

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eightieth Session
May 23, 2019**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 8:22 a.m. on Thursday, May 23, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

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

GUEST LEGISLATORS PRESENT:

Senator Pat Spearman, Senatorial District No. 1

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Tom Weber, Committee Secretary
Lynn Hendricks, Committee Secretary

OTHERS PRESENT:

Kate Marshall, Lieutenant Governor
Courtney McKimmey, Chief of Staff, Office of the Lieutenant Governor
Amber Stidham, Henderson Chamber of Commerce

Senate Committee on Finance
May 23, 2019
Page 2

William R. Burks, Brigadier General, The Adjutant General of Nevada, Office of the Military, Nevada National Guard
Mitchell Roach, United Veterans Legislative Council
J. Kyle Dalpe, Ph.D., Interim Executive Director, Legislative Affairs, Nevada System of Higher Education
Grace Nichols, Coalition for Nevada National Guard Youth Challenge
Heather Goulding, Coalition for Nevada National Guard Youth Challenge
Brian Mitchell, Director, Office of Science, Innovation and Technology, Office of the Governor
Marty Elzy, Management Analyst, Central Services and Records Division, Department of Motor Vehicles
Susan Brown, Director, Nevada Governor's Finance Office
Jeff Hardcastle, Nevada State Demographer, Department of Taxation
Miles Dickson, Chief of Staff, Office of the State Treasurer
Jared Busker, Children's Advocacy Alliance
Annette Magnus, Executive Director, Battle Born Progress
Gariety Pruitt, Nevada Conservation League Education Fund
Jhone Ebert, Superintendent of Public Instruction, Nevada Department of Education
Heidi Haartz, Deputy Superintendent, Nevada Department of Education
Traci Davis, Superintendent, Washoe County School District
Natha Anderson, President, Washoe Education Association
Kimberly Gaar, Information Technology Administrator, Department of Employment, Training and Rehabilitation
Harold J. Wickham, Deputy Director of Operations, Department of Corrections
Sandra Douglass Morgan, Chair, Gaming Control Board
Andrew Tucker, Information Technology Manager, Gaming Control Board

CHAIR WOODHOUSE:

I will open the hearing on Senate Bill (S.B.) 495.

SENATE BILL 495: Creates the Office of the Small Business Advocate. (BDR 18-136)

KATE MARSHALL (Lieutenant Governor):

This bill creates the Office of the Small Business Advocate (OSBA) within the Office of the Lieutenant Governor. We had a policy hearing on S.B. 495 in the Senate Committee on Government Affairs on April 8, and today's hearing is on the budget for this bill. Funding for the OSBA was included in the

Executive Budget. However, when this Committee closed out the budget for the Lieutenant Governor's Office, there were some changes. I am here to provide some follow-up information in the hopes that you might reconsider.

COURTNEY MCKIMMEY (Chief of Staff, Office of the Lieutenant Governor):
I will walk you through S.B. 495. It is a straightforward bill that mostly just creates the OSBA within the Lieutenant Governor's office.

Sections 3 through 7 of the bill are definitions of "business," "local government," "office," "small business" and "state agency." In particular, section 6 defines a small business as a prospective, new or established business with not more than 100 employees. This follows the federal definition of "small business" and represents about 99 percent of the businesses in Nevada.

Section 8 of S.B. 495 creates the OSBA.

Section 9 of the bill outlines the types of cases the OSBA will handle. Note in section 9, subsection 1 that the OSBA will not handle business development cases. We will be referring those types of cases to the Nevada Small Business Development Center and other agencies, such as the Department of Business and Industry. The OSBA will mostly work in alliance with local governments and State agencies to handle regulatory issues small businesses may be facing.

Section 9, subsection 4, paragraph (d) outlines the types of items the OSBA will include in the annual report it submits to the Legislature.

Section 10 of the bill outlines the types of interactions the OSBA will have with State agencies, the types of requests the OSBA may handle and who will be eligible for those services.

Section 11 outlines how quickly the OSBA will be required to get back to small businesses that make complaints. It also provides that State agencies will get back to the OSBA in a timely manner and that the OSBA will notify small businesses regarding their issues within 30 days of receipt of the complaint.

Section 12 goes over the public record and confidentiality of the cases handled.

Section 13 states that the Lieutenant Governor may carry out the duties of this office.

LIEUTENANT GOVERNOR MARSHALL:

The bill includes three performance measures attached to the OSBA: how many contacts it makes with small businesses, how many cases are opened and the annual report.

I have distributed a packet of information ([Exhibit C](#)) that includes the annual report of Oregon's Office of Small Business Advocacy as an example of this type of report. The report, which is on pages 5 and 6 of [Exhibit C](#), identifies what types of complaints they had in their fourth year of operation. Of the total complaints they received, 42.6 percent concerned licensing, 2.6 percent were about procurement and 20 percent concerned taxes. The report also includes a map showing the geographic distribution of the cases the Office investigated.

On pages 3 and 4 of [Exhibit C](#), you will find the answer to a question from Assemblywoman Teresa Benitez-Thompson illustrating the lack of overlap between the OSBA, the Small Business Development Centers and the Department of Business and Industry. The Small Business Development Centers and the Department of Business and Industry are focused on helping businesses get access to capital, get start-up funds and make a business plan. The Department of Business and Industry also holds seminars. That is completely different from the purpose of the OSBA, which is there when a business is having a hard time getting through government regulations.

I can give you two examples of the kinds of problems the OSBA might solve. A company called to say they had applied for a mortgage lending license, but at the end of 30 days they had not heard back from the agency involved and could not get anyone to return their calls. We called and found that the application was on the desk of someone who had left the job, and the new person had not yet reached that point in the work on the desk. We were able to get that license application processed within a week. A second example involved a woman with a small business dealing with Medicaid and Medicare. She felt the State owed her money and was very upset about it. When I took her card, she told me she was pretty sure I would not call her back. We were able to connect her with the Department of Health and Human Services. As it turned out, it was not the State but her third-party administrator who owed her the money. The Department of Health and Human Services was able to connect with that third-party administrator, and the woman got her check.

These are the kinds of things the OSBA would do.

CHAIR WOODHOUSE:

One of the concerns we had when this budget was discussed had to do with redundancy, that the OSBA would be handling the same things two other offices were already doing. The chart on page 3 of [Exhibit C](#) is very helpful in clearing that up.

MARK KRMPOTIC (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

In section 8, subsection 2 of the bill, it states, "Employees of the Office are not in the classified or unclassified service of the State" I believe that would need to be amended because it implies that the positions would be nonclassified. Other than the Lieutenant Governor, the positions in the OSBA are unclassified.

LIEUTENANT GOVERNOR MARSHALL:

You are correct; that needs to be changed. That was just an error in semantics. The Executive Budget says the position is another assistant to the Lieutenant Governor. Those are unclassified positions; they are not nonclassified positions. I apologize for the error.

Because we were not able to get supporters here for today's meeting, I have letters of support from the Henderson Chamber of Commerce ([Exhibit D](#)) and the Nevada Small Business Development Center ([Exhibit E](#)). I have also supplied a list of organizations ([Exhibit F](#)) and individuals ([Exhibit G](#)) who expressed their support for S.B. 495.

SENATOR SETTELMAYER:

I was not in the meeting of the Senate Committee on Government Affairs when the policy of S.B. 495 was discussed. I have served as a Small Business Ombudsman for region 9 for the U.S. Small Business Administration for about ten years, so I am familiar with the great work a program like this can do. Are you envisioning the OSBA will work somewhat the same way? In that realm, we created reports to the U.S. Congress listing the problems businesses had run into. When those problems were with government agencies or departments, that report would be used to talk to the departments to make sure they knew they were being problematic. Do you intend the OSBA to work the same way?

LIEUTENANT GOVERNOR MARSHALL:

That is exactly what we envision. At the end of the year, we will produce an annual report to the Legislature. That report will provide you with the types of issues we saw, how many people contacted us, how many cases we opened, how long it took us to resolve the cases and what areas those cases were in. It will not include recommendations; that is the business of the Legislature. It will simply provide you with the information.

SENATOR SETTELMAYER:

I appreciate that. When we ran into problems at the national level, we found it very beneficial to know where the roadblocks existed. Those roadblocks were not laws; they were bureaucratic red tape. We reported that to Congress, and Congress could then call the offending agencies when funding time came around and tell them, "Maybe you ought to get rid of some of your red tape if you still want to be funded."

CHAIR WOODHOUSE:

Where would this office be physically located?

LIEUTENANT GOVERNOR MARSHALL:

It would be in Las Vegas.

AMBER STIDHAM (Henderson Chamber of Commerce):

We are in support of S.B. 495.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 495 and open the hearing on S.B. 295.

SENATE BILL 295 (1st Reprint): Creates the Nevada National Guard Youth Challenge Program. (BDR 34-566)

SENATOR PAT SPEARMAN (Senatorial District No. 1):

This bill has to do with setting up a National Guard Youth Challenge Program (NGYCP) in Nevada in partnership with the National Guard. Before I turn the discussion over to General Burks, I want to say on the record that he has been in service to our country for 42 years and will retire this August. Thank you, General Burks.

WILLIAM R. BURKS (Brigadier General, The Adjutant General of Nevada, Office of the Military, Nevada National Guard):

I have written testimony ([Exhibit H](#)) explaining the benefits of establishing the NGYCP in Nevada. This is something we have been working towards for perhaps the last nine years. Unfortunately, the State was not in a position to be able to meet the matching funds until this year.

When we submitted our budget request in August 2018, the NGYCP was in its infancy. We are still learning more today and more as we go on this journey, and it seems like each additional week we find something else new. Our neighbors to the west have three NGYCPs in place, two in southern California and one in the Stockton area. That is probably the most successful program right now and the one we are trying to emulate, with about a 95 percent success rate with the students they graduate there.

MITCHELL ROACH (United Veterans Legislative Council):
We are in full support of S.B. 295.

J. KYLE DALPE, PH.D. (Interim Executive Director, Legislative Affairs, Nevada System of Higher Education):

We supported this bill earlier in Session, and we do so again as a way to help mentor 16- to 18-year-old dropouts and at-risk youth to remain in high school. Many jobs emerging in the State require skills beyond high school that may be acquired through postsecondary education and to ensure these students are set up for success in the future. High school completion is paramount to that. We support S.B. 295 as a pathway in.

GRACE NICHOLS (Coalition for Nevada National Guard Youth Challenge):

I am here to speak in support of S.B. 295. My son went through the NGYCP in Oregon, and I saw the difference it made not only in him but in all the other boys and girls in the Program. Our kids deserve this program.

I have prepared a data sheet ([Exhibit I](#)) showing the results this program has achieved in other states. The facts are behind us, and the kids need us.

HEATHER GOULDING (Coalition for Nevada National Guard Youth Challenge):

I am here in support of this bill and this program for three reasons. First, it transforms the lives of the youths who participate in the program. Second, it is a fiscally responsible program that is also a great investment of Nevada's

dollars. Third, it provides training to make sure our youth are prepared for Nevada's jobs that addresses the workforce shortage.

GENERAL BURKS:

I should mention that we would like to start renovations in fiscal year (FY) 2020. We are in the process of cutting contracts for renovation, subject to the availability of funding. We would also like to start the process of hiring some of the key personnel, such as the director, the budget officer and the head recruiter. Their efforts are crucial in getting the program up and running quickly. The balance of the staff would be hired in FY 2021 to make sure we have the first class ready to go in January 2021. Thank you for your support.

MR. KRMPOTIC:

The Senate Committee on Finance and the Assembly Committee on Ways and Means, known as the money committees, approved the NGYCP funding, and what went along with that approval was a General Fund appropriations of \$500,000 in each year of the biennium. I believe that was approved in a single line item to provide for renovation of a facility, which was previously discussed before the money committees. However, the budget did not specifically provide for positions or any unclassified positions. Staff would therefore suggest language in the appropriations act to transfer funds to the second year of the biennium to allow for continued renovation, if it is not completed in the first year. The Office of the Military would need to come before the Interim Finance Committee to establish some of the positions General Burks mentioned.

I would also add that there is a request to have authority to hire an unclassified executive director and deputy director, which the Committee will likely see as a recommendation in the Unclassified Pay Bill when that is presented to the Committee in the next few days.

SENATOR PARKS:

As part of the policy committee that considered S.B. 295, we did get correspondence in March from the Elko County School District, which voted to authorize the operation of the Nevada Youth Challenge High School in partnership with the National Guard. Without the involvement of the Elko County School District, this would be a bigger challenge.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 295.

VICE CHAIR PARKS:

I will open the hearing on S.B. 402.

SENATE BILL 402 (1st Reprint): Makes various changes concerning educational programs relating to science, technology, engineering and mathematics and makes an appropriation. (BDR 43-887)

SENATOR JOYCE WOODHOUSE (Senatorial District No. 5):

This bill makes changes related to science, technology, engineering and mathematics (STEM) education. I will give you a quick overview of the bill and some of the reasons why this legislation is important.

First, let me share some data with you from a recent report by the Office of Science, Innovation and Technology (OSIT) that underscores the need for more STEM programming. This report states that between now and 2026, the growth rate for STEM jobs in Nevada will be 50 percent higher than the rate for non-STEM jobs. In addition, STEM jobs pay an average of \$32.68 per hour, compared to \$17.77 per hour for non-STEM jobs. Despite this, Nevada has about 78,000 fewer STEM jobs than the national average. Senate Bill 402 will help to close that skills gap by promoting STEM education in our communities and schools.

Among other things, this bill provides for the issuance of STEM license plates to help fund high-quality STEM programs that will help more students, especially those in underserved groups, become aware of and prepared for the many exciting opportunities and challenges awaiting those pursuing a career in the STEM fields.

The bill also revises several existing requirements relating to the promotion and recognition of Nevada STEM education programs by the Nevada Advisory Council on STEM. You will find those in section 13, subsection 2, paragraphs (a) and (b).

Section 14 of S.B. 402 would make related appropriations to fund certain STEM programs and activities. Subsection 1 appropriates \$250,000 in each FY of the biennium to award grants to elementary schools to promote equitable access to and increase the quality of STEM-related programs. Subsection 2 appropriates \$300,000 in each FY to award grants to fund activities and programs that increase awareness of and promote the benefits of STEM-related

programs. The grants in this subsection would be awarded through regional advisory boards in each of the three Nevada regions.

However, I am going on record today to recommend section 14 be deleted, stripping this measure of its appropriation of \$1.1 million. Even though I strongly support the need for the STEM grant programs in the bill, under the fiscal circumstances the State is in at the present time, I am reluctantly offering this amendment verbally.

Over the last 16 years, science, technology, engineering, arts and mathematics programs have been at the top of my to-do list. It is very difficult for me to make the decision to take the appropriation away from this measure. But with the Advisory Council on STEM, we will continue to move forward to find the best ways for us to address the needs of our schools, our teachers and our students so they receive the opportunities they need to have in order to move into occupations in the STEM fields.

I thank you for your consideration and support of S.B. 402.

BRIAN MITCHELL (Director, Office of Science, Innovation and Technology, Office of the Governor):

I will briefly review the bill. With the removal of the appropriations section, the bill has two main provisions. The first would create a STEM license plate. The proceeds from this would go to the Advisory Council on STEM for new programs promoting STEM education, building awareness and creating after-school programs. The Council believes these programs should specifically target students who have traditionally and historically been underrepresented in the STEM fields.

The second part of the bill is essentially statutory cleanup relating to the recognition events OSIT is required to hold, according to *Nevada Revised Statutes* 223. This section removes the location requirements, allowing OSIT to hold these events either in institutions of higher education or in businesses where we could accomplish better business engagement.

MARTY ELZY (Management Analyst, Central Services and Records Division, Department of Motor Vehicles):

We are neutral on S.B. 402 in regards to the license plate section. We have worked with the sponsor on that provision.

Senate Committee on Finance
May 23, 2019
Page 11

VICE CHAIR PARKS:

I will close the hearing on S.B. 402.

CHAIR WOODHOUSE:

I will open the hearing on S.B. 504.

SENATE BILL 504: Makes an appropriation to the Office of Finance for outreach and educational activities for the 2020 federal decennial census. (BDR S-1170)

SUSAN BROWN (Director, Nevada Governor's Finance Office):

We are here to talk about the 2020 Census. I will turn the discussion over to the State Demographer.

JEFF HARDCASTLE (Nevada State Demographer, Department of Taxation):

I have written testimony ([Exhibit J](#)) explaining how the appropriation requested in S.B. 504 would be used to promote the decennial census and ensure as complete a count as possible.

SENATOR KIECKHEFER:

Could you submit the budget you just outlined to the Committee in writing? We do not have any of that information, just the lump sum amount in the bill.

Who will manage the census project in Nevada?

MS. BROWN:

Nevada's Complete Count Committee has been established to oversee the project. Mr. Hardcastle will be working with a Statewide coordinator who will be appointed in the near future to coordinate all Statewide activities.

MILES DICKSON (Chief of Staff, Office of the State Treasurer):

We support this appropriation. As many of you know, Nevada has historically had low performances in federal grant funding. There are many causes for that, but few investments will drive better outcomes than a complete census count. Indeed, the formulae and the data collected through a complete census count, as well as the companion American Community Survey, will drive almost \$800 billion in formula-based aid every year for the next 10 years. Missing 1 percent or even 1 person will have a significant fiscal impact on the State. At the local level, having complete count data helps all of us make better decisions.

It helps nonprofits, local governments and other entities make better decisions about how to spend money, where to spend money and what kind of outcomes to look for.

As you heard from Mr. Hardcastle, this appropriation is a fraction of a fraction of the amount we will receive from the federal government. That fraction is dedicated to reaching some of the folks in Nevada who are the hardest to reach, including residents who are low income, minority, rural and students, who often do not have a permanent residence for more than a year. The community outreach and education that this investment will deliver is going to be critical for the State's ability to achieve a good count in 2020.

JARED BUSKER (Children's Advocacy Alliance):

This bill is one of our top priorities for this Session. As Mr. Hardcastle mentioned, in FY 2016 the State received over \$6.2 billion in federal funding, and a majority of that funding goes toward programs to support children, such as Temporary Assistance for Needy Families, Supplemental Nutrition Assistance Program, the Child Care Subsidy Program and many other programs that support children and families.

We also want to ensure we have a complete count of all Nevadans, especially children ages zero to five years, who are the mostly likely to be undercounted population in Nevada. There are 68,000 children under the age of 5 who are in hard-to-count neighborhoods who may be missed if we do not make the investment in S.B. 504. We urge your support.

ANNETTE MAGNUS (Executive Director, Battle Born Progress):

We want to express our support for this very important piece of legislation. The census is an important part of the work we do every day, and we want to make sure we get an accurate count. This bill is a great way to do that.

GARIETY PRUITT (Nevada Conservation League Education Fund):

I have written testimony ([Exhibit K](#)) expressing our support for S.B. 504.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 504 and open the hearing on S.B. 505.

SENATE BILL 505: Makes an appropriation to the Office of Finance for an adjustment to school districts affected by the district of residence issue. (BDR S-1173)

JHONE EBERT (Superintendent of Public Instruction, Nevada Department of Education):

We have a proposed amendment to S.B. 505 from the Nevada Department of Education (NDE). The Deputy Superintendent will give you the specifics.

HEIDI HAARTZ (Deputy Superintendent, Nevada Department of Education):

The NDE requests a conceptual amendment to reduce the appropriation amount for S.B. 505 to \$8,177,059 for the 2017-2019 biennium.

TRACI DAVIS (Superintendent, Washoe County School District):

I am here to express my support for S.B. 505. We submitted a memo ([Exhibit L](#)) from Dr. Steve Canavero, the previous Superintendent of Public Instruction, from November 2017. It is a concise and thorough explanation of the chain of events leading to the need for this legislation. I will not restate that information, but several of you are familiar with this issue as we worked diligently over the interim to find any and all possible solutions to this scenario. We are grateful for the work of many of you personally, the staff of the Fiscal Division, the NDE, Governor Steve Sisolak and the Governor's Finance Office to get us to this point.

NATHA ANDERSON (President, Washoe Education Association):

We support this bill and ask for your support as well.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 505 and open the hearing on S.B. 510.

SENATE BILL 510: Makes an appropriation to the Department of Employment, Training and Rehabilitation for a database system. (BDR S-1186)

KIMBERLY GAAR (Information Technology Administrator, Department of Employment, Training and Rehabilitation):

We are here to present S.B. 510.

Section 1 of the bill requests \$352,000 to replace the Microsoft Access database for the Commission on Postsecondary Education. This is to support

their Veterans Educational Benefits and Alcohol Awareness programs. We are requesting that the money be appropriated and expended in the second half of the biennium. I believe that is how it was set up in the budget.

SENATOR DENIS:

Section 1 of the bill speaks of access to the database, whereas you mentioned replacing an Access database. Is that accurate?

Ms. GAAR:

Yes. I believe that is a typo in the bill. We are upgrading an existing Access database. We completed a request for information (RFI), and the figure to upgrade the system was \$352,000.

SENATOR DENIS:

Are you replacing the Access database with another off-the-shelf product that is going to be customized for what you are doing, or is it already ready to go?

Ms. GAAR:

My understanding is that it is a configurable off-the-shelf system. There are three providers in this space across the U.S., so the field is pretty limited.

SENATOR DENIS:

Are you purchasing the database, or is it an online service?

Ms. GAAR:

I do not recall.

SENATOR DENIS:

Does the \$352,000 include taking the data from the current system and porting it to the new system?

Ms. GAAR:

Yes. The cost includes data conversion, which is estimated at 13 weeks or 520 hours of work to convert that data.

SENATOR DENIS:

Does that also include training so that your folks who are currently using the Access database will be trained in the new system?

Ms. GAAR:

I do not recall if they included it in the RFI, but we will definitely ask for it when we go to a request for proposal (RFP).

CHAIR WOODHOUSE:

I will close the hearing on S.B. 510 and open the hearing on S.B. 511.

SENATE BILL 511: Makes appropriations to the Department of Corrections for the replacement of roof hatches and a sewer pump and the repair of flooring, plumbing and a sewer grinder at various correctional centers. (BDR S-1184)

HAROLD J. WICKHAM (Deputy Director, Operations, Department of Corrections): This bill is a simple request for funds to protect the safety, health and welfare of staff and offenders throughout institutional sites in Nevada.

Section 1 of the bill is a request for \$49,294 to replace roof hatches at the High Desert State Prison. Due to poor design, these roof hatches have not lasted very well and have caused several injuries to staff going through them. Staff have to climb up a ladder and through the roof hatch to man the gun posts on top of the buildings. The hatches are dangerous and need to be replaced.

Section 2 is \$80,000 to repair plumbing and bathroom flooring at the Humboldt Conservation Camp. In previous Sessions, we received an appropriation for similar repairs to the Carlin Conservation Camp. Now the Humboldt Camp needs those same repairs to fix a dangerous situation. Our compliance enforcement staff inform me that we absolutely must repair or replace, as the facilities are becoming very dangerous and create substantial liabilities.

Section 3 is for \$18,482 to replace a sewer chopper pump at the Lovelock Correctional Center. This device keeps the sewers from backing up, which helps us recycle water and be better stewards of our natural resources.

Section 4 asks for \$25,000 to repair a sewer grinder at the Southern Desert Correctional Center. That is to keep the water flowing through the facility's plumbing system.

Section 5 asks for \$70,569 to replace floors and fixtures at the Tonopah Conservation Camp, as those plumbing facilities are falling through the floor. Our compliance enforcement staff inform me that we must take action on that.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 511 and open the hearing on S.B. 512.

SENATE BILL 512: Makes appropriations to the Nevada Gaming Control Board for modernization of the technology system and replacement of security system equipment. (BDR S-1188)

SANDRA DOUGLASS MORGAN (Chair, Gaming Control Board):

This bill is regarding funding for the Gaming Control Board's Alpha Migration Project (AMP), which is incrementally replacing the Board's 30-year-old computer system. This project will continue to move all applications and data from the Board's existing legacy applications to applications developed using current technologies which will offer enhanced functionality to both internal and external users. It will also provide easier access to licensing, casino ownership and tax form information, and additional information regarding our enforcement cases, gaming applicant information and gaming employee information.

The Board has submitted a proposed amendment ([Exhibit M](#)) to request re-appropriation of certain portions of unused one-shot funding from the 2017-2019 biennium to the 2019-2021 biennium for the same purposes. In 2017, the Legislature appropriated \$124,908 for in-state travel associated with the AMP. During the 2017-2019 biennium, a majority of the work related to this project took place at the Board's Carson City office, as most of that work transferred the Board's Tax and License Division information and the majority of those employees are located in Carson City. In the upcoming biennium, the project will focus on the Board's Enforcement Division, and most of our enforcement employees are housed in Las Vegas. We currently have \$112,066.83 remaining from this appropriation. We are required to revert this amount to the General Fund at the end of this FY. We are asking that we be allowed to use this funding for the AMP as a whole. Additional travel will be required to go to Las Vegas to ensure migration for our enforcement division.

SENATOR DENIS:

Could you explain that last point?

MS. MORGAN:

In the last biennium, there was a designated cost of \$124,908 just for travel related to the AMP. Those funds were not used because the migration of the system was for our Tax and License Division, and the bulk of those employees are located in Carson City. We are asking that instead of those monies being reverted back, we be allowed to use them in the next biennium for the AMP as a whole. In the upcoming biennium, we will be working on our Enforcement Division and other divisions, and the bulk of those employees are located in Las Vegas. For this reason, our contractor and Board staff will have to travel to Las Vegas more often than they did in the last biennium.

SENATOR DENIS:

Is most of the AMP being done in Carson City?

ANDREW TUCKER (Information Technology Manager, Gaming Control Board):

Up until now, yes. The majority of the staff working on the AMP are located in Carson City. We do foresee trying to bring consulting staff on board that can be located in Las Vegas to help mitigate that, but we are not sure how that is going to go yet. In the meantime, our employees will have to travel to Las Vegas because all of our application development staff are in Carson City.

SENATOR DENIS:

Where does the application itself physically reside?

MR. TUCKER:

The application is hosted in Las Vegas. However, since it is web-based, you can get to it from anywhere. Where it is hosted is not really relevant; it is more about the application development efforts. The people writing the code can speak to users directly, have those conversations about their needs and how it should be designed.

SENATOR DENIS:

So most of the guys writing the code are located here in Carson City, and they are going to be traveling to Las Vegas because they need to talk to the Enforcement Division people. Is that right?

MR. TUCKER:

Yes.

SENATOR DENIS:

How far along are we on this project?

MR. TUCKER:

There are several ways to look at it. We figure we are about 30 percent to 40 percent done, but we expect to accelerate in this next biennium. That is our plan. We are purchasing software for the Enforcement Division to handle some of their needs, and we are going to develop the rest. There are law enforcement application packages out there that we can purchase off the shelf, they are already developed, so we expect that to happen in the next few months. We will write the software for any needs the software package cannot address. We know for a fact that we have systems enforcement uses no software package will address, so we are prepared to integrate those two systems so they communicate and pass data back and forth.

SENATOR DENIS:

If I may recap, you anticipate that you are going to have multiple applications talking to the main system. You are going to have something for law enforcement that may be off-the-shelf, but it will be able to communicate with the new system. Is that right?

MR. TUCKER:

Yes. In our original RFP, we talked about how we were going to develop the software we needed because at the time we were in a unique business. Granted, gaming has grown quite a bit across the country, but we are still the leader in that field, and there were no applications out there that met our needs. Where we can find software applications to meet our needs, we would purchase that software. For example, we have an audit division, and potentially there is audit software we will be able purchase to meet some of their needs.

CHAIR WOODHOUSE:

I want to make sure we are clear on the record. Section 1 of the bill asks for \$7,218,698 to modernize the AMP. The proposed amendment adds a new subsection 2 that would appropriate what you have not used in this biennium of \$112,066 for travel costs. The new subsection 3 asks for \$143,211 for replacement of the security system equipment. Would you address the new subsection 4 that asks for \$100,000?

MS. MORGAN:

In the last Legislative Session, the Legislature appropriated \$100,000 for the Board for outside legal counsel. The Board is requesting that this be re-appropriated for use in future investigations and potential disciplinary proceedings. For full disclosure, I have communicated this request and been in contact with the Attorney General's Office on this as well.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 512 and open the work session on S.B. 504.

MR. KRMPOTIC:

Senate Bill 504 appropriates \$5 million for outreach and educational activities for the 2020 decennial census. There are no amendments or revisions to the amount of this appropriation.

SENATOR PARKS MOVED TO DO PASS S.B. 504.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:

I will open the work session on S.B. 511.

MR. KRMPOTIC:

Senate Bill 511 appropriates various sums to the Department of Corrections for repairs and maintenance. Staff are not aware of any revisions that need to be made to this bill and recommend approval.

SENATOR DENIS MOVED TO DO PASS S.B. 511.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Senate Committee on Finance
May 23, 2019
Page 20

CHAIR WOODHOUSE:

Is there any public comment? Hearing none, I will adjourn this meeting at 9:14 a.m.

RESPECTFULLY SUBMITTED:

Tom Weber,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	4		Attendance Roster
S.B. 495	C	6	Lieutenant Governor Kate Marshall	Information packet
S.B. 495	D	1	Lieutenant Governor Kate Marshall	Letter of support from Henderson Chamber of Commerce
S.B. 495	E	1	Lieutenant Governor Kate Marshall	Letter of support from Nevada Small Business Development Center
S.B. 495	F	1	Lieutenant Governor Kate Marshall	List of supporting organizations
S.B. 495	G	1	Lieutenant Governor Kate Marshall	List of individual supporters
S.B. 295	H	1	General William Burks	Written testimony
S.B. 295	I	1	Grace Nichols / Coalition for Nevada National Guard Youth Challenge	Data sheet
S.B. 504	J	1	Jeff Hardcastle / Department of Taxation	Written testimony
S.B. 504	K	2	Gairety Pruitt / Nevada Conservation League	Written testimony
S.B. 505	L	3	Traci Davis / Washoe County School District	Memo from Steve Canavero
S.B. 512	M	1	Sandra Douglass Morgan / Nevada Gaming Control Board	Proposed amendment