

**MINUTES OF THE MEETING OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND
SENATE COMMITTEE ON FINANCE
SUBCOMMITTEES ON K-12/HIGHER EDUCATION/CIP**

**Eightieth Session
March 14, 2019**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on K-12/Higher Education/CIP was called to order by Chair Maggie Carlton at 8:08 a.m. on Thursday, March 14, 2019, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/80th2019.

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Ellen B. Spiegel, Vice Chair
Assemblywoman Heidi Swank
Assemblyman Tyrone Thompson
Assemblyman Jim Wheeler

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Chris Brooks
Senator Moises Denis
Senator Ben Kieckhefer
Senator James A. Settelmeyer
Senator Joyce Woodhouse

SUBCOMMITTEE MEMBERS EXCUSED:

Assemblywoman Teresa Benitez-Thompson
Assemblyman Jason Frierson
Assemblyman John Hambrick



STAFF MEMBERS PRESENT:

Sarah Coffman, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Kristina Shea, Program Analyst
Carmen M. Neveau, Committee Secretary
Lisa McAlister, Committee Assistant

Chair Carlton asked the committee secretary to call roll. The Chair noted the Subcommittee rules and asked for the first presentation.

Ward D. Patrick, Administrator, State Public Works Division (SPWD), Department of Administration, introduced his PowerPoint exhibit titled "Department of Administration, State Public Works Division," dated March 14, 2019, [Exhibit C](#). He explained that as outlined on page 2 of [Exhibit C](#), there were five departments with capital improvement program (CIP) project recommendations, including the Nevada System of Higher Education (NSHE), Department of Motor Vehicles, Department of Tourism and Cultural Affairs, Department of Conservation and Natural Resources, and Department of Corrections.

Page 4 of [Exhibit C](#), Mr. Patrick explained, was an aerial view of Nevada State College (NSC) in Henderson, accessed by Wagonwheel Drive and Nevada State Drive from Interstate 11. The frontage road ran parallel to Paradise Hills Drive.

On page 5 of [Exhibit C](#), Mr. Patrick noted the proposed site of project C19 was highlighted in yellow. Centering the new Education Academic Building expansion in the middle of the campus preserved flexibility for future projects so that NSC could adapt and respond to its evolving needs. The site selection for this project was justified by the lack of water infrastructure at other sites. Approximately 85 percent of the campus could not accommodate the building site. Other elements considered were proximity to existing academic buildings and the distance from the central plant.

Page 6 of [Exhibit C](#), Mr. Patrick stated, was a consultant rendering of the proposed two-story, 67,260 square-foot building.

Project C19, as detailed on page 7 of [Exhibit C](#), Mr. Patrick explained, was the Board of Regents' number one priority, with a project budget of \$61,852,093, of which \$55,852,093 was from state funds and \$6,000,000 was from agency funds. The C19 project was designed with fiscal year (FY) 2017 CIP funds, including a feasibility study of the available infrastructure to determine the site location for the building. In addition to the proximity to other academic buildings and cost considerations, the selected site was adjacent to the existing nursing, science, and education building and the Rogers Student Center built in 2013. The proposed building would share that site, subject to the ground

lease and the lease-purchase agreement between NSHE and Nevada Real Property Corporation. The public works construction law counsel reviewed the plan and confirmed that the ground lease and lease-purchase agreement would not prevent the SPWD from moving forward with the project pursuant to the CIP bill, *Nevada Revised Statutes* (NRS) Chapter 341 and Chapter 338, and Division construction documents. He noted that project C19 included furnishings, fixtures, and equipment (FF&E) and was the continuation of project 17-P08 from the 2017 CIP.

As outlined on page 8 of [Exhibit C](#), Mr. Patrick stated that part of the project justification was that NSC was the fastest growing higher education institution in the state and that the project would provide the NSC School of Education with much-needed room for its expanding programs.

The next project, Mr. Patrick continued, was C28, a Health and Sciences Building at the College of Southern Nevada (CSN). Page 9 of [Exhibit C](#) included an aerial view of the proposed building on the corner of College Drive and Heather Drive in Las Vegas, accessed from Interstate 95.

Mr. Patrick explained that page 10 of [Exhibit C](#) included an enlarged site plan for the building, as well as an adjacent building for student services that was under construction. Page 11 of [Exhibit C](#) was the architect's rendering of the proposed building.

Mr. Patrick said that in support of the C28 Health and Sciences Building project at CSN, as detailed on Page 12 of [Exhibit C](#), the Governor recommended funding of \$76,763,741, which included \$70,763,741 from state funding and \$6,000,000 from agency funding. The proposed building would be located on the CSN Henderson Campus and would serve the growing needs of the CSN nursing programs, as well as the nursing programs at Nevada State College. The three-story building was approximately 73,000 square feet. The proposed building included a library, classrooms, computer rooms, staff offices, and mechanical labs to support training students for services in the medical community, including hospitals, skilled nursing, and long-term care.

In summary, Mr. Patrick offered that the CSN Henderson Campus did not have the building capacity to handle current enrollment demands, and the project would allow CSN to meet the current and projected health-care needs of the community, as stated on page 13 of [Exhibit C](#).

The third NSHE project outlined by Mr. Patrick, M08, recommended funding for deferred maintenance for the NSHE at multiple sites. This project mitigated the backlog of deferred maintenance needed at several System facilities and was an annual pass-through of funding from the State Public Works Division (SPWD) for \$15,000,000, of which \$11,552,659 was from State General Fund and \$3,447,341 was from slot tax proceeds.

Chair Carlton stated that there was a request for public comment following each presentation, and she would accommodate that request.

Assemblyman Thompson referred to the recommended Education Academic Building at NSC, C19, and asked whether NSC had received the \$6 million in private funding. Bart Patterson, President, NSC, stated that the college had either cash-in-hand or a written commitment for the \$6 million.

Chair Carlton asked whether FF&E were included in the bond funding for the project. She expressed concern with bonding for nonbuilding costs, and she wondered whether the FF&E purchases would occur before the 2021-2023 biennium. Mr. Patrick explained that given high inflation rates, representatives from the consultant, the university, and the SPWD had worked aggressively to keep the project on schedule. The final design would be completed by the start of April 2019, proposals would be received from the construction manager by early September 2019, and he anticipated a notice to proceed by November 2019, with a move in completion target of August 2, 2021. The procurement process for FF&E would be initiated before CIP funding for the 2021-2023 biennium was available. He noted that there had been questions about whether architectural engineering services and FF&E should be bond-funded, but because both elements supported the bricks and mortar of the building, a decision was made to use bond funding.

Chair Carlton posed the question of whether it was less expensive to fund the building by bond funding FF&E, or if it was better to use bonds for the building and then pay for FF&E separately. Mr. Patrick said that the spending plan for this project included donor funds as well as general obligation bonds. Given the interest rates for bond funding, the costs were almost double from bond funding. Certainly, he stated, it would be less expensive to fund FF&E in another manner.

Chair Carlton asked Mr. Patrick to discuss problems associated with site development costs and any site alternatives that were available. Mr. Patrick said that the project went through an in-house jury process before the project was presented to the NSHE Board of Regents. This project was more expensive than similar projects because the project was on the side of a hill with higher site development costs. He referenced a Desert Research Institute project with similar increased site development costs. Because of the hill location, a cut was required; soil would have to be exported from the site; and a retaining wall would have to be constructed. As illustrated on page 5 of [Exhibit C](#), he noted that the diagonal line represented the retaining wall. Additional access to this location would have to be provided, and the proposed building would be located on an existing parking lot, so parking would have to be added. This site was selected because it created a college "quad" and decreased maintenance costs for access to the central plant in the adjacent building. He added that of the larger northern parking lot, half of that space was part of the C19 construction project, and all of the southern parking lot was part of this project as well. These elements all added to the proposed site costs.

Chair Carlton stated that the project costs were almost \$10 million higher because of the site development costs. She asked whether alternate sites were discussed and referenced the fact that site development was traditionally roughly 10 percent of construction costs, but in this case, it was three times that amount. Mr. Patrick replied that SPWD was involved in the 17-P08 project site selection and recognized that there was a grid of low pressure at the selected site, which provided adequate pressure for the building. Alternate sites would need additional infrastructure, including a large water tank. Combined with the additional infrastructure costs and the intent to locate the building close to other programs for accessibility reasons, the site identified was the best choice.

Chair Carlton wondered about the \$458 per square-foot cost because the original estimate was \$300 per square foot. She asked whether the difference was based solely on inflation. Mr. Patrick stated that part of the increase was based on construction inflation, but the increase also included the development of drawings. As the design process progressed, the original estimates for cost per square foot from June 2016 went from generic unit prices to project-specific unit prices, which caused the price per square foot to increase.

Chair Carlton wondered about inflation and what the final cost per square foot might be. Mr. Patrick said that the estimate was based on a 10 percent inflation rate, equivalent to 21 percent, from the latest estimate, so he expected that the final cost per square foot would approach \$500 per square foot.

Chair Carlton asked Mr. Patterson to discuss the parking lot concerns for the record. Mr. Patterson said that the proposed site had many advantages because of proximity. Other potential sites were available, but the infrastructure costs eliminated those sites from contention. Location next to the physical plant saved infrastructure costs. Given that NSC self-financed through the Office of the State Treasurer and that there were two buildings for which NSC paid \$3.4 million per year to reduce the debt service, these factors created interest in certificates of participation for the two buildings and improvements. Because of that, and were the college to default on the certificates of participation, there would be a security interest for the certificate of participation holders that SPWD had referred to in the lease-purchase arrangement. He did not believe the legal concern was significant, because it was unlikely that NSC would default on its obligations. A \$5 million reserve was maintained, and payments were processed five months in advance. Additionally, because the college continued to grow, the possibility of default diminished further. Space was needed for NSC to grow, and payments were built into the NSC budget and funding model. He believed that the NSC budget would have to decrease by 75 percent before there would be a default concern, and even during recession, the budget was well above that point.

Assemblywoman Swank asked whether it would cost more to build on the proposed site or to improve the infrastructure for the building to be located on another site. Mr. Patrick said that it was more expensive to build on another site because the delay and other construction costs would outweigh the marginal savings on the site costs.

Senator Woodhouse asked how the Dawson Building would be used after construction was completed. Mr. Patterson explained that NSC had no additional space at this time. The Dawson Building, leased from the city of Henderson, was critical to the college's future plans. There were plans for a remodel of the lower floor of the Dawson Building and possibly for a remodel of part of the second floor. The first floor remodel, planned for the summer of 2019, would accommodate new faculty, staff, a computer lab, and study space. The building, originally a vitamin factory, only had a partial second floor. The estimate for the remodel was just over \$1,000,000. Long-term plans included the possibility of adding to the second floor, but he suspected that the cost would be prohibitive compared to the value of the space gained. That action would then be followed with discussions with the city to discuss a long-term extension of the lease or the purchase of the building. He stated that other more cost-effective options for additional space would be reviewed.

Senator Kieckhefer asked whether this site was where NSC always wanted the proposed building to be located. Mr. Patterson confirmed the intent of the site location was to create a cohesive campus. Students were taking classes from several disciplines, and other sites were further from the central campus area. This site was the best location from a student perspective.

Senator Kieckhefer noted that because the hill had not moved, he wondered why the retaining wall and other associated costs were not anticipated in the original estimate. Mr. Patrick said that the estimate from two years ago was for the purpose of developing architectural fees and a dollar per square foot estimate. The retaining wall presented better options for NSC long term. Moving the hill, he conceded, was not the complete reason for the cost increase. The soil conditions in the area and the existence of caliche was unknown two years ago, as were the extensive concrete work and flat work for the playground. Also, displacing the parking lot caused a greater consequence than originally anticipated.

Senator Kieckhefer referred to the process and to the cost per square foot. When drawings were developed, he wondered whether the estimate for cost per square foot was provided to the estimator and whether the building was over-designed to drive the cost per square foot up. Mr. Patrick explained that there was a period of hyperinflation in Nevada, and he noted that the architectural engineering agreements had a requirement for the cost to be in a range. In this case, with hyperinflation and the design activities, the argument to hold the architect within range was weakened.

In further explanation, Mr. Patrick described the process. He noted that the planning phase involved determining the needs of the agency. Early on in this process, the \$300 per square foot estimate provided an opportunity to determine what the architectural fee would be. At that time, the fee was within the amount of the available funding. Then the consultant was brought in to determine the actual needs and the actual costs.

Chair Carlton opened the meeting to questions for project C28, the Health and Sciences Building at the College of Southern Nevada (CSN). Assemblyman Thompson asked whether CSN had received the \$6 million in private funding. Federico Zaragoza, President, CSN, stated that the college had secured funding from donors and from institutional resources.

Senator Woodhouse asked about plans for CSN and NSC to share occupancy in the Health and Sciences Building. Patricia Charlton, Vice President, Henderson Campus, CSN, said the colleges had worked collaboratively on this project for shared classrooms and relocation of simulation labs. Approximately 28 percent of the facility would benefit NSC, and 72 percent of the facility would benefit CSN. Mr. Patterson added that there was more opportunity to partner, because a portion of the NSC nursing program would be relocated at the proposed site, and there was an opportunity for NSC to expand its nursing program. The NSC nursing program, including online courses, had increased by 88 percent over two years, and another cohort of 48 students had been added. He noted that 288 bachelor's degree-prepared nurses would be graduating once the newest cohort started to graduate. This growth presented an opportunity to discuss the need for inner-campus transportation and other partnerships with CSN in the health-care field. Senator Woodhouse said that as a representative of Henderson, she was pleased with the partnership and collaboration that addressed student needs.

Senator Kieckhefer asked about the developing partnership and whether there was a plan for allocating the student weighted credit hours for funding. Mr. Patterson explained that the existing formula would work. A classic articulation agreement specified two years to earn an associate's degree and two additional years to earn a bachelor's degree. The first two years' work was often at a community college, and the next two years were at a university or state college. The NSC offered degrees for which the first three years were taught by CSN staff, and then the last year was taught by NSC staff. With shared facilities, base funding that was returned to the community college for the facilities would be analyzed next. Ms. Charlton said that a benefit of the partnership was the seamless transfer, with every credit earned counted toward a degree. Because the faculty and academic leaders worked together, the outcomes were most efficient for students.

Senator Kieckhefer expressed his concern that the construction cost increases for both buildings were significantly beyond inflation increases.

Senator Brooks asked about construction cost projections that were approximately 50 percent under the new estimate for NSC, and more than 30 percent under the new estimate for CSN. The institutions could anticipate when construction would be completed, and inflation could be anticipated and included. He wondered about the cause of the increase for the CSN building. Mr. Patrick noted that this project was not the only project for which the cost per square foot had increased significantly. Projects from the 2017-2019 biennium's Capital Improvement Program (CIP), the Department of Motor Vehicle (DMV) project as an example, had exceeded the estimate, partly because of contractor increases for cost

estimating. The Nevada National Guard's Speedway Readiness Center, with the Interim Finance Committee's (IFC) approval to defer costs, had also increased substantially. Unanticipated increases for the two projects, and the University of Nevada, Reno engineering building, had set the State Public Works Division (SPWD) back and required IFC approval for additional funding or permission to defer funding into future years. These projects were a challenge during an inflationary period because there was no way to accurately anticipate inflation. Other projects from prior years, with greater inflation rates, were even harder to predict and had greater cost overruns.

Senator Kieckhefer returned to the furnishings, fixtures, and equipment (FF&E) discussion and stated that there were 24 months of construction at CSN. He assumed that the building would not be ready for the fall 2021 academic year, unlike the Education Academic Building at NSC. Mr. Patrick said that the CIP project estimated inflationary rates and listed those rates on the project cost estimates. He believed that was where the 24-month period came from. A planning project, in contract, might use 15 months of inflation in the calculations. Both time frames started when the SPWD project managers discharged their responsibility for cost estimating in June of 2018 for the 2019 CIP. The term "months for construction" on project cost estimates might be better titled "months of inflation included from estimate development." He estimated that both projects might have 500 days of construction time, not 24 months.

Hearing no other questions for NSC's C19 project or CSN's C28 project, Chair Carlton asked for questions on 19-M08, deferred maintenance for the Nevada System of Higher Education (NSHE) at multiple sites. Traditionally, this had been a \$15,000,000 recommendation, with \$10,000,000 from either State General Fund or bonding, and \$5,000,000 from slot tax proceeds. Advances in gaming technology over the past 6 to 8 years meant that multiple games could be housed in a single machine, thereby decreasing the amount of taxes due from slot machines. For this budget, the historic \$5 million amount was projected to be just \$3,447,341, with the remainder from State General Fund.

Chair Carlton asked how the difference would be handled by NSHE, including the backlogged amount. Andrew Clinger, Chief Financial Officer, NSHE, stated that there was a backlog of more than \$1 billion for deferred maintenance items. He noted that the Higher Education Capital Construction/Special Higher Education Capital Construction (HECC/SHECC) funding had been at the \$15 million level for decades, and the only way to meet the shortfall was to chip away at it slowly. In January 2018, the Board of Regents approved a \$25 million allocation from the investment pool, based on better than expected returns on investments. A good portion of that allocation was used for deferred maintenance.

Senator Kieckhefer asked whether the investment pool offered an opportunity for a long-term funding solution that might do more than just chip away at deferred maintenance, or whether the allocation was a one-time investment in deferred maintenance. Mr. Clinger said that the investment pool allocation was a one-time allocation based on better-than-expected returns

on investments. He noted that institutions used their own funding for deferred maintenance as well. A long-term deferred maintenance plan needed to be developed for the \$1 billion deficit.

Senator Kieckhefer acknowledged that state government buildings faced the same deferred maintenance backlog. Chair Carlton said that state government had made deferred maintenance a priority and had been chipping away at the deferred maintenance backlog because of the safety concerns.

Chair Carlton noted the \$1 billion backlog for deferred maintenance and stated that there needed to be a plan to address the backlog. Hearing no questions on the NSHE deferred maintenance projects, the Chair asked for public comment.

Patricia Charlton, representing the College of Southern Nevada (CSN), commented that the CSN and Nevada State College (NSC) Health and Sciences Building was an exciting endeavor for CSN and NSC, and the project was well-supported by the community. She noted letters of support were sent to legislators from the CSN foundation leadership, from institutional advisory council members, and from the community. She introduced a letter dated March 14, 2019, [Exhibit D](#), from Dwayne Hopper, a student member of the CSN nursing association who could not be present. Mr. Hopper was a promising student with a strong grade point average and strong test scores, who was placed on a waiting list for the nursing program because there were not enough available spaces in the nursing program. When another student declined admission, Mr. Hopper was able to attend CSN. He supported the proposed Health and Sciences Building because Nevada had a shortage of healthcare professionals, and he believed the proposed building would lead to increased enrollment in health-care professions.

Judy Stokey, representing NV Energy, stated that NV Energy supported construction of both projects. As an employer in southern Nevada, NV Energy employees expected and demanded quality healthcare. She introduced a letter dated March 14, 2019, [Exhibit E](#), in support of C28, a Health and Sciences Building at the CSN, and C19, an Education Academic Building at the NSC.

Kent M. Ervin, representing the Nevada Faculty Alliance (NFA), stated that the alliance supported construction of the needed academic buildings, as well as funding for deferred maintenance. He had four points to make. First, the projects were long-term investments. The groundbreaking for the oldest NSHE building was in 1885, and 134 years later, the building was still in use. Next, regarding FF&E, furniture for faculty offices and chemistry labs lasted 20 to 30 years. His third point was that a deflationary period in construction costs occasionally occurred, such as with the Davidson Math and Science Center at the University of Nevada, Reno, campus. He did not believe anyone wanted another repeat of a financial crisis for construction costs to drop. Fourth, when costs increased, bathroom fixtures were a sure sign that indicated costs were being cut at the end of a project.

Hannah Brown, representing the NSC Foundation Board, provided comment from Las Vegas. She requested support of the proposed Education Academic Building at the NSC, because more teachers of color were needed in areas that were historically underserved. The NSC, she said, was incredibly diverse. Many students were first generation or low income. There was a growing amount of research that indicated the positive effect persons of color could have as a role model when they were in front of a classroom. Research also showed that graduating teachers usually stayed within a few miles of the college or university they had graduated from.

Ms. Brown knew from her work at the Foundation Board that NSC was committed to matching the diversity of the Clark County School District (CCSD) and bringing more students of color into the classroom. She requested support for this project so a new pipeline of educators could be built to better serve all students, regardless of zip code.

Glenn Christenson, a private citizen, provided comment from Las Vegas. He encouraged approval of the Education Academic Building at NSC. For the past seven years, he was involved in approving K-12 education in his community. He served as chairman of the Governor's Spending and Government Efficiency (SAGE) Commission for the System of K-12 Public Education, chairman of the community implementation counsel for Assembly Bill (A.B.) 469 of the 79th Session (2017), and chairman of the CCSD budget task force and the superintendent's executive advisory committees. Through these efforts, he learned that the best predictor for strong classroom outcomes was a highly qualified teacher. The CCSD had a chronic teacher shortage, which affected the quality of the education system in southern Nevada. He applauded the Governor and the Nevada System of Higher Education (NSHE) for supporting this project and the strategy for addressing the teacher shortage head on. He had served as a member of the NSC Foundation Board since its inception and was the longest serving chairman of that organization. He believed that it was rewarding to see NSC flourish from a refurbished vitamin factory to the second fastest growing four-year institution in the country. The new School of Education at NSC not only addressed the statewide need for more teachers, but helped Nevada keep pace with tremendous growth and address the economic development needs in the community and the state. He served as chairman emeritus of the Las Vegas Global Economic Alliance (LVGEA), and over one-third of businesses that did not come to southern Nevada was due to education system and workforce deficiencies. Because this project addressed those needs, the LVGEA endorsed this project as well. He believed that this was the right project at the right time in the right place. He requested support for C19, the proposed Education Academic Building at NSC.

Jonas Peterson, representing the Las Vegas Global Economic Alliance (LVGEA), spoke in favor of the funding and creation of the Education Academic Building for NSC's School of Education and the Health and Sciences Building at CSN. At LVGEA, there was a belief that it was important to align education and workforce training programs with the region's current and future employment needs. Based on research and trends in southern Nevada, both

projects aligned with workforce needs. In addition to support from the LVGEA Board of Directors, he was pleased to share that the southern Nevada Council of Chambers passed a resolution to support the Education Academic Building at NSC. That Council included eight chambers of commerce throughout southern Nevada.

Paul Moradkhan, representing the Las Vegas Metro Chamber of Commerce, stated that the Chamber supported the NSC building and the CSN building.

Kelly Crompton, representing the City of Las Vegas, Nevada, stated that the buildings were not in the city's jurisdiction, but the construction of the buildings was important for the southern Nevada region.

David Cherry, representing the City of Henderson, noted that Henderson was home to NSC and the CSN Henderson campus. He stated that Mayor Debra March and members of the city council approved \$500,000 for the NSC Education Academic Building and for the CSN Health and Sciences Building. Education, he said, was a top priority for residents, and healthcare was a top priority for everyone in Nevada. He introduced a letter of support, dated March 13, 2019, [Exhibit F](#), from Mayor March supporting both projects.

Amber Stidham, representing the Henderson Chamber of Commerce, commented from Las Vegas that the Chamber supported the NSC Education Academic Building and the CSN Health and Sciences Building. The 1,800 members of the Henderson Chamber of Commerce worked with both the NSC and the CSN to foster partnerships. She stated that these projects were a priority to the southern Nevada forum and to the chamber, because a more-skilled workforce was important, and a space to learn was key. Nearly 90 percent of CSN and NSC graduates stayed and worked in Nevada, an important statistic to the chamber.

Jaime Cruz, representing Workforce Connections, southern Nevada's local workforce development board, supported both projects and was committed to ensuring that clients of the publicly funded workforce development system in Nevada had an effective career path.

Chair Carlton closed public comment for the NSHE Capital Improvement Program (CIP) projects and asked for the next presentation.

Ward D. Patrick, Administrator, State Public Works Division (SPWD), Department of Administration, continued his PowerPoint presentation titled "Department of Administration, State Public Works Division," dated March 14, 2019, [Exhibit C](#). The Governor recommended funding for project C01, completion of the South Reno DMV Building situated at the intersection of Double Diamond Parkway and Sand Hill Road, as mapped on page 17 of [Exhibit C](#). The building included a 42,760 square-foot service center and an 11,351 square-foot emission center and commercial driver license (CDL) course.

Mr. Patrick explained that page 18 of [Exhibit C](#) provided an artistic rendering of the building. The C01 project was the completion of the project that had been brought to the Interim Finance Committee in anticipation of recommended funding of \$8,660,000 from the State Highway Fund, the emission control fund, and bond funding. A portion of the landscaping; the data telecommunication wiring and equipment; the furniture, fixtures and equipment; roofing; a maintenance agreement; and local government requirements were all part of this project. This funding would complete the 17-C04 project, and he pointed out that the site was acquired in 2003.

Page 20 of [Exhibit C](#), Mr. Patrick said, noted the recent, unanticipated, and unprecedented construction cost increases in northern Nevada and inflation increases beyond the SPWD estimated project items that had to be deferred to the 2019 CIP. Local government requirements for this project were greater than anticipated and were included in this estimate. He indicated that bids were opened yesterday in the construction manager at risk (CMAR) process for subcontractors. Bid analysis would be completed by March 29, 2019, but he believed the funding recommendation was on track.

Chair Carlton noted the change in funding and asked why the deferred work on the South Reno DMV building would be funded from the State Highway Fund. Mr. Patrick explained that there was an error in the presentation of information. The funding would be split between emissions control funding and the State Highway Fund. The Chair asked Mr. Patrick to follow up with staff to ensure correct information was provided.

Chair Carlton asked whether the DMV would be requesting an amendment for the debt service payment in the 2017 CIP language. Cyndie Munoz, Deputy Director, DMV, said that she was working on the breakdown of the bond funding, and when she had the information, an amendment for the increase would be submitted.

Chair Carlton asked whether the basis for the amendment would be the square footage at the facility. Ms. Munoz confirmed that the amendment would be based on square footage.

Chair Carlton asked whether the square footage had changed at the facility, and Ms. Munoz said that the square footage had changed by approximately 12 percent for the pollution control account.

Chair Carlton stated that there would be more questions from Fiscal Analysis Division staff. She asked for clarity on how SPWD determined that \$8.7 million would be needed in deferred construction costs when the project was in the bid phase. Mr. Patrick replied that to mitigate inflationary pressure on the project, a shortfall of \$8.7 million was identified. The Department chose to present to the Interim Finance Committee (IFC) the items that could be brought to the construction project as earlier portions were completed. Included in the estimate was the CDL course, and some design and supervision of later work, and FF&E that was in the original project and was now deferred. These items would be included in the

construction contract. The SPWD asked for IFC authorization to defer these items and continue with the bidding process and planned to award a notice to proceed for construction in May 2019, contingent on funding approval.

Chair Carlton asked for any questions about C01, Completion of the South Reno DMV, and hearing no questions, she asked for public comment from Las Vegas and Carson City. Hearing no public comment, she asked for the next presentation.

Kent A. Lefevre, Deputy Administrator, State Public Works Division (SPWD), Department of Administration, referred to his PowerPoint exhibit titled "Department of Administration, State Public Works Division," dated March 14, 2019, [Exhibit C](#), and discussed project C16, the Department of Tourism and Cultural Affairs Renovation of Collections Storage at the Stewart Facility, Building 19.

Mr. Lefevre noted the aerial photograph of the site at the Stewart campus on page 22 of [Exhibit C](#), and the exterior photographs of the building on page 23 of [Exhibit C](#). The project was to design and renovate Building 19, the former bakery and post office at the Stewart Facility. Completion of seismic strengthening of the unreinforced masonry structure, as well as a complete interior renovation were included in this project. This project was entirely state funded and the budgeted amount was \$998,889.

To justify this project, and as outlined on page 25 of [Exhibit C](#), Mr. Lefevre explained that the Nevada Indian Commission had a small but growing Stewart Indian School collection housed at the Commission's office. The remaining larger collection was housed at the Indian Hills Curatorial Center on Topsy Lane. The Stewart Indian School Cultural and Welcome Center was currently in the planning and renovation stage, with limited collections storage on the second floor based on structural load capacity limitations. The storage requirement for the collection was approximately 2,000 square feet of space.

Mr. Lefevre discussed project C17, the storage facility addition, Indian Hills Curatorial Center displayed on page 26 of [Exhibit C](#). Page 27 of [Exhibit C](#), he continued, stated that the project was budgeted at \$1,446,464, funded with \$1,346,464 of state funds and \$100,000 in a Bureau of Land Management (BLM), United States Department of the Interior, matching grant. The project included completion of plan checking and construction documents. The design through construction documents were completed as agency project 17-A010. The Indian Hills Curatorial Center was at capacity and hindered the museum's ability to fulfill legislation that required a portion of all artifacts excavated in Nevada to be given to the Nevada State Museum. The BLM, he added, required that the vast majority of Nevada's archaeological artifacts remain in Nevada.

Mr. Lefevre said that page 29 of [Exhibit C](#) illustrated the next project, M33, replace sanitary sewer and upgrade restrooms at the Lost City Museum. This project was estimated at \$408,484 and was funded entirely with state funds. The scope of work included design and

construction of restrooms, plumbing, and site sanitary sewer improvements. More specifically, the work included replacement of a site sanitary sewer, a complete remodel of the staff restroom, and a waste-piping connection to the archaeology lab sink.

The next project, as shown on page 31 of [Exhibit C](#), was M45, replace lighting control system at the Nevada State Museum in Las Vegas. As the aerial photo indicated, the project was at Valley View Boulevard and Interstate 95. The project involved replacing all the lighting control systems for the building, budgeted at \$212,811 and funded entirely with state funds.

Chair Carlton noted that backup documentation indicated that funding for the operation and rent expenses for the new Cultural and Welcome Centers were not included in The Executive Budget for the 2019-2021 biennium. Sherry L. Rupert, Executive Director, Nevada Indian Commission, Department of Tourism and Cultural Affairs, replied that the Chair was correct. She was working with the Office of the Governor, and the Office of Finance, Office of the Governor, to correct the budget. There was a fiscal note attached to Assembly Bill (A.B.) 44, a bill that created the Stewart Indian School Cultural Center and Museum in the Nevada Indian Commission statutes. [Chapter 233A of the *Nevada Revised Statutes* (NRS)].

Assemblywoman Swank asked for clarification on C16, the renovation of Building 19, and whether the renovation was dependent on the operating budget for the Cultural and Welcome Centers. She also asked where this project was in the design and construction process. Mr. Patrick explained that the proposed Cultural Center and Museum were in the conceptual phase of developing a budgetary request. The operating budget was pending, based on the fiscal note. The Building 19 facility was for storing artifacts, not for display, and was not dependent on the operations of the Cultural and Welcome Centers.

Assemblywoman Spiegel asked about the storage constraints and care of the collections at the Indian Hills Facility and whether the current situation posed a risk to the agency's accreditation. Peter Barton, Administrator, Division of Museums and History, Department of Tourism and Cultural Affairs, replied that during the presession hearing, it was noted that collections storage systemwide for museums in Nevada was in a dangerous stage. There was a shortage of space everywhere, and accreditation was affected by this space shortage. Indian Hills had no storage space available for the history collections and the cultural resource collections. Adding space did not solve all the accreditation concerns, but it did alleviate space constraints.

Senator Denis referenced project M45, replace lighting control system at the Nevada State Museum in Las Vegas. He asked how old the building was. Mr. Barton replied that the Nevada State Museum in Las Vegas was certified for occupancy in 2009. The lighting controller that was installed was a first generation controller, programmable only with a five and one-quarter inch floppy diskette. When the equipment was installed, it was almost

obsolete, and in retrospect, the state should have been more vigilant in ensuring more modern technology was installed. If the lighting control system failed, all lighting systems in the building, including exhibit galleries, maintenance lighting, and general building lights, would fail.

Senator Denis hoped the replacement would last longer. Mr. Barton said that the SPWD knew the museum required the latest technology this time.

Senator Denis asked about the lifespan of a lighting control system. Mr. Barton believed that 15 to 20 years was the standard life of a lighting control system.

Senator Brooks referred to C17, the storage facility addition, and the \$1,446,464 budget for the 2,600 square-foot addition. He wondered what warranted an amount of \$1,446,464 for a space of that size. Mr. Patrick said it was a small facility, but space was needed to meet the requirements of *Nevada Revised Statutes* (NRS) Chapter 338 and Chapter 341. Small projects were generally higher-risk projects that went through a public bidding process and were often high in cost. That amount included racking and FF&E, but there were no economies of scale that could be gained.

Hearing no other questions on the Department of Tourism and Cultural Affairs CIP projects, Chair Carlton asked for public comment from Las Vegas and Carson City. Hearing no public comment, the Chair asked for the next presentation from the Department of Conservation and Natural Resources (DCNR), and specifically, she asked about two recommended CIP projects at the Valley of Fire State Park and whether the projects could be consolidated to realize any savings.

Ward D. Patrick, Administrator, State Public Works Division (SPWD), Department of Administration, continued with his PowerPoint exhibit titled "Department of Administration, State Public Works Division," dated March 14, 2019, [Exhibit C](#). The first project, as indicated on page 34 of [Exhibit C](#), was M36, the Visitor Center renovations at the Valley of Fire State Park. Project M36 was an interior remodel of an architectural type of project related to restrooms, and project M50 was the remaining restrooms at the Valley of Fire State Park. The first project was a construction project, while the restroom projects were a move in, prefabricated, small restroom building in the rural part of the Valley of Fire State Park. The two projects required different contractor license types and were best treated as separate projects.

Kent A. Lefevre, Deputy Administrator, SPWD, Department of Administration, continued with his PowerPoint presentation titled "Department of Administration, State Public Works Division," dated March 14, 2019, [Exhibit C](#), by discussing project P08, Advance Planning: Heavy Equipment Shop and Renovation (Elko), starting on page 42. This project provided staff with an enclosed environment to work on heavy equipment. The other DCNR project was P10, Advance Planning: Exterior Envelope Protection (Spring Mountain Ranch

State Park). This project would study the historical structures and provide a proposed budget and project report for the 2021-2023 biennium. The historic structures needed to be examined by architects with specific skills because of the age of the structures.

Assemblywoman Swank asked whether a historic structures report would be prepared for the buildings. She stated that a historic structures report was required for valuable historic resources, such as those at the Spring Mountain Ranch State Park. Mr. Lefevre said there would be an architectural engineering report with a structural component. An in-house structural engineer was already evaluating the sites because there were known structural problems.

Assemblywoman Swank clarified that she was asking about a historic structures report, a long-term planning document that examined how to best manage a historic resource and identified the historic features, what could be altered, and what should not be altered. She noted that the Office of Historic Preservation (SHPO), DCNR, was familiar with the report, and she urged Mr. Lefevre to have the document prepared for any potentially significant buildings. Mr. Patrick explained that he would provide more information, and he would ensure that the project manager coordinated with SHPO to verify that the historic structures report was one of the studies planned for this project.

Hearing no other questions on the DCNR projects, Chair Carlton opened the hearing for public comment from Las Vegas and Carson City. Hearing no public comment, the Chair said that in the interest of time, she would open the hearing for questions from Subcommittee members on the next presentation.

Chair Carlton asked John Borrowman, Deputy Director, Support Services, Department of Corrections (NDOC), to discuss the additional funding recommendation for custody escort services for the 2019 Capital Improvement Program (CIP), considering that NDOC had covered the cost from its budget in the past. Mr. Borrowman stated that NDOC had a successful record of CIP project deployments in the past. The custody officer escort would be used for contractors who brought in tools and equipment, especially driven equipment that was considered to be a safety and security concern. Historically, previous administrations had shut programs down or reduced inmate privileges including yard time, law library, or other services that were appropriate for inmates. Another practice had been a rolling lockdown where inmates were confined to cells with no out-of-cell time. The strategy of deferring programs and assigning officers who normally were providing coverage for program activities to provide escort services for contractors was not necessarily fair to inmates. The escort service might be paid at straight time or at unbudgeted overtime, when needed. There was no commitment to evidence-based programming in the past, and Mr. Borrowman stated that there was a certain amount of fidelity required for programs. As an example, he cited the instance of an inmate taking a weekly class. When the class was not held for three weeks because of construction activities, and then three classes were held back-to-back on the same day, the inmate missed time for studying and library research

in between classes. The State Board of Parole Commissioners had not recognized much of the NDOC programming in the past because program fidelity was not maintained. The new NDOC administration was committed to evidence-based programming with required fidelity for scheduled classes. He noted that custody escort services were important for the protection of community, staff, contractors, and inmates, and construction projects required oversight of tools, equipment, and telecommunication devices, especially those tools designed to destroy and rebuild infrastructure which might be appealing to inmates.

Chair Carlton expressed concern about the \$2.3 million overtime estimate for custody escort services. Based on overtime in the past, she wondered about the basis for the \$2.3 million estimate. Given the history with the numbers provided by NDOC, the Chair asked for additional documentation and support for this estimate. Mr. Borrowman stated that he had provided a spreadsheet with each project outlined. Several projects did not need custody escorts and were not included. The need for escort services on a project varied from 10 percent to 90 percent coverage, depending on the risk involved.

Chair Carlton asked how efforts were coordinated between NDOC and the State Public Works Division (SPWD) to reduce the number of custody escort hours needed at the NDOC institutions. Mr. Borrowman said there were two columns indicated on his spreadsheet; the first column was for full-time-equivalent (FTE) positions for work performed at straight time. This would be difficult, he acknowledged, because hiring staff for construction projects was time-consuming, and although some construction projects spanned biennia, there was no job security for long-term planning. The second column was for custody coverage using overtime. Security employees would still perform their scheduled duties, with voluntary overtime for escort services. He noted that there was a possibility for resource sharing between facilities with scheduling and tracking capabilities in the new Kronos system.

Chair Carlton asked about coordination between NDOC and SPWD. Mr. Borrowman said that the custody escort was not a new requirement at NDOC. In the 2017-2019 biennium, there was major construction at the Northern Nevada Correctional Center (NNCC), and instead of scheduling many custody escorts, an interior perimeter was established and secured. Contractors entered through the sally-port, vehicles and equipment were inventoried, and work was performed inside the secured perimeter. This strategy was developed as a cost-effective means to provide security with a minimum of disruption. A similar sally-port strategy was used in coordination with SPWD for housing unit 8 at the Southern Desert Correctional Center.

Hearing no additional questions on custody escort services, Chair Carlton referred to C07, Security Perimeter Upgrades (Three Lakes Valley Conservation Camp) and she clarified the term "ICE detainees." She noted that ICE was the United States Immigration and Customs Enforcement, but in this instance, the detainees were convicted persons. She wanted to ensure that everyone understood the term "ICE detainees" was used for those

people convicted of a crime in Nevada who were in custody. The proposal was to move this population to the Three Lakes Valley Conservation Camp, a minimum custody facility. She wondered whether NDOC had looked at other alternatives for this population. Mr. Borrowman confirmed the clarification of the term "ICE detainees," and added that the incarceration of the detainees was not being extended because of the ICE detainee designation. The federal government had requested that NDOC notify the federal government when the individuals were released so that the federal government could pick the individuals up for incarceration in the federal system.

Mr. Borrowman further stated that ICE detainees were not all violent or aggressive. Many qualified for minimum security conservation camps. The concern was that for those individuals who knew they had an ICE detainee designation and who realized that the end of their Nevada incarceration would be followed by further federal incarceration, there was a chance that the individuals would become flight risks. Because of the potential for flight at the conservation camps, the nonviolent and nonaggressive inmates had to be moved back to medium-security facilities. He noted that medium-security facility beds came at a premium cost. In addition to the premium cost, there was a capacity problem. The beds could have been used for more violent or aggressive inmates. The Three Lakes Valley Conservation Camp was a modern facility that was close to the medium security designation, lacking the fence height, additional camera security, and a double-entry, sally-port gate. With minimal investment, NDOC would be able to harden the facility to mitigate the flight risk associated with ICE detainees. The minimum security designation would not change for the facility, but additional security would be added to prevent flight, and beds at the medium-security facility would be available for those inmates who needed that medium level of security.

Chair Carlton expressed concern about the \$4.1 million for approximately 50 to 60 inmates, or approximately \$68,000 per person, and believed that needed further offline discussion.

Chair Carlton referred to project C13, Heavy Equipment Simulator Classrooms (High Desert State Prison). There were four simulators that were operated in an open warehouse, and she wondered why classrooms were needed. She was also curious about the partnership with the Clark County School District (CCSD), and she wondered about the amount CCSD had contributed to this project. Mr. Borrowman said that there were industry opportunities to provide education. The CCSD provided instructors and academic support, but nothing toward construction. It was NDOC's responsibility to provide the facility and infrastructure necessary to hold the classroom instruction.

Chair Carlton asked whether the CCSD purchased the four simulators. Mr. Borrowman confirmed that for an approximate cost of \$300,000, the CCSD had purchased the initial four simulators.

Chair Carlton noted that this project was near the bottom of the NDOC priority list in April 2018. She asked what problem would be fixed by moving the training out of

a warehouse and into a classroom, and she wondered whether CCSD could be paid back for the simulators. Mr. Borrowman first answered the classroom versus warehouse question. The existing setup was an open bay with a stem wall. Training on a forklift, boom lift, and other equipment operated inside a warehouse was conducted on one side of the stem wall. On the other side of the stem wall, welding benches and simulators were placed, and in the front section of the bay, chairs and whiteboards were positioned for classroom learning. With no sound barrier between any of the areas, effective classroom instruction was difficult and disruptive while dynamic events and other activities were being conducted. The NDOC had experimented with scheduling scenarios, but it was not practical to only hold one type of training at a time, and scheduling difficulties delayed the time it took for inmates to complete the program.

Mr. Borrowman next discussed the problem that this training project would help solve. There was a demand from the community for properly trained and certified workers. If NDOC could provide this training, the trained inmates upon release could reintegrate into the community and look for jobs, not in the fast food industry at \$10 to \$12 per hour, but at businesses where there was an insufficient supply and a great demand for equipment operators at professional wages. The change in priority ranking, he explained, was based on successes from the program and the community's need for trained workers. Paying the CCSD back for the simulator expenditure had not been discussed and was not in the proposal. He agreed to evaluate that action, but would need funding to do so.

Chair Carlton asked whether funding from the Inmate Welfare Account could be used for this project. Mr. Borrowman replied that the Inmate Welfare Account was not typically used for educational facilities, and this project would require a different application of the Inmate Welfare Account funding. He said he would look at that use further, although it was not consistent with historical practice. Chair Carlton said that there was a provision for educational programs under the Inmate Welfare Account, and she asked for continued discussion on this project, as well as consideration of alternate funding sources to realize the largest benefit for the dollars.

Hearing no other questions on project C13, Chair Carlton asked Ward D. Patrick, Administrator, State Public Works Division (SPWD), Department of Administration, to discuss M10, underground piping and boiler replacement at the Lovelock Correctional Center. She asked why the water distribution system at Lovelock needed complete replacement after 20 years. She wondered about the normal useful life of a water distribution plumbing system in similar buildings. Mr. Patrick explained that the Lovelock facility was built in the mid-1990s, and emergency work had been performed on the water tank where alkali soil conditions had affected the bottom of the water tank. There had been a prior CIP project that funded emergency repairs and investigations of the underground piping at this site, and the finding was that the problems were localized near joints and valve boxes. A subsequent series of leaks indicated that the problem was more widespread because of the alkali conditions. Cathodic protection systems were installed to try to resolve

the problem. The proposed project included plastic piping and high-temperature polyethylene piping.

Assemblyman Thompson asked about the boilers to be replaced and whether there were any available credits for recycling the boilers. Mr. Patrick was not aware of any trade-in policy. The salvage value for the boilers would be turned over to the bidding entity, and the bidders, in this case, would be the experts. If there was value, it would be returned to the state in the form of the contract bids.

Chair Carlton asked what units at Lovelock might need to be brought offline and the cost for that closure. Mr. Patrick explained that most of the work would be performed within a temporary fencing system. He believed that the sally-port security strategy for this piping system would work well at Lovelock. The downtime for any particular unit would be one day.

Hearing no other questions on the M10 project, Chair Carlton asked for a discussion of project M23, the installation of security cameras at the High Desert State Prison. She noted funds were provided in the 79th Session (2017) for body cameras and stationary cameras. The Chair asked what video monitoring and recording equipment was installed at High Desert State Prison and why the additional equipment was necessary. She also asked whether the 32 approved cameras were installed and in use. Ralph A. Wagner, Chief Engineer, Department of Corrections (NDOC), stated that the existing camera systems were extensive in housing units one through eight and were part of an ongoing effort to become more technologically secure through the use of cameras and better lighting. Project M23 would minimize dependence on towers and the personnel that worked in towers, and the additional infrastructure created a more robust security system.

Senator Settlemeyer asked whether additional cameras would minimize the number of blind spots and result in a subsequent decrease in overtime. John Borrowman, Deputy Director, Support Services, Department of Corrections (NDOC), replied that removing blind spots would improve safety and security, thereby reducing the number of incidents and, consequently, overtime.

Senator Denis asked whether all cameras approved in the 2017-2019 biennium had been installed and were operational and whether this proposed equipment was more of the same type of equipment approved during the last biennium. Mr. Borrowman explained that body and stationary cameras were approved during the 79th Session (2017), and the Interim Finance Committee (IFC) authorized the acquisition of additional equipment from the Department of Motor Vehicles. That acquisition changed the design of the NDOC security plan. Not all of the cameras had been installed, but the system had been designed and there was a designated location for all pieces of equipment. There was a dependency on having maintenance staff able to run conduit. Mr. Borrowman said that all monies received in the 79th Session (2017) had been encumbered or were planned to be encumbered, and

the installation was planned. This additional recommendation for M23 was to install more of the same equipment that would rely on the foundation and enhance the system.

Mr. Denis asked for verification that the acquisition of Department of Motor Vehicle (DMV) equipment authorized by IFC was being used as part of the NDOC security system. Mr. Borrowman said that the DMV equipment was part of the total network solution. The original design had a robust onsite ability to use the cameras and play video on site. The acquisition of the DMV equipment as part of the total network solution allowed NDOC to share video more efficiently across sites. For instance, if the NDOC director was in the administration building in Las Vegas, and there was an event at the Northern Nevada Correctional Center (NNCC), the director would have access to the video. While not part of the original system design, the IFC authorization enabled this system enhancement.

Mr. Denis noted that the system design had changed and he wondered whether all of the equipment would be used. Mr. Borrowman replied that substantial testing had been done to ensure all equipment would work and be used together.

Chair Carlton noted money had been appropriated to purchase equipment, but she asked for verification of whether the equipment had been purchased. Mr. Borrowman replied that a substantial portion of the equipment was purchased, and some had been installed. Not all of the equipment had been purchased or installed.

Chair Carlton referenced the grievance matters cited as justification for camera equipment and whether the monitoring equipment had affected the number of grievances filed. Mr. Borrowman clarified that M23 was not for body-worn cameras, but was for stationary cameras only. The stationary cameras were for safety and security and would help minimize grievances. The body-worn cameras were intended for use when a team was performing a cell extraction or other corrective action. Several body-worn cameras had been deployed with success.

Chair Carlton asked about camera equipment for food preparation monitoring, what the NDOC had done before in the food preparation areas, and what warranted the video monitoring. Mr. Borrowman said that physical security officers were provided in all risk areas, and the cameras supplemented that effort. The cameras were not to eliminate the need for any officers: they were to make the officers more effective. There were custody officers in the culinary areas, but events happened, exchanges occurred, and the cameras would improve the security in those areas.

Hearing no other questions for the M23 project, Chair Carlton asked about the M24 project, a surveillance system replacement at the Casa Grande Transitional Housing in the administration building. Casa Grande Transitional Housing was a transitional facility for those who were not flight risks. She wondered how long the surveillance system had not been functional, what the risks were, and what types of incidences had occurred.

Mr. Wagner replied that the camera system would be upgraded throughout the facility with camera equipment that was constantly evolving. The transitional housing in Reno had a more sophisticated system, largely because it was a newer facility. The Casa Grande Transitional Housing camera system was not as current and not up to the standards of the transitional housing in Reno. He stated that this was the time for a camera upgrade at Casa Grande Transitional Housing. Regarding whether an incident in the administration building had triggered the need for this project, Mr. Wagner stated that he had no knowledge of any incident.

Hearing no other questions on project M24, Chair Carlton next discussed project M46, the installation of security cameras at Southern Desert Correctional Center. She wondered what video recording and monitoring equipment had been installed, the reason additional video equipment was needed, and whether the facility had the necessary bandwidth and server storage capacity to support data that would be generated from recording equipment.

Kent A. Lefevre, Deputy Administrator, State Public Works Division (SPWD), Department of Administration, said that the project would provide for camera installation at housing units 1 through 7, and to his knowledge, there had never been cameras in any of those housing units. There were older cameras in some common areas, including the culinary area, but those cameras were installed ten years ago. Mr. Patrick added that the project included enhanced digital storage that would allow for images to be stored or maintained for seven days.

Senator Denis referred to the servers that were purchased from the Department of Motor Vehicles (DMV) and whether that equipment factored into the M46 project. Mr. Patrick said that the M46 installation was independent of the DMV servers.

Senator Denis asked whether there was additional equipment at the Southern Desert Correctional Center for the M46 installation. Mr. Patrick said that M46 had a storage capacity request for funding that was part of the CIP project and would not rely on the DMV system. Mr. Borrowman stated that the M46 request was sufficient to provide standalone service ability. The DMV equipment was not storing data, but facilitated the transmission of data should the video footage need to be shared across sites. The M46 project was not dependent on the DMV equipment, but it was configured to take advantage of the DMV equipment.

Hearing no other questions on project M46, Chair Carlton asked about project P03, which included a State General Fund appropriation of \$3.2 million to complete design and development of construction documents for a new dormitory housing unit. The new housing unit included approximately 200 beds to support mental health inmates at Northern Nevada Correctional Center (NNCC) because of projected growth in the inmate population. She asked why a dormitory unit would have higher priority than a building that could house higher-custody inmates. Mr. Patrick pointed out that there was a SPWD facilities master

plan funded in the 2015 CIP. The basis of that estimate included criteria, one of which was the James F. Austin, Ph.D. and JFA Institute's inmate projections. That facilities master plan was a philosophical guide for the SPWD regarding core facilities and inmate housing. While the facilities master plan did not develop an action plan for when things would get done, the master plan did provide a "laundry list" of items that could be done over the next ten years to meet the goals of the facilities master plan. The first priority and the most effective way to create housing, according to the facilities master plan, was at the Southern Desert Correctional Center (SDCC), where the core infrastructure could already house approximately 2,200 to 2,500 inmates. No core improvements were required at SDCC, other than waste water treatment improvements. The second item on the priority list was expansion at the NNCC. With the goal of reducing recidivism, the need was not for additional housing, but for a medical and mental health services facility that would support the regional medical facility located at NNCC, the only inmate hospital of its kind in Nevada. In summary, although P03 would help with NDOC housing, the project was geared toward medical and mental health services.

Chair Carlton understood that the NNCC had a dormitory housing unit with a housing wing designated for this population. She wondered why another unit was needed when the population projections were declining. Mr. Borrowman said that the NDOC had changed with the arrival of Director James Dzurenda and his emphasis on the transition of inmates into the community. The NDOC needed to provide transitions in a responsible manner. Historically, the NDOC would take inmates out of maximum security or isolation, escort the inmate out the front door, and say "good luck." He acknowledged that this method was the worst type of release. Instead, the NDOC now identified a strategy that allowed the former inmate to function effectively upon release into the community. Training was a key element in the strategy. Mr. Dzurenda's commitment was to focus mental health matters to an area where providers were located, such as the NNCC. The NNCC facility had a higher number of inmates with mental health conditions than in the past. Not all inmates required a high level of custody and treatment. The P03 project could provide a step down from the intensive custody requirement to a less intensive custody requirement, without releasing the inmate to the general population.

Chair Carlton asked why additional funding for the SDCC's unit 8 evaluation and for the NNCC master plan were necessary at this time. Mr. Patrick clarified that P03 was the NNCC housing and core expansion. The professional services line item from the estimate included \$100,000 for the NNCC master plan and was intended to ensure that the core needs of the facility, built in 1963, were met. He noted that there may be items not included in the scope of services, such as warehouse requirements. The line item ensured that minimum programming was successful. Any "P" project, he added, was to ensure that the minimum level of planning was robust enough to meet the needs.

More specifically, Mr. Patrick continued, the SDCC's unit 8 evaluation developed from discussion during the 2017-2019 biennium about the life span of facility upgrades. If the

anticipated life span of a building improvement was five years, and a sewer system upgrade was part of the work, there were no pipes that could be installed that had a five-year life span. Housing unit 8 had a significant investment in door controls, up to \$1.5 million, that were substantive for the electronic system and had an expected life of 15 to 20 years. The exterior of unit 8, the wall and the roof, were from 1968 and needed attention. Because those items had been addressed only minimally, those types of items would be included in the P03 study. With these recommended planning funds, Mr. Patrick had a high level of confidence in the estimate that would be provided for the CIP in the 2021-2023 biennium.

Hearing no other questions, Chair Carlton asked for public comment from Las Vegas and Carson City.

Paul McKenzie, Executive Secretary-Treasurer, representing Building and Construction Trades Council of Northern Nevada, AFL-CIO, supported the Nevada System of Higher Education (NSHE) CIP projects that put members to work. During the downturn in the economy, NSHE sites had construction activity when no one else was building. Given the fiscal notes that NSHE had submitted for SPWD bills, he was amazed at the value of the construction projects. Based upon the fiscal notes and economic studies conducted by professors in northern Nevada in 2013 and southern Nevada in 2019 and the 10 percent inflation increase in prevailing wages, there would have to be \$750,000,000 in construction project estimates to have the economic affect that NSHE cited in its fiscal notes.

Hearing no other public comment, Chair Carlton adjourned the meeting at 10:48 a.m.

RESPECTFULLY SUBMITTED:

Carmen M. Neveau
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a PowerPoint presentation titled "Department of Administration, State Public Works Division," dated March 14, 2019, and presented by Ward D. Patrick, Administrator, State Public Works Division, Department of Administration.

[Exhibit D](#) is a letter dated March 14, 2019, from Dwayne Hopper, a student member of the CSN nursing association in support of project C28, a Health and Sciences Building at the College of Southern Nevada. This letter was presented by Patricia Charlton, Vice President, Henderson Campus, CSN.

[Exhibit E](#) is a letter dated March 14, 2019, from Judy Stokey, representing NV Energy, in support of project C28, a Health and Sciences Building at the College of Southern Nevada and project C19, an Education Academic Building at the Nevada State College. This letter was presented by Judy Stokey, Vice President, Government and Community Strategy, NV Energy.

[Exhibit F](#) is a letter dated March 13, 2019 from Mayor Debra March in support of project C28, a Health and Sciences Building at the College of Southern Nevada and project C19, an Education Academic Building at the Nevada State College. This letter was presented by David Cherry, Government Affairs Manager, City of Henderson.