

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

**Eightieth Session
March 18, 2019**

The joint meeting of the Assembly Committee on Ways and Means and the Senate Committee on Finance was called to order by Chair Maggie Carlton at 8:09 a.m. on Monday, March 18, 2019, in Room 4100 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 COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Teresa Benitez-Thompson, Vice Chair
Assemblyman Jason Frierson
Assemblywoman Sandra Jauregui
Assemblyman Al Kramer
Assemblywoman Daniele Monroe-Moreno
Assemblywoman Dina Neal
Assemblywoman Ellen B. Spiegel
Assemblywoman Heidi Swank
Assemblyman Tyrone Thompson
Assemblywoman Robin L. Titus
Assemblyman Jim Wheeler

SENATE COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Chris Brooks
Senator Yvanna D. Cancela
Senator Moises Denis
Senator Pete Goicoechea
Senator Ben Kieckhefer
Senator James A. Settlemeyer



COMMITTEE MEMBERS EXCUSED:

Assemblyman John Hambrick

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
Sarah Coffman, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Anne Bowen, Committee Secretary
Lisa McAlister, Committee Assistant

After call of the roll, Chair Carlton asked the audience to silence their electronic devices and identify themselves for the record. Chair Carlton began with the hearing on budget account (BA) 1007, Office for New Americans.

**ELECTED OFFICIALS
OFFICE OF THE GOVERNOR
OFFICE FOR NEW AMERICANS (101-1007)
BUDGET PAGE ELECTED-16**

Paul Nicks, Deputy Director, Office of Finance, Office of the Governor, presented [Exhibit C](#), a copy of a PowerPoint presentation titled "State of Nevada, Office for New Americans, 2019-2021 Budget Presentation."

Mr. Nicks began the presentation with an overview followed by an organizational chart and the budget recommendations.

As of 2017, approximately 21 percent of Nevada's population was born in a foreign country. Projections provided by the Regional Economic Models, Inc. anticipated an average annual foreign migration of 9,800 individuals between the years 2020 and 2030. Approximately 89 percent of those individuals would move into Clark County, 8 percent into Washoe County, and the remaining 3 percent into the balance of Nevada counties. Mr. Nicks said a report by the New American Economy showed that 32,000 immigrants were self-employed and 61,000 individuals were employed by immigrant-owned businesses in 2016.

To assist these new residents, the Governor proposed the creation of the Governor's Office for New Americans. The proposed office would help new and aspiring Americans to participate fully in civic and economic life and serve as the coordinating office for all Executive Branch agencies. Mr. Nicks said the new office would identify the type of support that was most valuable to the immigrants, and the administrator would meet and coordinate with similar offices in other states to identify best practices.

The organizational chart on page 5 of [Exhibit C](#) reflected an administrator and an administrative assistant as staff. The amount recommended for personnel costs in year one would be \$116,688 and in year two, \$156,599. Out-of-state travel included two trips per year to visit other states to understand what processes worked best for their offices and to take the best practices of other states and use them for the creation of the Office for New Americans in Nevada. Mr. Nicks said the estimate for the out of state travel was initially proposed for four trips to the Washington D.C. area, but currently it was not known which states the administrator would visit. Mr. Nicks believed the administrator would go first to New York, which seemed to have to the most extensive office for new Americans, and from there identify other states with similar programs or similar elements of the programs.

In-state travel was estimated for six trips per year between Las Vegas and the Reno-Carson City area to meet with other agencies as well as city and county officials. It was intended for the administrator to eventually travel to the rural counties.

Mr. Nicks said the training piece of the budget was for attendance at two conferences per year. There was no conference or association for the Office for New Americans so the assumption was the administrator would be going to conferences held for other agencies, specifically planned around job creation and facilitating the way through the different processes, as well as understanding health and human services programs. He said that not all immigrants were immigrating because they wanted to; sometimes there was a refugee situation. The health and human services information would be a benefit for the administrator to understand.

Website development was one of the key things for the Office for New Americans in the initial biennium. Mr. Nicks said the intent was to have a single website that allowed immigrants to connect to links to the Department of Health and Human Services, the Secretary of State, the Department of Business and Industry, and the Department of Employment, Training and Rehabilitation.

According to Mr. Nicks, the total budget recommendation for the upcoming biennium was \$393,731.

Chair Carlton inquired about the thought process behind situating the Office for New Americans within the Office of the Governor.

Scott F. Gilles, Senior Advisor, Office of the Governor, stated that the thought process behind including the Office for New Americans within the Office of the Governor was that it was going to be unique in working with all the agencies. It made sense to place the office where it could receive direct oversight, and the vision of the Governor could be executed more clearly.

Chair Carlton inquired as to how this office would interact with other state and federal agencies and how the coordination would actually work.

Mr. Gilles said the Office would be investigating the best practices from other states that had created the Office for New Americans successfully, such as Michigan, Ohio, and New York, to determine what had worked best for them. The focus would be on a few of the agencies that Mr. Nicks referenced, primarily the Office of Workforce Innovation and the Department of Health and Human Services. Mr. Gilles said once the final bill language had been determined, he would have a better idea going forward.

Senator Kieckhefer noted there was a discrepancy between the classifications of the employees that were being proposed as compared to current employees in the Governor's Office. Historically, those employees had been nonclassified, but it seemed as though the budget proposed either unclassified or classified staff, and he wondered whether it was the intent of the Office of the Governor to make a shift in that direction.

Mr. Nicks replied that the Office of the Governor was considering a transition for some of the agencies into the unclassified service, instead of the nonclassified service.

Senator Kieckhefer asked whether the proposed transition was just for the new offices, or for other offices, like the Governor's Office of Energy, and the others under the Office of the Governor umbrella.

Mr. Nicks said that at this time it was just for the new offices, and there was no intention to change all of the offices.

Susan Brown, Director, Office of Finance, Office of the Governor, stated that the positions in the Office for New Americans were intended to be within the Office of the Governor, so those would be nonclassified. The budgets that would be heard next were included in the Office of the Governor, but those positions would not be in the Office of the Governor and the positions would be in the classified and unclassified service of the state rather than nonclassified.

Senator Kieckhefer said the idea appeared to be to just maintain nonclassified staff within the Office of the Governor, and Ms. Brown replied that was correct.

Assemblywoman Neal questioned what type of out-of-state training was required for the director of the Office for New Americans. She had been looking at the state of New York office and it was performing civic engagement, connecting to communities, and helping immigrants get through the naturalization process. Assemblywoman Neal said she was trying to figure out what kind of training was available locally and out-of-state as well.

Mr. Nicks explained that when the budget was built, the out-of-state travel for the training was ideally for going to conferences. He believed, after meeting with other states and learning best practices, it would help define that training. Mr. Nicks did not think there were specifics on what training was most valuable for the administrator, and there would be a discovery phase during the first biennium.

Assemblywoman Neal asked whether there were any local activities happening around naturalization in Nevada.

Mr. Nicks said it was his understanding that it was being handled by the state. For the naturalization process itself, the Office for New Americans was looking at expanding to helping individuals navigate the state processes to be able to become more involved economically and civically. When talking about the state's civics, Mr. Nicks said a lot would be centered on the right to vote. As far as the other pieces, it was helping immigrants work their way through getting their business license, looking at what help was available to start a business if that was the direction they wanted to go, or help them to find a job.

Assemblywoman Neal said she was going back to the same thing—a lot of the activities that Mr. Nicks had just described were happening in-state with actual people who had expertise. She was trying to figure out how to leverage what was already in place and who was already doing what Mr. Nicks was describing because there were already experts available, and the Office could build around and use that expertise.

Mr. Gilles said that what Assemblywoman Neal was suggesting was exactly what had been envisioned. There were resources helping with those types of issues, whether it was immigration, naturalization services, or job licensing, and Mr. Nicks wanted to identify those resources. The Office for New Americans would be responsible for developing sustainable partnerships with those existing community foundations: the nonprofit private sector providers that already served immigrants in Nevada.

Senator Denis wondered how a budget amount had been determined for the development of the website.

Mr. Nicks explained that the Department of Environmental Protection had developed three websites over the last biennium, with a range of costs from \$14,000 to \$45,000, and the Office would use that experience and information. He felt that the Office for New Americans website was going to be closer to the \$14,000 range because that was the cost of the State Environmental Commission website, and it seemed similar to what was being planned for the Office for New Americans. The extra amount of money was contingent upon the determination of whether a foreign language would be added.

Senator Denis asked whether the website would be crucial to getting information out to immigrants.

Mr. Nicks said he believed that the website was going to be that one place that immigrants could use to connect to different resources. The website would not necessarily be used to get the information out, but interested parties could go to a single source to find links to the Department of Health and Human Services, the Department of Employment, Training and Rehabilitation, the Department of Business and Industry, and to whatever other services could benefit them.

Senator Settlemeyer said he understood the Office had to have out-of-state travel for the purpose of training, but wondered where the administrator would travel to receive this type of training.

Mr. Nicks said the out-of-state travel portion would allow Office staff to travel to meetings with representatives from other states that had created these offices to determine best practices. He further explained that the training budget had two conferences per year, which would allow travel to those conferences. While there was no conference or association for an office of this type, there were conferences within other agencies that would help the administrator understand the different processes and understand what was new from the federal government or from other states.

Senator Settlemeyer said it seemed as if a phone call could save a lot of money.

Assemblywoman Spiegel referred to best practices and asked what performance measures were being put in place to (1) ensure that best practices were being met and (2) to determine the success of the program and whether it was meeting its objectives.

Mr. Gilles said that at this point, he did not know what those performance measures would be. The training and the travel to the other offices that had incorporated the Office for New Americans concept would reveal what benchmarks and performance measures they had identified and whether those offices were meeting those objectives. Mr. Gilles said there was a concept of what the office was going to do when providing services to new and aspiring Americans in this state, but performance measures had not been established.

Senator Cancela considered the qualifications for both the administrator and the administrative assistant and asked whether there was a requirement that either or both positions have grant experience. She said she asked because there was a lot of federal money available to immigrant outreach and to citizenship work that, as a state, Nevada had not had an organization qualify for, in part, because there had not been an organization that matched the criteria for some of the U.S. Citizenship and Immigration Services (USCIS) grants. She said she was interested in how the proposed Office for New Americans could potentially help either itself or other organizations leverage those dollars.

Mr. Gilles said the recruitment for these positions had not been formalized yet, but would definitely include grant experience to take advantage of the federal dollars available. He said the Office wanted individuals who had experience working with community partners to further develop and sustain those partnerships.

Senator Cancela said that she worked in citizenship and ran a small nonprofit that helped people apply for citizenship. She requested that when considering funding for this office in the future, Nevada's federal delegation staff be consulted to ensure that those dollars were being leveraged.

Chair Carlton stated she looked forward to working with the policy committee and the Office of the Governor to ensure that everyone was on the same page so the project was done right the first time.

Chair Carlton closed the hearing on BA 1007 and opened the hearing on BA 1010, Sentencing Commission.

ELECTED OFFICIALS
OFFICE OF THE GOVERNOR
SENTENCING COMMISSION (101-1010)
BUDGET PAGE ELECTED-106

Susan Brown, Director, Office of Finance, Office of the Governor, presented [Exhibit D](#), a copy of a PowerPoint titled "State of Nevada Sentencing Commission, 2019-2021 Budget Presentation," dated March 18, 2019. This recommendation related to [Assembly Bill \(A.B.\) 80](#).

The Sentencing Commission was created through [Senate Bill \(S.B.\) 451](#) of the 79th Session (2017) to advise the Legislature on proposed legislation and make recommendations with respect to all matters relating to the elements of the Nevada system of criminal justice. The Sentencing Commission met during the interim and recommended the establishment of this office to support the Commission and was expected to function as an independent and standalone body within the Executive Branch. In investigating and consulting with other states, of the 19 states that provided the location of their Sentencing Commission, only eleven commissions were part of the Executive Branch, and of those eleven, seven were independent agencies within the Executive Branch.

Ms. Brown referred to page 4 of [Exhibit D](#), which provided an organizational chart. The budget included funding for four positions and associated costs in accordance with [A.B. 80](#), which was currently working its way through the policy committees. The budget included in-state travel for monthly commission meetings, out-of-state travel for attendance at national seminars on sentencing guidelines, and criminal defense lawyer training programs for the staff. Based on discussions with the sponsor of the bill and with Fiscal Analysis Division staff, an amendment to those amounts was pending. Ms. Brown noted there were some additional items, and one of the positions did not match its description in the bill, but those adjustments would be made. The estimated cost had increased to approximately \$900,000 over the biennium.

Chair Carlton requested that Ms. Brown review the list of states with a Sentencing Commission and provide information about how the commissions were set up in those states. Ms. Brown said she had information from 19 states: eleven sentencing commissions were in the Executive Branch, six were in the Judicial Branch, and two were in the Legislative Branch. Referring to the commissions in the Executive Branch, there were three in the Office of the Governor, one in the university system, and seven were independent agencies.

Chair Carlton asked what seven states had independent sentencing commissions, and Ms. Brown said she would provide that information to Fiscal Analysis Division staff.

Chair Carlton said it was her understanding that A. B. 80 had passed out of the Assembly Committee on Judiciary on Friday, March 15th.

Assemblywoman Monroe-Moreno wondered how it was determined that four positions were appropriate staffing for Nevada's proposed Sentencing Commission.

Ms. Brown said she was not involved in those discussions. The Sentencing Commission determined it needed a director and a legal research type of position along with two administrative assistants to provide secretarial support to both the director, the research assistant, and the Sentencing Commission itself, which had 25 members.

Assemblywoman Monroe-Moreno asked whether minutes from the Sentencing Commission meetings would explain how four positions were determined to be the appropriate staffing level.

Ms. Brown said that Assembly Bill 80 contained all four positions, and staff from the Governor's Finance Office met with Justice James Hardesty of the Nevada Supreme Court last week to discuss the duties of those positions. She said she would continue with those discussions to ensure the Sentencing Commission had appropriate staffing.

Assemblywoman Swank questioned the per diem allowance for members, because she noticed it was not in the Governor's budget. She asked Ms. Brown to talk about the per diem allowance for members of the Sentencing Commission and how it would be funded.

Ms. Brown said she believed the Sentencing Commission members were currently eligible for travel and per diem expenses to travel to meetings. Those expenses would fall within the approved U.S. General Services Administration (GSA) rates, and the members would be reimbursed for travel costs to attend meetings.

Assemblywoman Swank wondered where in the budget that money was accounted for and said that information could be provided later.

Ms. Brown said that would be one of the amendments in the budget.

Assemblywoman Jauregui wondered about the purpose of the in-state and out-of-state travel.

Ms. Brown stated that in-state travel was used for staff travel to and from Commission meetings, and out-of-state travel was for attendance at national seminars on sentencing guidelines so that the staff could be current on sentencing guidelines at the federal level and be consistent across the nation.

Chair Carlton closed the hearing on BA 1010 and opened the hearing on BA 1008, the Office of Indigent Defense.

ELECTED OFFICIALS
OFFICE OF THE GOVERNOR
OFFICE OF INDIGENT DEFENSE (101-1008)
BUDGET PAGE ELECTED-102

Susan Brown, Director, Office of Finance, Office of the Governor, presented [Exhibit E](#), a copy of a PowerPoint presentation titled "State of Nevada Office for Indigent Defense, 2019-2021 Budget Presentation," dated March 18, 2019. Ms. Brown introduced Karin L. Kreizenbeck, State Public Defender, Office of the State Public Defender, Department of Health and Human Services.

Ms. Brown informed the Committees that the Nevada Right to Counsel Commission was created through Senate Bill (S.B.) 377 of the 79th Session (2017). Section 11 of the bill required the Commission to conduct a study during the interim concerning issues related to the provision of legal representation to indigent persons. One recommendation from that study was to create an Office of Indigent Defense to support the Nevada Right to Counsel Commission as well as indigent defense services. This Office was included in Assembly Bill (A.B.) 81, which was heard on March 12, 2019.

Page 4 of [Exhibit E](#), contained an organizational chart, and based on the recommendations, the budget included seven full-time positions and associated operating costs. It included a director, two deputy directors, a management analyst, a business process analyst, an executive assistant, and an administrative assistant.

The budget also included in-state travel, out-of-state travel, training, and travel for the Commission. The recommended funding for this budget over the biennium was \$1,750,437.

Chair Carlton noted, for clarification purposes, that there were seven positions recommended to be in the unclassified services.

Ms. Brown stated that was correct. The positions were proposed to be in classified and unclassified service. The director and deputy directors would be unclassified and the other positions would be classified.

Chair Carlton asked whether it was typical that the deputies were unclassified, and Ms. Brown said it was typical for deputy directors to be unclassified.

Senator Kieckhefer said he was trying to understand the movement of positions. There were seven new positions being created for the Office of Indigent Defense as well as the transfer of the State Public Defender positions from the Department of Health and Human Services.

Ms. Brown said that was correct.

Senator Kieckhefer asked whether there would be a budget amendment, because all he saw was the seven positions for the Office for Indigent Defense in the budget. He did not believe that when the DHHS Director's Office hearing was held that the State Public Defender had been moved out of that Department.

Ms. Brown explained there would only be a change in the agency code for the State Public Defender, because a new office would be created.

Senator Kieckhefer asked how many total positions there would be in the Office of Indigent Defense.

Ms. Brown replied that with the 14 positions from the State Public Defender and the seven proposed for the new Office for Indigent Defense, there would be twenty-one positions.

Senator Kieckhefer remarked that he could use more information about the caseload and the problems with serving the population that needed indigent defense in the rural counties. The Senator said he had heard discussions over time about the difficulty serving this need in rural Nevada, but he was not sure that this proposition actually solved that problem. The new office did not seem to provide more people on the ground for indigent defense.

Ms. Brown said she would work with the bill sponsors to get answers to those questions.

Chair Carlton requested that Ms. Brown elaborate on the travel budget for the Office of Indigent Defense.

Ms. Brown said in-state travel was for monthly meetings to meet with county staff that provided indigent defense, as well as a semiannual commission meeting in Las Vegas. Out-of-state travel consisted of a trip to the annual conference for public defenders and a public defender information seminar. There was also training for the office that included National Judicial College courses and National Association of Criminal Defense Lawyers training programs.

Chair Carlton asked about the office having two deputies.

Ms. Brown explained that according to A.B. 81, one deputy would oversee the State Public Defender's Office, and the second deputy would oversee the public defenders in the rural counties who were not being provided services by the State Public Defender's Office.

Chair Carlton asked whether both deputies would be based in Carson City.

Ms. Brown responded that the Office for Indigent Defense would be located in Carson City, so one deputy would supervise the State Public Defender's Office, also located in Carson

City, and the other deputy would be aligned with the public defenders in the counties that were not served by the State Public Defender's Office.

Chair Carlton referred to moving positions from the State Public Defender's Office over to the Office for Indigent Defense and asked whether there would be an adjustment to the budget of the State Public Defender's Office.

Ms. Brown said she did not believe that there would be a dollar adjustment to the State Public Defender's budget at this point in time, but that was still being researched.

Chair Carlton remarked that when the bill was heard in the Ways and Means Committee, there were a lot of questions.

Senator Kieckhefer asked whether the entire agency would be housed under one roof, because if not, that would entail moving costs and other expenses.

Ms. Brown responded that the office was hoping to acquire enough space to put the employees in one office without having to move the State Public Defender's Office.

Assemblyman Kramer stated that those rural counties that paid the bill for their own public defenders were going to be overseen by a state agency that also provided public defending for some rural counties that did not pay the bill. He said he saw a perverse incentive going on and wanted to clarify it.

Ms. Brown replied that if she understood the question, counties that were currently receiving public defender services through the state were paying a portion of that cost. If other counties were to come under the State Public Defender's Office, they would share the cost between the state and the county. The counties currently not using the State Public Defender's services were paying the total costs without help from the state. She said there were provisions in the bill that she could not speak to about how that would work: that was something that would have to be worked out in the bill.

Chair Carlton closed the hearing on BA 1008 and opened the hearing on BA 1325, Governor's Office of Finance—Smart 21.

ELECTED OFFICIALS
OFFICE OF THE GOVERNOR
GOVERNOR'S OFFICE OF FINANCE - SMART 21 (101-1325)
BUDGET PAGE ELECTED-61

Lee-Ann Easton, Director, Office of Project Management, Governor's Office of Finance, Office of the Governor, presented [Exhibit F](#), a copy of a PowerPoint presentation titled "State of Nevada Office of Project Management FY 2020-2021 [2019-2021 biennium] Overview."

Ms. Easton said she was here today to present the operating budget for the Office of Project Management. It was her understanding that there would be a separate bill hearing for the actual Smart 21 system funding. The Office of Project Management consisted of ten full-time staff, all subject-matter experts, specifically hired for their experience and skillsets in certain areas of the project. There were also three part-time, subject-matter experts who came into the project on an as-needed basis. Additionally, there were approximately 450 state employees involved in this project. The majority of these employees were subject-matter experts in their agencies, but management staff was also included.

The state was replacing its 19-year-old financial system and HR system with a comprehensive cloud-based Software as a Solution (SaaS) model that would integrate with other State of Nevada business systems such as:

- Nevada Executive Budget System.
- Nevada E-pro (procurement system).
- Asset Management Software.
- Other state operating systems as applicable.

A benchmark study conducted by the Hackett Group in 2014 revealed that the administrative processes around financial and human resources management in Nevada lagged behind other states in efficiency and effectiveness. The system was marked by a high rate of manual processes and lack of automation, investment, and technology. The one area that was highlighted in the study was the now 19-year-old system. Because that system had been so highly customized when it was obtained, it had never been upgraded.

Assembly Bill (A.B.) 504 of the 79th Session (2017) provided funding to hire a consultant and create the Office of Project Management. The consultant and staff were hired, and a request for proposal (RFP) was developed, processed, completed, and posted on August 31, 2018. The proposals were received in December 2018, the Office was currently evaluating those proposals, and the Office was working to select a vendor by mid-May 2019 and have the vendor start in July 2019.

The expected benefits of this project were statewide efficiencies and standardization of processes. Ms. Easton explained this would be achieved by decreasing manual or paper-based processes, incorporating business process improvements across all state departments, eliminating activities that did not add value, such as redundant keying and reconciliation of various systems, and improving the state's ability to manage its resources through integrated solutions and robust reporting. Currently, the systems could not talk to each other, but soon those systems would be integrated.

The Office of Project Management recommended six enhancements. Decision unit Enhancement (E) 225 provided space for four vendor staff. In the RFP, the Office of Finance, Office of the Governor, committed to providing office space for four contract personnel.

Decision unit E-226 was for the SMART 21 help desk, and would provide for three positions in the first year of the biennium and two additional positions in the second year to provide help desk services to state employees using the system. It would provide an IT manager, an IT Technician, and a public service intern in the first year, and in the second year, it would provide an additional IT Technician and another public service intern.

Decision unit E-227 recommended hiring an independent validation and verification (IV&V) consultant, who would validate and verify that the software had been configured according to the state requirements and before the state signed off on any deliverables. Ms. Easton said the consultant would bring system subject-matter experts into each phase of the project to validate that the software had been configured correctly to meet the state's needs. One of the largest risks and failures of new systems was not having an independent vendor validate and verify that the software had been configured correctly and would meet the requirements and needs of the project. Fourteen other states currently had policies in place making IV&V mandatory if their projects exceeded an average of \$1 million to \$3 million or more. Ms. Easton believed that IV&V was absolutely necessary on this project to mitigate risks to the state.

Decision unit E-228 addressed staff training to keep staff up to date on the latest best practices in HR Scrum [team-oriented approaches] and project management training.

Decision unit E-815 changed the director, administrator, and organizational change manager to unclassified service. Ms. Easton said making those positions unclassified would align them with other state unclassified positions with similar responsibility levels. It was originally intended for these positions to be in the unclassified service. However, since the funding was approved last session to hire a consultant to provide the organizational structure, which included the types of positions needed, they could not be included in the unclassified pay bill in time. Therefore, the agency had to create classified positions with the intent of moving those positions to unclassified service this session.

Decision unit E-501 and E-901 was the transfer of the training room into the Office of Project Management. The training room was currently housed under the Administrative Services Division of the Department of Administration. The Office of Project Management currently provided the fiscal training for the current system and would continue to do so with the current system and the new system. Ms. Easton noted that the organizational change management team managed the training room and training schedules. Several other agencies used the training room as well, so it made sense for the Office of Project Management to manage the training room.

Ms. Easton said those were the last of the enhancements in the budget as it currently stands; however, she wanted to make the Committees aware that a budget amendment had been submitted very late on Friday to increase the rent rate in the budget to allow the Office to move to a larger facility. The budget amendment would also eliminate one part-time, subject-matter expert position that would not be needed.

Chair Carlton asked whether the training room Ms. Easton just referenced was the one that used to be the Controller's training room, and when that office did not want to manage it anymore, it was moved to the Department of Administration and now was being resituated again.

Ms. Easton replied that was correct, and the Office of Finance had a position currently in its budget that handled all training. The reason for that position was that the Office needed someone who not only understood the current system but could work with the Office through the introduction and training for the new system.

Chair Carlton said that plan made sense because as the Office moved forward, there would be a lot of people that would have to learn the new system. The concern that Chair Carlton had in some of the original conversations was whether the new system would still integrate with the legislative system. If the new state system did not talk to the legislative system there would be problems next session.

Ms. Easton said basically the Legislature had a system that was mirrored by the Nevada Executive Budget System. Originally, in the scope of this project, it had been considered for those other systems to also be replaced, but in talking to all of the agencies and gathering requirements, it was discovered that the Nevada Executive Budget System (NEBS) system was customized and everyone liked it, but it needed some upgrades. Currently, that system was in the process of being upgraded, but the system would be maintained, and the systems would still talk to each other.

Chair Carlton said that sounded good and she wanted to make sure to have that conversation. The costs that were associated with providing the training, including the management analyst position, had been built into the budget and Chair Carlton wanted to see that separately. She asked Ms. Easton to expand on that.

Ms. Easton requested clarification of the question.

Chair Carlton stated the training component had been incorporated into the budget instead of separating it out. She wanted to see the training side separated to track the functionality of the training component, so there would be an idea of how it was working.

Ms. Easton said the Office of Finance would be tracking that, and those costs could be kept separate.

Chair Carlton remarked that the work that was intended to be performed by the grants projects analyst was not being performed since the reclassification of the position, so she was confused as to who was actually doing that work.

Ms. Easton said that originally, the scope of the budget system was modified to remove the grant system because the Office of Grants Management decided it would be faster to do its own RFP for a system. This was done with the understanding that the vendors would have to integrate any of the new systems, including the grant system when it was obtained.

Assemblyman Kramer said that brought up the essence of his question. The old system was really not off the shelf, but had been customized as it went along. He wondered how many times the state could purchase off-the-shelf programs and how many times something original would be written. He said he was seeing a lot of moving parts that probably did not start out with the same architecture, and there had to be some way of making them talk to each other. He asked Ms. Easton to comment on why she thought this system would be easier to install and get running than last time.

Ms. Easton said that what the state was looking to obtain was a cloud-based SaaS [software as a service] solution. A SaaS system was a subscription of a best practice system and that was what had been requested in the RFP: it was a best practice system that could be continually upgraded and integrated with other systems. The system received 19 years ago was an on-premises system that did not have that connectivity and integration built into it, and it had been a difficult system to run. The technology and SaaS solutions connected fairly easily with other new systems, and NEBS would connect with that. That connectivity was specified in the RFP. There was also a new e-procurement system, which could be integrated. The vendors that were responding had stated they could integrate because the technology had evolved.

Chair Carlton requested that Ms. Easton review the overall plan concerning how this would actually be installed and have the details finalized. What the Committees would need to understand was the effect on other state agencies.

Ms. Easton said she would review the timeline first and then explain how it would be managed. At this point, the RFP stated the state plan was to design the system and roll out the nonpayroll-related HR pieces first, because those were typically a little easier. Ms. Easton said those were anticipated to roll out through December 2020, with the payroll and the finance pieces doing so in the first quarter of 2022. That was the current plan, and that was the bid in the RFP; however, the vendors were planning to come back to discuss their best practice after evaluating all of the requirements and information. The process was ongoing, and the final roll out schedule would not be available until the vendor was selected, which was anticipated to be in mid-May.

In the meantime, an organizational change manager was in place, in addition to 60 change ambassadors. Mid-to-high-level positions in each agency had been invited into the change program for a three-day class taught by an instructor. Change ambassadors were taught about the new system and how to roll it out with agency staff. A big part of a system installation being successful was not only IV&V and the requirements, but the organizational change management to ensure a buy-in from every state agency. Ms. Easton said that was the reason the program had recruited over 450 state employees. Subject-matter experts in every agency had been involved to make sure that they had a say in the system and understood the requirements. If there were any questions at all, those questions could be answered and agencies could understand what was coming. There was going to be a lot of training to ensure state employees felt very comfortable with the system. Ms. Easton said all agencies had been contacted, and she had met with all of the directors. There was a steering committee comprised of high-level managers from almost all the large agencies because the Governor's Finance Office did not want any surprises.

Assemblyman Thompson noted that office space was being provided for the vendor. He said it was very difficult from his viewpoint to follow the flow of the presentation without actually seeing the RFP, so he was making some assumptions. He asked whether it was possible, since it was a web-based, cloud-based system that the selected vendor might not be from Nevada, therefore office space would not be needed.

Ms. Easton explained there was a requirement in the RFP that all work must be performed in the United States, but it did not have to be only in Nevada. The space for the vendor was the assurance that there would always be a minimum of four of the vendor's staff members on site at all times. The project staff was going to be working extremely close with this vendor. According to the vendors, 20 to 30 people at a time would be brought in for the design of the HR and the finance system, and the systems could be designed consecutively. Ms. Easton said she wanted to ensure there were at least the four vendor staff with project staff at all times.

Assemblyman Thompson referred to E-501 and E-901 and wondered whether the training space could be used as a dual space for training and vendor offices.

Ms. Easton stated that, currently, the training space had about 24 computers in it, was used 88 percent of the time, and was used by other state agencies on regular schedules. It could not be used as a constant space for vendor staff.

Senator Woodhouse referred to E-227 and said she had a two-part question. The first question was what benefits were expected by the agency as a result of the independent verification and validation (IV&V) services, and the second was what risks could be mitigated with the services.

Ms. Easton said she believed the IV&V was going to protect the state and mitigate the risks of not having a system that would do what was expected: that was one of the biggest failures noted in systems—lack of an IV&V. In other Nevada systems that had failed, there had been no IV&V. The IV&V vendor actually provided subject-matter experts in each area who looked at the software and how it was configured. The state, as a user, could go through the system and say it looked like it was working or not, but it could not look at that software and determine whether it was configured correctly. The IV&V vendor would be doing that verification and ensuring the state was protected.

Assemblywoman Spiegel said she had listened to Ms. Easton's explanation, but was a little confused by what specific risks would be mitigated.

Ms. Easton explained that the main risk was from the vendors not configuring the system to meet Nevada's needs. The IV&V vendor would verify that the system vendor configured the system correctly, and it would meet the needs of the state.

Chair Carlton inquired as to what the domino effect would be in upgrading all other technology by using this system.

Ms. Easton explained the system was going to integrate with all the state operating systems in HR and finance, so it would integrate with NEBS, the budget system, the e-procurement system, and eventually the grant system. The new cloud-based SaaS solutions were made to integrate with multiple systems, and integration had become a much easier process.

Assembly Committee on Ways and Means
Senate Committee on Finance
March 18, 2019
Page 18

Chair Carlton called for public comment, and hearing none, she closed public comment.

Chair Carlton adjourned the meeting at 9:21 a.m.

RESPECTFULLY SUBMITTED:

Anne Bowen
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 copy of a PowerPoint presentation titled "State of Nevada, Office for New Americans, 2019-2021 Budget Presentation," dated March 18, 2019, presented by Paul Nicks, Deputy Director, Office of Finance, Office of the Governor.

[Exhibit D](#) is a copy of a PowerPoint presentation titled "State of Nevada Sentencing Commission, 2019-2021 Budget Presentation," dated March 18, 2019, presented by Susan Brown, Director, Office of Finance, Office of the Governor.

[Exhibit E](#) is a copy of a PowerPoint presentation titled, "State of Nevada Office for Indigent Defense, 2019-2021 Budget Presentation," dated March 18, 2019, presented by Susan Brown, Director, Office of Finance, Office of the Governor.

[Exhibit F](#) is a copy of a PowerPoint presentation titled "State of Nevada Office of Project Management FY 2020-2021 [2019-2021 biennium] Overview," presented by Lee-Ann Easton, Director, Office of Project Management, Governor's Office of Finance, Office of the Governor.