Joint Subcommittees on Public Safety, Natural Resources and Transportation completed their review of the Office of the Military. The closing recommendations of the Subcommittees result in General Fund reductions totaling \$182,000 over the 2017-2019 biennium.

The Military B/A 101-3650 begins on page 7 of [Exhibit H](#). The Subcommittees recommended approving a budget amendment, as adjusted by Fiscal staff, to eliminate 37 State army military security officer positions and associated operating costs, and authorize federal funds of \$1.2 million for contract security each year of the 2017-2019 biennium, and approximately \$370,000 each year of the 2017-2019 biennium for additional contract costs that may be needed for increased security threats or for physical security improvements at bases throughout the State. The Subcommittees recommended approving a letter of intent directing the Office of the Military to develop a strategic plan that details the funding required for State military security officer positions instead of contract security over the 2017-2018 interim and to provide that plan to IFC no later than June 1, 2018.

In decision unit E-225 the Subcommittees recommended approving the Governor's recommendation for one new facility manager position and associated operating costs funded with General Fund appropriations totaling \$167,358 over the 2017-2019 biennium. The new facility manager position would be located in Carson City and would serve as the Statewide safety coordinator, providing management of the facility supervisors overseeing

construction and maintenance for the Nevada National Guard facilities located throughout the State.

E-225 Efficient and Responsive State Government — Page MILITARY-9

The Subcommittees did not approve the Governor's recommendation to provide General Fund appropriations totaling \$120,000 over the 2017-2019 biennium for the purchase of retirement service credits for State employees who return from active duty, but instead directed the Department to seek funding through the IFC Contingency Account, if the Department did not have sufficient salary savings within its budget for any given fiscal year to support these expenditures.

The Subcommittees recommended approving a new request by the Office to replace contract IT services currently provided for the federally funded Distributed Learning Program with one new IT professional position and one new audiovisual technician position. This program is 100 percent federally funded, and this request is revenue neutral. The Subcommittees recommended providing authority for Fiscal staff to make technical adjustments to include the one-grade increase recommended by the Governor for IT positions, if approved by the full Committees when other Statewide decision units are determined.

The Subcommittees recommended closing Office of the Military B/A 101-3650 beginning on page 7 of [Exhibit H](#), B/A 101-3655 on page 15, B/A 101-3652 on page 17, B/A 101-3653 on page 19 and B/A 101-3654 on page 21 as recommended by the Governor with minor or technical adjustments.

Military Emerg Operations Center — Budget Page MILITARY-17 (Volume III)
Budget Account 101-3655

Military Adjutant General's Special Facility Acct — Budget Page MILITARY-20
(Volume III)
Budget Account 101-3652

Military National Guard Benefits — Budget Page MILITARY-22 (Volume III)
Budget Account 101-3653

Military Patriot Relief Fund — Budget Page MILITARY-24 (Volume III)
Budget Account 101-3654.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE B/A 101-3650 AS RECOMMENDED BY THE GOVERNOR BUT NOT APPROVE THE GOVERNOR'S RECOMMENDATION FOR THE PURCHASE OF RETIREMENT SERVICE CREDITS FOR STATE EMPLOYEES WHO RETURN FROM ACTIVE DUTY USING GENERAL FUND APPROPRIATIONS, BUT INSTEAD DIRECT THE AGENCY TO SEEK FUNDING THROUGH THE IFC CONTINGENCY ACCOUNT IF NEEDED; TO APPROVE A FACILITY MANAGER POSITION; TO APPROVE THE BUDGET AMENDMENT TO ELIMINATE 37 STATE ARMY MILITARY SECURITY OFFICER POSITIONS AND ASSOCIATED OPERATING COSTS AND AUTHORIZE FEDERAL FUNDS OF \$1.2 MILLION FOR CONTRACT SECURITY EACH YEAR OF THE 2017-2019 BIENNIUM AND APPROXIMATELY \$370,000 IN EACH YEAR OF THE BIENNIUM FOR ADDITIONAL SECURITY COSTS THAT MAY BE NEEDED FOR INCREASED SECURITY, THREATS OR PHYSICAL SECURITY IMPROVEMENTS AT NEVADA BASES; TO ISSUE A LETTER OF INTENT DIRECTING THE OFFICE OF THE MILITARY TO DEVELOP A STRATEGIC PLAN THAT DETAILS THE FUNDING REQUIRED FOR STATE MILITARY SECURITY OFFICER POSITIONS INSTEAD OF CONTRACT SECURITY OVER THE 2017-2018 INTERIM AND TO PROVIDE THAT PLAN TO IFC NO LATER THAN JUNE 1 2018; AND APPROVE THE SUBCOMMITTEES' RECOMMENDATION TO REPLACE CONTRACT IT SERVICES WITH ONE NEW IT PROFESSIONAL POSITION AND ONE NEW AUDIO VISUAL TECHNICIAN AND ASSOCIATED OPERATING COSTS FOR THE AGENCY'S FEDERALLY FUNDED DISTRIBUTED LEARNING PROGRAM; AND TO APPROVE B/A 101-3655, B/A 101-3652, B/A 101-3653 AND B/A 101-3654 AS RECOMMENDED BY THE GOVERNOR WITH MINOR OR TECHNICAL ADJUSTMENTS.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGETS CLOSED.

* * * *

CHAIR WOODHOUSE:

The Silver State Health Insurance Exchange (SSHIX) budget shown in the Joint Subcommittees on General Government Closing Report, Silver State Health Insurance Exchange ([Exhibit I](#)).

LEANN DRA COPELAND (Program Analyst):

The SSHIX budget is B/A 101-1400. The Joint Subcommittees on General Government recommended not approving the Governor's recommendation to authorize the SSHIX to transition to a privately developed health insurance exchange during the 2017-2019 biennium. The Subcommittees indicated it would be prudent to wait and see if the new federal leadership in Washington, D.C., enacts significant changes to the Affordable Care Act that may preclude the need for the SSHIX to transition to a private vendor. The Subcommittees directed the SSHIX to 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 at that time. The Subcommittees approved recommending to the full committees a letter of intent be issued directing SSHIX to report every six months on the Exchange's operations.

SPECIAL PURPOSE AGENCIES

SILVER STATE HEALTH INSURANCE EXCHANGE

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

Budget Account 101-1400

The Subcommittees recommended approving updated revenue projections to account for member data through December 2016 and to provide a revised FY 2017-2018 beginning cash amount. The result increases the projected FY 2017-2018 beginning cash amount from \$10.6 million to \$14.3 million. Based on the revised revenue projections and not approving the Governor's recommendation to transition to a private exchange, the Subcommittees approved funding of \$6.2 million in FY 2017-2018 and

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 73

\$9.3 million in FY 2018-2019 to remain on Healthcare.gov during the 2017-2019 biennium.

SENATOR KIECKHEFER:

Has there been any change in how much we will have to pay the federal government for use of Healthcare.gov? Is it a percentage of premium?

Ms. COPELAND:

It is a percentage of premium now at 1.5 percent. It is scheduled to increase to 2 percent in calendar year 2018 and to 3 percent in calendar year 2019.

SENATOR KIECKHEFER:

[Exhibit I](#) indicates the Exchange asked for some changes in what was originally proposed by the Governor. Is the closing consistent with that request?

Ms. COPELAND:

The Exchange provided some updates in April. They proposed to modify the timing of the transition, but the Subcommittees decided to not approve the transition.

SENATOR KIECKHEFER:

Does the decision to stay on Healthcare.gov affect premiums in the Exchange or the operating revenues?

Ms. COPELAND:

Regardless of whether the transition happens in the 2017-2019 biennium or in the future, SSHIX plans to charge its members 3.15 percent of the premium. The option to delay would provide sufficient revenue for SSHIX to potentially transition in FY 2019-2020.

SENATOR KIECKHEFER:

Does the administrative overhead for people who purchase on the Exchange remain the same?

Ms. COPELAND:

Yes.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 74

ASSEMBLYMAN SPRINKLE:

I remain in support of the Exchange looking for an alternative to the federal platform. There is real validity in the conclusions the Subcommittees have reached. We need future options. Multi-state options might be good discussions to have.

ASSEMBLYWOMAN CARLTON MOVED TO NOT APPROVE B/A 101-1400 AS RECOMMENDED BY THE GOVERNOR; NOT AUTHORIZE SSHIX TO TRANSITION TO A PRIVATELY DEVELOPED HEALTH INSURANCE EXCHANGE IN THE 2017-2019 BIENNIUM; TO INSTEAD DIRECT SSHIX TO BRING A PLAN FOR FUTURE TRANSITION TO THE 2019 LEGISLATURE OR IFC; AND ISSUE A LETTER OF INTENT DIRECTING SSHIX TO REPORT EVERY SIX MONTHS ON THE EXCHANGE'S OPERATIONS; APPROVE DECISION UNIT E-226 WITH REVISED AMOUNTS OF \$6.2 MILLION IN FY 2017-2018 AND \$9.3 MILLION IN FY 2018-2019 TO REMAIN ON HEALTHCARE.GOV; APPROVE ALL OTHER CLOSING ITEMS ON PAGE 11 OF [EXHIBIT I](#) WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

* * * * *

CHAIR WOODHOUSE:

We will move to the discussion of Joint Subcommittee on Human Services Closing Report, Department of Health and Human Services ([Exhibit J](#)).

Ms. DAVIS:

The Subcommittees have completed their review of the DHHS Director's Office budgets and make the following recommendations for the 2017-2019 biennium budget. The closing recommendations of the Subcommittees resulted in an

increase of General Fund appropriations of \$3,485 in FY 2017-2018 and \$3,583 in FY 2018-2019.

The Grants Management Unit (GMU) is B/A 101-3195 begins on page 13 of [Exhibit J](#). The Subcommittees recommended approval of \$16.7 million in tobacco settlement funds for allocation to subgrantees by the GMU in accordance with the DHHS Director's spending plan and as recommended by the Governor, compared to the \$17.4 million approved for the GMU over the 2015-2017 biennium. Tobacco settlement funds for the 2017-2019 biennium were reduced by 21.1 percent, from \$57.8 million approved for the 2015-2017 biennium to \$45.6 million recommended for the 2017-2019 biennium. Reduced availability of tobacco settlement funds is due in part to the expiration of reserve funds from the one-time \$12.5 million payment in FY 2012-2013 as a result of an arbitrated settlement agreement regarding nonparticipating manufacturers and a decline in the annual tobacco settlement payment received by the State.

HEALTH AND HUMAN SERVICES

DHHS DIRECTOR'S OFFICE

HHS-DO - Grants Management Unit — Budget Page DHHS-DIRECTOR-23
(Volume II)
Budget Account 101-3195

The Subcommittees approved, for the GMU for the 2017-2019 biennium, \$1 million for a new Health Center Incubator Project. The one-time funds would be used to assist in expanding and establishing federally qualified health centers (FQHCs) throughout the State. The State has eight FQHCs and one FQHC look-alike. The FQHCs are designed to increase access to primary health care, dental and mental health services in identified shortage areas throughout the State.

It approved \$4 million for food security, \$760,000 for suicide prevention, \$300,000 for immunization, \$1.22 million for the Nevada 2-1-1 system, \$2.7 million for differential response, \$2.73 million for family resource centers, \$3.02 million for disability grants, and \$949,176 for administrative costs over the 2017-2019 biennium.

Regarding the one-time funds for the Health Center Incubator Project, the Subcommittees expressed an interest in receiving updates regarding the use of tobacco settlement funds to expand existing FQHCs and establish new FQHCs in the State. To formalize this intent, the Committees may wish to issue a letter of intent directing the DHHS Director's Office to report to IFC semiannually regarding the status of FQHCs in the State, with the first report required by January 1, 2018.

The Subcommittees approved the Governor's recommendation to transfer \$375,000 in Temporary Assistance for Needy Families (TANF) reserve funds each year of the 2017-2019 biennium to supplement the Hunger One-Stop Shops administered by the DHHS Office of Food Security. The TANF funds are in addition to the \$2 million in tobacco settlement funds approved each year for food security, to retain the funding level approved for food security for the 2015-2017 biennium. The five existing Hunger One-Stop Shops serve all 17 counties in the State.

The Subcommittees recommended approving the remainder of the GMU budget as recommended by the Governor.

The Consumer Health Assistance B/A 101-3204 begins on page 27 of [Exhibit J](#). The Subcommittees recommended approval of the Governor's recommendation to restore a health resource analyst position for the Office of Minority Health Assistance, decision unit E-225, which had been eliminated due to the expiration of federal funds previously supporting the position. The new position would serve as coordinator for the newly established Nevada Minority Health and Equality Coalition, and the statutorily required Advisory Committee for Minority Health. Tobacco settlement funds totaling \$133,000 each year of the 2017-2019 biennium were approved for position costs and one-time costs for operating the coalition, as the Department indicated the coalition would become self-supporting within two years.

HHS-DO - Consumer Health Assistance — Budget Page DHHS-DIRECTOR-34
(Volume II)
Budget Account 101-3204

E-225 Efficient and Responsive State Government — Page DHHS-DIRECTOR-38

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 77

Assembly Bill 141 is in Assembly Committee on Ways and Means. It makes revisions to the Office of Minority Health Assistance. Technical adjustments to this budget based on the outcome of A.B. 141 may be necessary by Fiscal staff.

ASSEMBLY BILL 141: Revises the organizational structure and purposes of the Office of Minority Health. (BDR 18-214)

The Subcommittees recommended approving the remainder of the Consumer Health Assistance budget as recommended by the Governor. The Subcommittees recommended closing Administration, B/A 101-3150; Developmental Disabilities, B/A 101-3154; Problem Gambling, B/A 101-3200; Children's Trust Account, B/A 101-3201; Public Defender, B/A 101-1499; IDEA-Part C, B/A 101-3276, DHHS Director's Office budgets as recommended in the *Executive Budget*. The Subcommittees also recommended approving technical adjustments noted by staff and authorized Fiscal staff to make other technical adjustments to the DHHS Director's Office budgets as needed.

HHS-DO - Administration — Budget Page DHHS-DIRECTOR-11 (Volume II)
Budget Account 101-3150

HHS-DO - Developmental Disabilities — Budget Page DHHS-DIRECTOR-18
(Volume II)
Budget Account 101-3154

HHS-DO - Problem Gambling — Budget Page DHHS-DIRECTOR-31 (Volume II)
Budget Account 101-3200

HHS-DO - Children's Trust Account — Budget Page DHHS-DIRECTOR-33
(Volume II)
Budget Account 101-3201

HHS-DO - Public Defender — Budget Page DHHS-DIRECTOR-43 (Volume II)
Budget Account 101-1499

HHS-DO - IDEA Part C — Budget Page DHHS-DIRECTOR-47 (Volume II)
Budget Account 101-3276

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 78

ASSEMBLYMAN OSCARSON MOVED TO APPROVE B/A 101-3195, AND TO ISSUE A LETTER OF INTENT DIRECTING THE DHHS DIRECTOR'S OFFICE TO REPORT TO IFC SEMIANNUALLY REGARDING THE STATUS OF FHQCS IN THE STATE, WITH THE FIRST REPORT DUE JANUARY 1, 2018; AND TO APPROVE B/A 101-3204, B/A 101-3150, B/A 101-3154, B/A 101-3200, B/A 101-3201, B/A 101-1499 AND B/A 101-3276 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR KIECKHEFER SECONDED THE MOTION

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

BUDGETS CLOSED.

* * * * *

PEGGY LEAR BOWEN:

I got a brilliant education this week regarding insurance for State employees, for retirees and non-State employees. It pertains to getting a handle on accountability to you, as a Legislature, for monies spent. You fund money for insurance programs, as you have done today. We need to make sure there is accountability here, and the same goes for charter schools' monies spent. I understand a prescription plan put in place in 2012 indicated patients must use generic drugs or pay 100 percent of the costs. The State of Nevada needs to help the non-State retirees caught without coverage. I support helping the people called "orphans" who lost their coverage.

Senate Committee on Finance
Assembly Committee on Ways and Means
May 6, 2017
Page 79

CHAIR WOODHOUSE:

Seeing no further public comment, we are adjourned at 11:42 a.m.

RESPECTFULLY SUBMITTED:

Felicia Archer,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	2		Attendance Roster
	C	54	Joi Davis / Fiscal Analysis Division	Closing List 2 May 6, 2017
	D	56	Jay Kriebel / Fiscal Analysis Division	Closing Report Judicial Branch
	E	8	Adam Drost / Fiscal Analysis Division	Closing Report Commission on Postsecondary Education
	F	78	Jon Stieber / Fiscal Analysis Division	Closing Report Department of Agriculture
	G	42	Jon Stieber / Fiscal Analysis Division	Closing Report Department of Tourism and Cultural Affairs
	H	22	Jennifer Gamroth / Fiscal Analysis Division	Closing Report Office of the Military
	I	11	Leannandra Copeland / Fiscal Analysis Division	Closing Report Silver State Health Insurance Exchange
	J	34	Joi Davis / Fiscal Analysis Division	Closing Report Department of Health and Human Services