

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Eightieth Session  
April 15, 2019**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 9:06 a.m. on Monday, April 15, 2019, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 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](http://www.leg.state.nv.us/App/NELIS/REL/80th2019).

**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 Heidi Swank  
Assemblyman Tyrone Thompson  
Assemblywoman Robin L. Titus  
Assemblyman Jim Wheeler

**COMMITTEE MEMBERS EXCUSED:**

Assemblyman John Hambrick  
Assemblywoman Ellen B. Spiegel

**STAFF MEMBERS PRESENT:**

Cindy Jones, Assembly Fiscal Analyst  
Sarah Coffman, Principal Deputy Fiscal Analyst  
Janice Wright, Committee Secretary  
Lisa McAlister, Committee Assistant

After a call of the roll, Chair Carlton reminded those in attendance to silence electronic devices, and then she reviewed the rules of the Committee. She would hear the bills first and



then the budget closings. She opened the hearing on a budget implementation bill, Assembly Bill 494.

**Assembly Bill 494: Revises provisions governing financial support for health care for indigent persons. (BDR 38-1204)**

Cody L. Phinney, M.P.H., Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services, testified that Assembly Bill (A.B.) 494 proposed changes to the Fund for Hospital Care to Indigent Persons. Since fiscal year (FY) 2014, the Board of Trustees of the Fund for Hospital Care to Indigent Persons transferred funds to Medicaid as the nonfederal share of the supplemental payment to hospitals. The supplemental payment was often referred to as the hospital indigent fund or the indigent accident fund. The Fund for Hospital Care to Indigent Persons was intended to preserve and increase access to inpatient hospital services for needy Nevadans. Since the program began, the Fund's supplemental payments had increased significantly, resulting in a decrease in state savings generated in other supplemental payment programs. The proposed language in A.B. 494 allowed the Board of Trustees of the Fund for Hospital Care to Indigent Persons to approve voluntary contributions to Medicaid to offset the decreased savings from other programs. The contribution would prevent a negative fiscal effect on Medicaid funding, but would still allow the Fund to grow and maximize federal matching funds for hospital reimbursements.

Chair Carlton recalled that the Legislature, during the 79th Session (2017), believed contributions could be made without exceeding the upper payment limits. Those provisions were proposed, but upon examination, the *Nevada Revised Statutes* (NRS) prohibited those actions. Assembly Bill 494 would revise the provisions in Chapter 428 of NRS, and A.B. 494 would allow the hospitals to leverage federal matching funds at the higher percent.

There being no further questions or comments from the Committee, Chair Carlton asked for testimony in support of, in opposition to, or neutral on the bill, but there was none. Chair Carlton closed the hearing on A.B. 494 and opened the hearing on Assembly Bill 496.

**Assembly Bill 496: Revises provisions governing the employees of the Silver State Health Insurance Exchange. (BDR 57-1215)**

Heather Korbolic, Executive Director, Silver State Health Insurance Exchange, testified that Assembly Bill (A.B.) 496 made changes to Chapter 695 of *Nevada Revised Statutes* (NRS) to authorize the Executive Director of the Exchange to appoint employees in the classified service. Current statutes limited the Executive Director to appointing unclassified employees. The provisions of A.B. 496 would allow the appointment of both classified and unclassified employees, which was necessary to administer the state agency. Assembly Bill 496 aligned the agency with The Executive Budget. The Governor recommended the addition of nine new full-time-equivalent (FTE) classified positions to assist in the operation of a fully functional, state-based exchange.

Assemblyman Thompson asked whether the agency believed that the nine new FTE positions would be sufficient or if the agency would need additional staff in the future.

Ms. Korbolic responded that the agency researched the basic operations and staffing levels of other state insurance exchanges. It conducted an assessment of the data from the other state insurance exchanges and determined that 85 FTEs was the average number of positions in other state insurance exchanges. The Silver State Health Insurance Exchange had 13 FTE positions. The transition to a state exchange required a total of 22 positions, which included the 9 new FTE positions recommended. She believed the agency could operate with that limited number of positions because a partner vendor operated the call-center operations. She was confident that the nine new FTE positions was a good foundation.

Assemblywoman Benitez-Thompson asked about the purpose of adding classified employees in addition to the unclassified positions and how that action was meaningful to employment.

Ms. Korbolic replied that the Exchange was experiencing growth to support the operations of a fully operational, state-based insurance exchange. The agency needed the ability to hire from a wider pool of classified employees.

Assemblywoman Benitez-Thompson asked whether the agency anticipated any reclassifications of positions or restructuring of the Exchange.

Ms. Korbolic replied that the nine new positions would be classified employees for the 2019-2021 biennium. The Exchange might consider restructuring in the future if needed.

Assemblyman Kramer asked why a fiscal note was provided if the only change was to allow the agency to hire classified employees.

Ms. Korbolic responded that the fiscal note was associated with the agency's budget and reflected the cost of the nine new FTE positions.

There being no further questions or comments from the Committee, Chair Carlton asked for testimony in support of, in opposition to, or neutral on the bill, but there was none. Chair Carlton closed the hearing on A.B. 496 and opened the hearing on the budget closings.

**ELECTED OFFICIALS**  
**OFFICE OF THE GOVERNOR (101-1000)**  
**BUDGET PAGE ELECTED-6**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that three budgets related to the Office of the Governor would be closed. Budget account (BA) 1000 was originally heard on February 6, 2019, and had three major closing issues including two new positions, additional in-state travel, and a new constituent information management system.

Ms. Jones stated that the Governor recommended General Fund appropriations of \$188,746 in fiscal year (FY) 2020 and \$180,007 in FY 2021 for two new nonclassified positions: an administrative assistant and a policy analyst, plus associated operating costs, office furniture, and computer equipment. The Executive Budget provided a July 1, 2019, start date for the positions. Those positions would not be in the classified service of government, but the recommended salaries were commensurate with a classified administrative assistant 4 (\$56,906 per year for the administrative assistant 4) and a classified management analyst 2 (\$74,240 per year for the management analyst 2). The administrative assistant position would provide front-desk support in Carson City as needed and provide support to the communications director and policy analysts. The proposed policy analyst would serve as a liaison between the Office of the Governor and assigned agencies.

Ms. Jones continued that the Office of the Governor justified the need for two new positions because of increases in the number of programs directly under the Office's purview, the number of programs in the Executive Branch, and the number of employees in state government. The new programs under the purview of the Office of the Governor included the Office of Science, Innovation and Technology, reestablished by the Legislature during the 78th Session (2015). In addition, the Western Interstate Commission for Higher Education was transferred to the Office of the Governor by the Legislature during the 78th Session (2015). The Office of Workforce Innovation was established at the Office of the Governor by the Legislature during the 79th Session (2017). In addition to new programs, the Office of the Governor experienced an increase in overall workload, and inquiries to the Office increased from 15,408 in FY 2015 to 36,420 in FY 2018.

Ms. Jones noted that under the prior administration, the Office of the Governor borrowed two positions from other Executive Branch agencies to support the increased workload. One position was from the Department of Health and Human Services, and one position was from the Department of Conservation and Natural Resources. Testimony provided by the Office of Finance, Office of the Governor, at the Committee budget hearing reflected that if the two new positions were approved, the two Executive Branch agency positions stationed at the Office of the Governor would be returned to the home agencies.

Ms. Jones asked whether the Committee wished to approve a new administrative assistant position and a new policy analyst position and associated operating costs for the Office of the Governor.

Assemblyman Kramer understood that the new positions were needed because the Office of the Governor borrowed positions from other agencies. He asked whether the two state agencies would experience a reduction of staff. He thought that if an agency was able to loan a position to the Office of the Governor, it might not need that position. He asked whether the result was a net increase or a zeroing out by moving individuals to the right department.

Ms. Jones responded that no reduction would occur in the other two Executive Branch departments from which the positions were borrowed. Those two staff positions worked on policy issues related to their home agencies. That policy work would continue to be done by

the new positions, and the borrowed positions would be returned to the home agencies. The budget would reflect a net increase of two positions.

There being no further questions or comments, Chair Carlton called for a motion.

ASSEMBLYMAN FRIERSON MOVED THAT THE COMMITTEE APPROVE A NEW ADMINISTRATIVE ASSISTANT POSITION AND A NEW POLICY ANALYST POSITION AND ASSOCIATED OPERATING COSTS FOR THE OFFICE OF THE GOVERNOR.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick and Spiegel were not present for the vote.)

Ms. Jones stated that the second major closing issue was the additional in-state travel in decision unit Enhancement (E) 230. Budget Amendment A192911000 was submitted on April 5, 2019, and recommended General Fund appropriations for additional in-state travel of \$8,160 in each year of the 2019-2021 biennium over the \$21,375 included in the base budget for each year. The Governor's Office anticipated six additional overnight trips for staff members to Las Vegas each year for meetings. The increase recommended in the budget amendment would be a 40 percent increase in FY 2020 and a 41 percent increase in FY 2021 compared to the amounts approved by the Legislature during the 79th Session (2017) for FY 2018 and FY 2019.

Ms. Jones asked whether the Committee wished to approve Budget Amendment A192911000 for additional General Fund appropriations of \$8,160 in each year of the 2019-2021 biennium for in-state travel.

There being no further questions or comments, Chair Carlton called for a motion.

ASSEMBLYMAN FRIERSON MOVED THAT THE COMMITTEE APPROVE BUDGET AMENDMENT A192911000 FOR ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$8,160 IN EACH YEAR OF THE 2019-2021 BIENNIUM FOR IN-STATE TRAVEL.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick and Spiegel were not present for the vote.)

Ms. Jones explained that Budget Amendment A192911000 also requested additional General Fund appropriations of \$46,937 in FY 2020 and \$2,544 in FY 2021 to replace the current constituent information management system (Simplicity/Voice) with a new system called Internet Quorum (IQ). The Executive Budget included General Fund appropriations of \$12,196 in FY 2020 and \$12,623 in FY 2021 for a portion of the annual operating cost for the existing Simplicity/Voice constituent information management system. The remainder of the annual costs for the existing system were currently supported by other Executive Branch agencies.

Documentation provided by the Office of the Governor indicated that the total costs to develop the IQ system would be \$59,133 in FY 2020, and maintenance and help-desk costs would total \$15,167 for FY 2021. The increases proposed in the amendment, combined with amounts included in the budget for the Office of the Governor, would fund the cost of the new IQ system. Development costs included ten user licenses, project management, engineering support, system configuration and integration, data conversion, vendor travel, user training, and help-desk support.

Ms. Jones mentioned that the IQ system was a customer relations management system used by 65 percent of members of the U.S. Congress, more than 40 percent of U.S. Governors, and over 100 federal, state, and local government offices. The current system gathered constituent communications, requests, and letters into one database through the “Email the Governor” link on its website for staff to manually sort, process, and track. The IQ system included features not available through the current system, including customizable web forms for constituent contacts, an ability to route inquiries to the appropriate staff for resolution, improved reporting and analysis capabilities, and the ability to send information to constituents through an outreach-based contact list.

Ms. Jones explained that other state agencies paid a portion of the cost for the Simplicity/Voice system in the 2017-2019 biennium directly through a billing from the Division of Enterprise Information Technology Services, Department of Administration. That billing was recommended to continue in The Executive Budget for the 2019-2021 biennium. The budget amendment sought to fund the new IQ system through the Office of the Governor in its entirety with General Fund appropriations. Costs totaled \$74,300 over the 2019-2021 biennium for the new IQ system compared to \$84,653 for the current system, for a savings of \$10,353. Ongoing costs would likely be similar to FY 2021 costs for continued savings over the current budget.

Ms. Jones noted that if the request for the new IQ system was approved and funded with General Fund appropriations in the budget for the Office of the Governor, the Fiscal Analysis Division staff recommended technical adjustments to the other Executive Branch budgets that currently funded a portion of the existing system to remove funding totaling \$30,877 in FY 2020 and \$28,957 in FY 2021 from those budgets.

Ms. Jones asked whether the Committee wished to approve General Fund appropriations of \$46,937 in FY 2020 and \$2,544 in FY 2021 for a new constituent information management system for the Office of the Governor and provide staff with authority to remove funding in the other budgets included in The Executive Budget that supported the existing system, totaling \$30,877 in FY 2020 and \$28,957 in FY 2021.

There being no questions or comments, Chair Carlton called for a motion.

ASSEMBLYMAN FRIERSON MOVED THAT THE COMMITTEE APPROVE GENERAL FUND APPROPRIATIONS OF \$46,937 IN FISCAL YEAR (FY) 2020 AND \$2,544 IN FY 2021 FOR A NEW CONSTITUENT INFORMATION MANAGEMENT SYSTEM FOR THE OFFICE OF THE GOVERNOR, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO REMOVE FUNDING IN THE OTHER BUDGETS INCLUDED IN THE EXECUTIVE BUDGET THAT SUPPORTED THE EXISTING SYSTEM, TOTALING \$30,877 IN FY 2020 AND \$28,957 IN FY 2021.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick and Spiegel were not present for the vote.)

Ms. Jones said replacement computer equipment was recommended in The Executive Budget in E-710 for equipment that had reached the end of its useful life in accordance with the replacement schedule provided by the Division of Enterprise Information Technology Services (EITS), Department of Administration. Over the 2019-2021 biennium, General Fund appropriations totaling \$12,990 were recommended to replace four desktop computers, three laptop computers with docking stations, and one computer monitor. The recommendation appeared reasonable. Fiscal staff recommended this other closing item be approved as recommended by the Governor and requested authority to make other technical adjustments as necessary.

There being no questions or comments, Chair Carlton called for a motion.

ASSEMBLYMAN FRIERSON MOVED THAT THE COMMITTEE APPROVE GENERAL FUND APPROPRIATIONS TOTALING \$12,990 TO REPLACE FOUR DESKTOP COMPUTERS, THREE LAPTOP COMPUTERS WITH DOCKING STATIONS, AND ONE COMPUTER MONITOR, AS RECOMMENDED BY THE GOVERNOR, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick and Spiegel were not present for the vote.)

BUDGET CLOSED.

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**ELECTED OFFICIALS**  
**OFFICE OF THE GOVERNOR**  
**GOVERNOR'S MANSION MAINTENANCE (101-1001)**  
**BUDGET PAGE ELECTED-10**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that budget account (BA) 1001 was originally heard by the Committee on February 6, 2019. There were no major closing issues. The Executive Budget recommended General Fund appropriations of \$30,849 for fiscal year (FY) 2020 and \$34,700 for FY 2021 for maintenance costs at the Governor's mansion in decision unit Enhancement (E) 730. Testimony during the hearing noted that the maintenance projects recommended for the 2019-2021 biennium included the remodel of the mansion cottage, replacement of the wallpaper and flooring in the mansion apartment, and general maintenance and repairs of the Governor's mansion and grounds.

Ms. Jones said that during the 79th Session (2017), the Legislature approved maintenance projects for the Governor's mansion of \$29,500 in FY 2018 and \$34,000 in FY 2019. The state's accounting system showed the amount approved for maintenance projects for FY 2018 was expended. However, no expenditures for maintenance projects approved for FY 2019 had been incurred as of April 13, 2019. After the hearing, the Office of Finance, Office of the Governor, reported that maintenance projects often commenced in spring when the weather allowed. Testimony during the February 6, 2019, hearing reflected that no deferred maintenance projects were outstanding at the Governor's mansion, and the recommendation appeared reasonable.

Ms. Jones asked whether the Committee wished to approve General Fund appropriations of \$30,849 for FY 2020 and \$34,700 for FY 2021 for maintenance costs at the Governor's mansion, mansion cottage, mansion apartment, and mansion grounds, as recommended by the Governor.

Assemblyman Wheeler asked about the water softener that was recommended at a cost of \$10,000. He questioned whether that amount was an estimate, whether a bid was requested, or whether the water softener was needed in FY 2021.

Ms. Jones responded that she lacked specific information about whether a bid process was conducted. She stated that an estimate of the cost was provided with the budget. The need for the water softener was recommended by the Buildings and Grounds Section, State Public



Works Division, Department of Administration. She would ask the Office of the Governor for supplemental information and provide that to the Committee.

There being no further questions or comments, Chair Carlton called for a motion.

ASSEMBLYMAN FRIERSON MOVED THAT THE COMMITTEE APPROVE GENERAL FUND APPROPRIATIONS OF \$30,849 FOR FY 2020 AND \$34,700 FOR FY 2021 FOR MAINTENANCE COSTS AT THE GOVERNOR'S MANSION, MANSION COTTAGE, MANSION APARTMENT, AND MANSION GROUNDS, AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick and Spiegel were not present for the vote.)

BUDGET CLOSED

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**ELECTED OFFICIALS**  
**OFFICE OF THE GOVERNOR**  
**GOVERNOR'S WASHINGTON OFFICE (101-1011)**  
**BUDGET PAGE ELECTED-15**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that budget account (BA) 1011 was not previously reviewed by the Committee. The Fiscal Analysis Division staff was responsible for developing closing recommendations for the budget. The Governor's Washington Office (Office) was authorized by the Legislature during the 63rd Session (1985) to identify, monitor, and provide information on selected federal issues of high priority to Nevada. The Office acted as the primary lobbyist for the state in Washington, D.C. and functioned as Nevada's point of contact for the congressional delegation, key federal agencies, and the White House. The Office maintained daily contact with key staff, tracked congressional issues of interest to the state, monitored regulations issued by federal agencies, and conveyed potential state effects to Congress and the administration. The Office was currently operated under contract by District Strategies, LLC, a Washington, D.C.-based limited liability company. The budget was funded with transfers from the Office of Economic Development, Office of the Governor; the Commission on Tourism, Department of Tourism and Cultural Affairs; and the Department of Transportation. There had been no change in the distribution portion, and each agency paid its specific amounts. There were no changes to the budget account and no major closing issues. The Fiscal Analysis Division staff recommended that the budget be closed as recommended by the Governor.

There being no questions or comments, Chair Carlton called for a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE APPROVE BUDGET ACCOUNT 1011, AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Hambrick and Spiegel were not present for the vote.)

BUDGET CLOSED.

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Chair Carlton opened public comment.

Jana Pleggenkuhle, Private Citizen, Las Vegas, Nevada, testified that she had served as a teacher for 27 years in the Clark County School District (CCSD). She knew the Committee had received testimony from many educators, teachers' unions, and others. She was a product of CCSD, and her two sons had also been educated at CCSD. As long as she had been in Nevada, education had never been appropriately funded. It was something that was talked about, but nothing was ever done to correct the problem. That was disconcerting to her. Financial issues affected education because it was about the student's success. Teachers and staff were held accountable because they were on the front lines. Education needed more funding from the state. Funding made a difference, as evidenced by the success of Zoom schools and Victory schools. Education had serious problems now. Underfunding in education led to large class sizes that also led to kids feeling as though they did not belong in schools and safety issues. Underfunding also led to inadequate salaries. That was why few individuals wanted to enter the teaching profession. All the unfunded mandates concerned her. She wanted the money committees to hold conversations with the policy committees. It was wrong to ask teachers to do more with less. Clark County did not spend \$6,000 per pupil. The national average spent was \$12,000 per pupil. Nevada could not expect students to become adequate citizens when education was insufficiently funded. The state sent a bad message when it failed to fund education at the national average. She asked for the Legislature to approve bills that would change the Nevada Plan, because the Plan was almost as old as she was. She was born in 1963, and the Nevada Plan was approved in 1967. The Nevada Plan was not effective or appropriate anymore. She asked the Legislature to approve bills to provide additional funding to education because \$6,000 was insufficient per pupil. She hoped action would be taken during the 80th Session (2019) to provide appropriate funding for education in Nevada. She concluded by saying education could not continue to do more with less funding and expect better outcomes for the students.

There being no further public comments or business to come before the Committee, Chair Carlton adjourned the meeting [at 9:37 a.m.].

RESPECTFULLY SUBMITTED:

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Janice Wright  
Committee Secretary

APPROVED BY:

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Assemblywoman Maggie Carlton, Chair

DATE: \_\_\_\_\_

## **EXHIBITS**

[Exhibit A](#) is the Agenda.

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