

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eightieth Session
May 28, 2019**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 8:16 a.m. on Tuesday, May 28, 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 Marilyn Dondero Loop, Senatorial District No. 8
Senator Joseph P. Hardy, Senatorial District No. 12
Senator Melanie Scheible, Senatorial District No. 9
Senator Pat Spearman, Senatorial District No. 1

STAFF MEMBERS PRESENT:

Rick Combs, Director, Legislative Counsel Bureau
Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Karen Hoppe, Senior Program Analyst
Julie Waller, Senior Program Analyst
Desirae Munns, Committee Secretary
Linda Hiller, Committee Secretary

OTHERS PRESENT:

John Packham, PhD., Associate Dean, Office of Statewide Initiatives, University of Nevada, Reno School of Medicine
Joan Hall, President, Nevada Rural Hospital Partners
Michael Hackett, Nevada Public Health Association; Nevada Primary Care Association; Nevada Academy of Physician Assistants
Fran Almaraz, Teamsters
Alfredo Alonso, Zuffa/UFC
Paul J. Enos, CEO, Nevada Trucking Association
Misty Grimmer, Nevada Resort Association
Paul Moradkhan, Las Vegas Metro Chamber of Commerce
Jenny Reese, Nevada Association of Realtors
Danny Thompson, Teamsters Local 14
Mendy Elliott, Reno Sparks Chamber of Commerce
Shannon Chambers, Labor Commissioner, Office of the Labor Commissioner, Department of Business and Industry
Lee-Ann Easton, Director, Nevada Office of Project Management
Ward Patrick, Administrator, State Public Works Division, Department of Administration
Jameson Smith, IT Professional, State Public Works Division, Department of Administration
John Borrowman, Deputy Director, Support Services, Department of Corrections
Chris Sewell, Chief of Operations, Department of Employment, Training and Rehabilitation
Tiffany Tyler, Ph.D., Director, Department of Employment, Training and Rehabilitation
Kara Jenkins, Administrator, Nevada Equal Rights Commission
Kimberly Gaa, Administrator, Division of Information Development and Processing, Department of Employment, Training and Rehabilitation
April Sanborn, Services Manager III, Management Services and Programs Division, Department of Motor Vehicles
Paul Nicks, Deputy Chief, Office of Finance, Office of the Governor
Debi Reynolds, Deputy Administrator, Administrative Services, Division of Public and Behavioral Health, Department of Health and Human Services
Brian Sotomayor, Administrative Services Officer, Northern Nevada Adult Mental Health Services, Division of Public and Behavioral Health, Department of Health and Human Services

Erin Williams, IT Manager, Division of Public and Behavioral Health, Department of Health and Human Services

Nova Murray, Deputy Administrator, Field Operations Support, Division of Welfare and Supportive Services, Department of Health and Human Services

Melanie Young, Executive Director, Department of Taxation

J.D. Decker, Administrator, Division of Compliance Enforcement, Department of Motor Vehicles

Andy Mackay, Nevada Franchised Auto Dealers Association

Jessica Adair, Chief of Staff, Office of the Attorney General

Denise Tanata, J.D., Executive Director, Children's Advocacy Alliance

Joanna Jacob, Dignity Health-St. Rose Dominican Hospitals

Octavio Posada, Interim Executive Director, Nevada Minority Health and Equity Coalition

Joelle Gutman, Washoe County Health District

Benjamin Schmauss, American Heart Association

Lisa Swearingen, Chief, Eligibility and Payments, Division of Welfare and Supportive Services, Department of Health and Human Services

DuAne Young, Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services

Tonya Laney, Administrator, Field Services Division, Department of Motor Vehicles

CHAIR WOODHOUSE:

I will open the meeting of the Senate Committee on Finance. We are going to move the hearing on Senate Bill (S.B.) 551 to tomorrow; we are still working with some of the partner groups and want to have all the information before we hear the bill.

SENATE BILL 551: Revises provisions relating to state financial administration. (BDR 32-1286)

I will open the hearing on S.B. 171.

SENATE BILL 171 (1st Reprint): Provides for the collection of information from certain providers of health care. (BDR 54-73)

SENATOR JOSEPH P. HARDY (Senatorial District No. 12):

I am licensed to practice medicine in three states—Utah, Arizona and Nevada. Recently, I have been surveyed and renewed licenses in Arizona and Utah. Senate Bill 171 is endeavoring to do what those states are already doing by compiling data on medical practitioners in their states about who is practicing there, where they are practicing and with what specialty. It would be valuable information for Nevada to have for planning and assessing our access to medical care in the State and to know where the needs are for more medical practitioners. This is important in relation to the patient protection bill we passed, S.B. 544, because to know what we are doing we need information and data.

[SENATE BILL 544](#): Creates the Patient Protection Commission. (BDR 40-1221)

The fiscal note for S.B. 171 was removed from both the Department of Health and Human Services (DHHS) and the Nevada Board of Examiners for Social Workers.

John Packham, who has been involved with this issue for some time, recognized that we need to do something. The rationale behind S.B. 171 is from his office, and they can absorb this effort without any cost to the State.

JOHN PACKHAM, PH.D. (Associate Dean, Office of Statewide Initiatives, University of Nevada, Reno School of Medicine):

I am testifying in support of S.B. 171 which, if passed, would dramatically improve the quantity and quality of workforce data that is currently lacking for policy-making bodies such as this Legislature. Senate Bill 171 asks individuals who are renewing their licenses to practice medicine to provide some additional information on where they work and what type of work they are engaged in and when they plan to retire. This would give us better data to make health workforce policy decisions in Nevada.

CHAIR WOODHOUSE:

I will take testimony in support of S.B. 171.

JOAN HALL (President, Nevada Rural Hospital Partners):

Having accurate data is very important for us. We have lots of providers who retire to Incline Village or to Douglas County and although they are not practicing there, when we look at the data, it shows that we have a plethora of

physicians there. We need accurate data to tell us otherwise. The State Board of Nursing has had this type of questionnaire on our license renewals for many years, and it only takes about 30 seconds to fill out. We think this issue is important; we support S.B. 171.

MICHAEL HACKETT (Nevada Public Health Association, Nevada Primary Care Association):

Both the Nevada Public Health Association (NPHA) and the Nevada Primary Care Association (NPCA) support S.B. 171. In addition to Dr. Packham's work through the NPHA, the NPCA was very involved in working on S.B. 171 this Session. We agree the collection of data is very important. We see S.B. 171 as a complimentary piece to a bill passed out of the Senate Committee on Finance yesterday, S.B. 472, requiring data to be collected from payer claims.

SENATE BILL 472: Establishes a database of information concerning health insurance claims in this State. (BDR 40-1145)

CHAIR WOODHOUSE:

I will take testimony in opposition or neutral to S.B. 171. Seeing none, I will close the hearing on S.B. 171 and open the hearing on S.B. 289.

SENATE BILL 289 (1st Reprint): Makes an appropriation for health services in underserved areas. (BDR S-610)

SENATOR JOSEPH P. HARDY (Senatorial District No. 12):

Most states have a loan repayment program for medical practitioners who choose to work in a locale that meets the federal definition of having inadequate medical care. Senate Bill 289 provides that a physician or individual in one of the professions covered in the bill can get up to \$50,000 per year tax-free. An investment by the State will get matching dollars from the federal government, so half of that money would come from the State and the other half from the federal government. The medical practitioners can participate in this program for up to 6 years which means they could get up to \$300,000 tax free to come to one of our rural areas, for example, which is where the need is. The fiscal note for S.B. 289 is \$250,000 per year in the biennium.

Ms. HALL:

The Nevada Health Service Corps (NHSC) was established by the Nevada Legislature in 1989 to designate areas of underservice within Nevada and to

match practitioners to those areas of need. Practitioners can enter at any time of the year if they are practicing in a Health Professional Shortage Area (HPSA), which is an underserved area. Nevada was awarded a federal match this year up to \$500,000. That money matches dollar-for-dollar and every penny goes to the loans. There is no overhead or administrative costs; it all goes to the providers.

All of these providers must take Medicare and Medicaid which is an issue we have had especially in underserved areas. If they desire to stay in the rural community, practitioners can do so for several years. Many have had great success with recruiting providers because of this. The Department of Corrections (NDOC) has had medical doctors hired through this program because the NDOC facilities are also in HPSA sites. Mental health providers in Clark County and the Federally Qualified Health Centers (FQHC) in Clark County also benefit from this program. The providers that can apply for this loan are medical doctors, physician assistants, nurse practitioners, dentists, clinical psychologists, licensed clinical social workers, marriage and family therapists, pharmacists and nurses. We see this as a huge benefit for the rural communities as well as Statewide.

MR. PACKHAM:

Our office oversees the NHSC; we know these loan repayment dollars are one of the most effective ways to recruit practitioners to rural and medically underserved areas and to keep them there. The vast majority of individuals who had been loan repayment recipients are still practicing in Nevada. This program is not limited to physicians; it applies to dental hygienists, behavioral health professionals, pharmacists and others who can utilize loan repayment dollars to attract those individuals to their communities and facilities.

SENATOR GOICOECHEA:

In this loan repayment, is the rate of repayment negotiated with an annual cap?

MS. HALL:

The contracts are available for one year terms for up to \$25,000 per year. That contract can then be renewed.

SENATOR HARDY:

It is not a loan.

SENATOR GOICOECHEA:

It is typically the repayment of student loans.

Ms. HALL:

That is exactly what it is—repayment for their educational loans. It is tax-free and given in a lump sum to pay off that portion of their loan. This way, they can continue to work and make money. We have had physicians stay up to six years under this program, and often they stay with their practices after the program ends for them because they are invested in the community.

SENATOR GOICOECHEA:

I thought the cap was \$30,000, but I can attest that this program does work. We have recruited medical professionals in some of the smaller rural communities with the loan repayment program. You can get some good quality physicians in a small place.

CHAIR WOODHOUSE:

I will take testimony in support of S.B. 289.

MICHAEL HACKETT (Nevada Academy of Physician Assistants):

On behalf of the Nevada Academy of Physician Assistants (NAPA) and the NPHA, we support S.B. 289. The NAPA sees this as a program from which we can benefit. Access to health care is a priority for the NPHA. This loan forgiveness program would improve access. On behalf of the NPCA, this is an important recruiting tool for our FQHCs to get the health care providers that we need in those centers.

CHAIR WOODHOUSE:

I will take testimony in opposition or neutral to S.B. 289. Seeing no one wanting to testify, I will close the hearing on S.B. 289 and open the hearing on S.B. 493.

SENATE BILL 493 (1st Reprint): Revises provisions relating to misclassification of employees. (BDR 53-1087)

SENATOR MARILYN DONDERO LOOP (Senatorial District No. 8):

Senate Bill 493 in its first reprint seeks to adopt many of the recommendations made by the Legislative Commission's Subcommittee to Study Employee Misclassification from the 2009–2010 Interim. The Subcommittee was directed

to determine the scope of the problem of employee misclassification in Nevada. As a result, the Subcommittee adopted five recommendations, which were introduced to the 2011 Legislature. However, none of the recommendations were enacted.

Two of the bills, S.B. No. 207 of the 76th Session, which imposed an administrative penalty against an employer who misclassifies an employee as an independent contractor, and S.B. No. 208 of the 76th Session, which created the Task Force on Employee Misclassification, were passed by the Legislature, but they were ultimately vetoed by then-Governor Brian Sandoval. Senate Bill 493 incorporates several of the provisions from the 2011 Session.

I have submitted a mock-up of Proposed Amendment No. 6037 to S.B. 493 ([Exhibit C](#)) prepared by the Legal Division of the Legislative Counsel Bureau (LCB). Section 7 of the bill requires the offices of the Labor Commissioner; the Division of Industrial Relations (DIR) of the Department of Business and Industry; the Employment Security Division of the Department of Employment, Training and Rehabilitation (DETR); the Department of Taxation and the Attorney General to share among their respective offices certain information relating to suspected employee misclassification.

Senate Bill 493 establishes the Task Force on Employee Misclassification and sets forth its duties. The bill also requires the Labor Commissioner to provide the personnel, facilities, equipment and supplies required by the Task Force to carry out its duties. Section 8 of the amendment, [Exhibit C](#), revises the membership of the Task Force and requires the Governor to appoint the members.

Section 10.3 of the amendment authorizes the Labor Commissioner to impose an administrative penalty against an employer who misclassifies a person as an independent contractor or otherwise fails to properly classify an employee.

Sections 15, 17 and 22 of the amendment similarly authorize DIR, DETR, and the Department of Taxation respectively, to impose such administrative penalties.

Section 10.4 of the amendment, [Exhibit C](#), authorizes a person who has been misclassified as an independent contractor to file a complaint against his or her employer with the Labor Commissioner to seek an administrative penalty. If the

allegations in the complaint are sustained, administrative penalties may be imposed upon the employer including damages for lost wages or benefits, reasonable attorney's fees and costs. Sections 16, 18, and 23 authorize a person to file a complaint with DETR, the DIR and the Department of Taxation to seek an administrative penalty.

As stated in the Legislative Counsel's Digest portion of [Exhibit C](#), section 10.5 of the proposed amendment "provides that a natural person who is a contractor or subcontractor or who provides certain labor for a contractor or subcontractor and meets certain requirements is presumed to be an independent contractor." The "certain requirements" which must be met are the three-part standards commonly known as the "ABC Test."

As a result of new language to S.B. 493 that creates new duties and responsibilities for State agencies, there is a fiscal impact. However, it is my understanding that the Proposed Amendment reduces that impact. We have had many stakeholder meetings during Session; I believe they are all in agreement with this Proposed Amendment, [Exhibit C](#).

SENATOR SETTELMAYER:

Which section contains the ABC Test? Are you indicating we are going to the ABC Test?

SENATOR DONDERO LOOP:

The ABC test is contained in section 10.5 of the proposed amendment, [Exhibit C](#).

SENATOR SETTELMAYER:

I am not sure that everyone would be in favor of going to the ABC Test, so I will take issue with that concept.

SENATOR DONDERO LOOP:

We had at least 13 stakeholders in a room; they all agreed to the proposed amendment language.

SENATOR SETTELMAYER:

I appreciate that, but I think there were probably a few more stakeholders who were not in that room.

SENATOR GOICOECHEA:

In the agriculture industry, we have a number of people we call day workers. They typically come to work on a daily basis or for a week, and they might even bring their own horses. Technically, we treat them as independent contractors. I am concerned that this might impact that practice.

SENATOR DONDERO LOOP:

This is not designed to pull in that type of a person. It is centered on construction which is why we talk about contractors. We had stakeholders from many different walks of life, and this language is what we all agreed on just two days ago.

SENATOR SETTELMAYER:

The biggest issue with the ABC Test is the last portion of it where it says "the worker is customarily engaged in an independently established trade, occupation, or business of the same nature as the work performed for the hirer." This will severely affect everyone in the trucking industry, cosmetologists, barbers and agriculturalists. As an agriculturalist, I have farm equipment, and if I go to my neighbor's property and work there, by that definition, I am in that customary field. I would not be considered an independent contractor when to me clearly I am; I am filling out an Internal Revenue Service (IRS) 1099 form. That is why the test that was developed in 2015 had so many different parameters. The customary practice language is the biggest barrier in the ABC Test. Was there an agriculturalist or a representative of agriculture in the room with the stakeholders? Were there cosmetologists in the room?

SENATOR DONDERO LOOP:

Paul J. Enos from the Nevada Trucking Association was in the room and so was a representative from the Las Vegas Chamber of Commerce and realtors. I can go down the list if you like. All fields were represented.

CHAIR WOODHOUSE:

I will take testimony in support of S.B. 493.

FRAN ALMARAZ (Teamsters):

I represent the Teamsters Union. To Senator Settelmeyer's question, the new language in S.B. 493 leaves everything intact from 2015. The only addition to the 2015 law is language to cover construction. Construction seems to be the

area where most of labor has the biggest problem. The new language only covers construction and everything else from 2015 is still there.

SENATOR SETTELMAYER:

I appreciate that, and it explains why the stakeholders are in agreement.

ALFREDO ALONSO (Zuffa/UFC):

On behalf of Zuffa/UFC, we support the efforts to tackle this issue. The existing definition from 2015 that everyone worked so hard on is staying in the statute. The new test will only apply to construction. The new language with the Task Force on Employee Misclassification to get to some of the bad actors is something we support along with S.B. 493.

PAUL J. ENOS (CEO, Nevada Trucking Association):

We support Proposed Amendment No. 6037 to S.B. 493, [Exhibit C](#). This has been a tough one for us. We opposed it in the Senate Committee on Commerce and Labor because of an amendment with widespread application of the ABC Test. For our industry, where we hire a lot of independent operators, contractors and owner-operators, the second part of the ABC Test was an almost impossible test for us to meet.

We support S.B. 493 because the general ABC Test provision is no longer in S.B. 493 and only applies to those folks included in *Nevada Revised Statutes* (NRS) 624. We support S.B. 493 because the Task Force on Employee Misclassification has given the Labor Commissioner the ability to go after bad actors. In the areas where we have independent contractor definitions, whether it is in employment security or worker's compensation, to be able to go after those bad actors and not make everybody a bad actor makes S.B. 493 a bill we can support.

I appreciate the sponsor and those in the business community for working with us to get it to this point. We do not want to make everybody a bad actor who is truly in the independent contractor process or role; those are roles people like to do so they can have independence and freedom. This new language in Proposed Amendment No. 6037 to S.B. 493 gets us there.

CHAIR WOODHOUSE:

I will take testimony in opposition or neutral to S.B. 493.

Senate Committee on Finance
May 28, 2019
Page 12

MISTY GRIMMER (Nevada Resort Association):

We are neutral on S.B. 493. I believe we can move to support after our members review Proposed Amendment No. 6037, [Exhibit C](#).

PAUL MORADKHAN (Las Vegas Metro Chamber of Commerce):

We are neutral, based on a quick review of Proposed Amendment No. 6037, [Exhibit C](#).

JENNY REESE (Nevada Association of Realtors):

The Nevada Association of Realtors is neutral on the bill after working with Senator Dondero Loop on various amendments.

DANNY THOMPSON (Teamsters Local 14):

I was out of the room when support testimony was heard, but the Teamsters are in support of S.B. 493.

MENDY ELLIOTT (Reno Sparks Chamber of Commerce):

We echo the sentiments of the Las Vegas Metro Chamber of Commerce and the Nevada Association of Realtors. We are neutral to S.B. 493. We appreciate Senator Dondero Loop's efforts.

SHANNON CHAMBERS (Labor Commissioner, Office of the Labor Commissioner, Department of Business and Industry):

I am here to speak to the fiscal note of S.B. 493. At this point, it needs to stay on the bill, but we will work with the sponsor and the parties to see what we can do about that.

CHAIR WOODHOUSE:

We have two fiscal notes on S.B. 493. One is from the Office of the Labor Commission, and one is from the DIR. It would be greatly appreciated if you would continue to work with our staff and let us know when you have something new.

MS. CHAMBERS:

Absolutely.

SENATOR KIECKHEFER:

I am trying to understand section 14 through section 18 of S.B. 493. Chapter 232 of NRS covers State departments, so my interpretation is that we

are applying the same administrative fines against State agencies that intentionally misclassify people. Am I reading that correctly, or is the intention for your Office to put penalties against private sector employers who intentionally misclassify people?

MS. CHAMBERS:

The Labor Commissioner's jurisdiction is limited to private employment. I did see Proposed Amendment No. 6037, [Exhibit C](#), this morning, but I would have to look more specifically at it to make sure those lines are not being overlapped. I do not think that is the intent.

SENATOR KIECKHEFER:

It is a general addition to NRS Chapter 232, but that Chapter is all about State departments. I doubt we are trying to layer this on top of State agencies.

MS. CHAMBERS:

I will look at that more closely and get back to the Committee.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 493 and open the hearing on Assembly Bill (A.B.) 500.

ASSEMBLY BILL 500 (1st Reprint): Makes and extends the reversion of appropriations to the Office of Finance for costs associated with replacement of the Advantage Financial and Human Resources System with the Enterprise Resource Planning System. (BDR S-1166)

LEE-ANN EASTON (Director, Nevada Office of Project Management):

Assembly Bill 500 would continue the funding for the Smart 21 Project which is to replace the State's financial and human resource (HR) systems. Over the past 18 months, the Office of Project Management has been working diligently on the development and release of the request for proposal evaluation of both written bids and oral presentations. We are currently in the negotiation stage with a vendor which should be completed soon. After that, when we are satisfied the vendor can meet the State's requirements, we will issue a notice of award. We anticipate to have a contract in place for the July 2019 Board of Examiners meeting with a start date of July 10.

Going through A.B. 500, section 1, subsections 1.5 and 2; and section 3, subsections 3 and 4 provide funding over the biennium to pay for the initial system design configuration, integration, load stress testing and vendor support. This will provide funding for the additional subject matter experts that the vendor requires from the State to implement this project. The subject matter experts will complete the design and configuration, change management and perform testing and training of the system prior to deployment. It is anticipated we will bring the subject matter experts on full-time intermittently throughout the project until the system deployment which is expected to be in January 2021 for nonpayroll related HR modules and January to July 2022 for payroll and finance.

In working with the vendor, we estimate it will take 13 HR staff, 15 financial staff and 8 technical staff on this project totaling approximately \$2.5 million annually. Our plan is to bring in the State subject matter experts in each field and reimburse their agencies for their time so the agencies can hire additional temporary staff for these positions. This project will begin moving at a very rapid pace once the vendor is on board with us in July. We will need to move fluidly and make decisions quickly in these specified areas to keep this project on schedule.

We expect the funding for each area to be placed into a special use category to ensure we keep costs segregated and are able to quickly provide an analysis of costs incurred in each of these areas. We will need this not only for transparency on the projects but for our own budgeting purpose as well. Making the funding readily available from our budget would enable us to access it quickly as needed throughout the project with the intent of providing this body a report of progress made and expenditures incurred on a periodic basis of whatever timeframe is appropriate and that will not delay the project.

SENATOR KIECKHEFER:

In your final request to have the money placed in your budget, was that for section 3, or are you asking for a change in section 1 and section 2?

MS. EASTON:

No, that would be for all of it. We are currently negotiating with the vendor, so we are not exactly sure of the cost for the next two years. We are just anticipating what the costs will be. To keep the project on track with the plan we have in place and to go into the vendor contract, we will need access to the

funds fairly quickly so we do not get it off track. If we delay the project on the State side, the vendor could end up charging us more.

SENATOR KIECKHEFER:

Section 1 and section 2 have language that allows you to carry forward the unexpended allocation from the current biennium.

Ms. EASTON:

Yes.

SENATOR DENIS:

Is this project using an off-the-shelf system that we are customizing or are we doing it from scratch?

Ms. EASTON:

What we have asked for is a solution that is a software as a service (SaaS) model. We will get a best practice system, and we will configure it. We do not want to customize the system, because we want to be able to upgrade as we go. The lesson we learned in 2000 when the State first put in these systems was that it was so heavily customized it could not be upgraded. As a result, we have a system from 2000 that has never been upgraded. We want a system that is a best practice model that we can highly configure to meet the State's needs but that is not going to be customized. That way, the system can be upgraded and maintained for years to come.

SENATOR DENIS:

Will you have an ongoing agreement with the vendor for the maintenance as well as State employees who can customize the parts, so you do not have to go to the vendor every time you need to modify something?

Ms. EASTON:

Yes, we anticipate a 10-year contract with the vendor. In the first four years, we will be developing and deploying the system and after that the vendor will maintain it as a SaaS. We want the State to be involved so we can do some of the maintenance.

SENATOR DENIS:

How long do you anticipate it will take to transfer data from the old system to the new system?

Ms. EASTON:

We plan to roll this out in phases, so we will hire a master service agreement (MSA) vendor to come in and clean our data. We will be working with them to ensure the data that is to be transferred over is clean. Because 2021 is the year we expect the HR component to be fully deployed except for anything related to payroll, we are going to transfer the data over in each phase. We expect to be done with the HR component by 2021. We expect the finance and payroll component would be done the following year and rolled out between January and July 2022.

SENATOR DENIS:

Is the MSA contractor money in addition to the current request?

Ms. EASTON:

No, it is included.

SENATOR PARKS:

I was looking for a one-pager of all the costs, but I could not find one. Except for the funding already appropriated, are we looking at around \$40 million?

Ms. EASTON:

Yes. We are still negotiating, so we are not sure what the first year or second year costs will be, but to get it initially established, we would need \$50 million over 2 years.

CHAIR WOODHOUSE:

I will take testimony in support of A.B. 500. Seeing none, I will take testimony in opposition or neutral. I will close the hearing on A.B. 500 and open A.B. 502.

ASSEMBLY BILL 502: Makes an appropriation to the Office of Finance for an electronic tracking system for capital improvement projects.
(BDR S-1172)

WARD PATRICK (Administrator, State Public Works Division, Department of Administration):

Assembly Bill 502 is a request for \$500,000 for an Electronic Tracking System for Capital Improvement Projects (CIP) which will enable CIP scope tracking, cost containment and inflation monitoring.

This item has been on our strategic plan for several years and under evaluation for the last two years. Needs have been inventoried, documented and Smart 21 and Enterprise Information Technology Services (EITS) have been engaged. An analysis of other states' electronic tracking of CIPs has been completed and several commercial off-the-shelf systems have been investigated.

We have also investigated the possibility of using the programmer of the Nevada Executive Budget System (NEBS) as a solution. This programmer has developed the current HR data warehouse and the Nevada Project Accounting System which the Administrative Services Division, the State Public Works Division (SPWD) and the LCB use to track fiscal transactions on CIP projects.

This is an inward facing system that is transparent within State government similar to the timecard system. Whether we use commercial off-the-shelf systems with minor modifications or a custom system, this is planned to be integrated with NEBS. This request will make scope, cost containment and inflation tracking a transparent process.

Although this request for funding to develop the CIP Tracking System is not the whole amount of funding needed in the IT area, it will allow tracking of scope, cost containment and inflation. You can see the benefits of the proposed system.

SENATOR DENIS:

How long do you anticipate it will take to get this up and running?

MR. PATRICK:

It should be up and running after the next biennium, which could be June 2021.

SENATOR DENIS:

Do you anticipate it will be a fairly easy switchover? Will you have to bring elements of the other system into the new CIP Tracking System, or will you be able to start with new projects on this one and just switch over?

MR. PATRICK:

Some integration with the existing projects will carry over into the biennium.

SENATOR DENIS:

Will you have the ability to make adjustments to customize some pieces for what you are doing in-house as opposed to having to go out to a contractor every time?

MR. PATRICK:

We are not that far along in the process to determine how the maintenance will go, but the idea is for the project to have a bidding phase, followed by the selection of the contractor and then we would have more information at that time.

SENATOR DENIS:

I would hope you could have the ability to do some customization so you would not have to reference back to the contractor. In the past, we have had issues where changes were dependent on the contractor's input and work.

MR. PATRICK:

We would look to models where we can do some of the maintenance ourselves, as well as to have EITS involved, so the knowledge of how to maintain the system would not be lost.

JAMESON SMITH (IT Professional, State Public Works Division, Department of Administration):

We are currently holding all our data in-house. We will work with vendors to ensure that our data will integrate with that software to minimize customization, so we do not have to go through the vendor and can still use our current data structure.

SENATOR DENIS:

A lot of similar projects come before the Legislature. I want to make sure we do not run into the same problems we sometimes have when we do these highly specialized projects and then experience maintenance problems. I appreciate that you are trying to switch to something that will help you function better. I just hope we can keep an eye on it.

SENATOR BROOKS:

Have you looked at customizable solutions that the contracting community is using, so there are cost codes and communication between the contracts that

are awarded and the State Public Works Division (SPWD)? If so, why is the implementation date out into 2021? That seems a little far away.

MR. PATRICK:

Regarding the systems the contractors are using during the course of construction, we use Bluebeam, the industry standard. That is how we monitor projects during construction. We have been looking at other states, and the state model that most closely fits our needs is in Utah. That state uses a program called AssetWorks. We use industry tracking systems such as Timberline and various scheduling software, but this is more of the administrative tracking.

Regarding the timeline, we are looking at a conservative layout for this item. It does not do everything for the SPWD, but it does track the projects from the public sector perspective. We had hoped to do this sooner, but various projects have procurement processes and we have to go through coordination and implementation with NEBS. We think we can do all that within the next two years. We would rather under promise and over deliver.

CHAIR WOODHOUSE:

I will take testimony in support of A.B. 502. Seeing none, I will take testimony in opposition or neutral. Seeing none, I will close the hearing on A.B. 502 and open the hearing on A.B. 507.

ASSEMBLY BILL 507: Makes appropriations to the Department of Corrections for the replacement of buses and other vehicles. (BDR S-1183)

JOHN BORROWMAN (Deputy Director, Support Services, Department of Corrections):

Assembly Bill 507 includes an appropriation totaling \$2,553,655 for the replacement of NDOC regular operating vehicles. This includes vans that are our primary transport vehicle for inmates, buses, SUVs and five sedans for general administrative transportation. Assembly Bill 507 also includes caging necessary to modify vehicles for inmate transportation. We transport inmates for court appearances, medical appointments and between facilities as inmate classifications change.

We have not replaced vehicles in the past two bienniums due to spending caps, so this request represents a large catch-up.

SENATOR PARKS:

Are any of the acquisitions large diesel buses?

MR. BORROWMAN:

Yes, one is a mini-bus and one is a full-size bus. They are part of our Statewide transfer system among all facilities. Our current bus broke down with inmates nine times in the past year, which created a substantial safety and security concern. We are trying to address that with this request.

SENATOR GOICOECHEA:

We approved a large amount to the Division of Forestry for 10 crew buggies. Do you have those? I just want to ensure we do not have overlap.

MR. BORROWMAN:

We do not use those crew buggies.

CHAIR WOODHOUSE:

I will take testimony in support of A.B. 507. Seeing none, I will take testimony in opposition or neutral. Seeing none, I will close the hearing on A.B. 507 and open the hearing on A.B. 508.

ASSEMBLY BILL 508 (1st Reprint): Makes appropriations to the Department of Corrections for certain medical equipment. (BDR S-1185)

MR. BORROWMAN:

Assembly Bill 508 is to provide for replacement medical equipment within NDOC including common equipment like defibrillators, autoclaves, vital sign monitors, x-ray sensors, etc. It also includes common industry standard equipment including oxygen concentrators and a deep vascular scanner.

CHAIR WOODHOUSE:

I will take testimony in support of A.B. 508. Seeing none, I will take testimony in opposition or neutral. Seeing none, I will close the hearing on A.B. 508 and open the hearing on A.B. 509.

ASSEMBLY BILL 509: Makes an appropriation to the Nevada Equal Rights Commission for the new automation solution to streamline the intake process. (BDR S-1187)

CHRIS SEWELL (Chief of Operations, Department of Employment, Training and Rehabilitation):

Section 1 of A.B. 509 allows the Nevada Equal Rights Commission (NERC) to install a new automated solution to streamline the intake process. This includes a case management system. Section 2 includes the technical language of the appropriation and expenditures.

TIFFANY TYLER, PH.D. (Director, Department of Employment, Training and Rehabilitation):

Assembly Bill 509 is our commitment to due process and recourse for individuals, particularly as it relates to this work. Given the 300-day timeframe, individuals languishing on the rolls because we are undertaking a manual process can be denied justice. We appreciate any consideration you might give us in approving the implementation of this automated system.

KARA JENKINS (Administrator, Nevada Equal Rights Commission):

This case management system would be unprecedented for the history of NERC. We have no case management system right now, and the way we do things takes too much time. All complaints with the NERC are filed on paper. This takes about 20 percent of our investigators' time, time which could be better devoted to investigating cases.

Timeliness and case management has been a criticism of the NERC for some time. Assembly Bill 509 will be a great step forward to reduce the amount of time taken away from settlement by giving the investigators an opportunity to actually work cases. This case management system would take the place of any administrative work that my investigators or administrative staff have to do. It would allow people who want to file a complaint to file through an online portal case management system. This would allow us to weed out cases that are not met jurisdictionally. With this system, we could also get better reports, data and information to the Governor and the Legislature for public records requests. It would be helpful not only to the citizens of Nevada, but for the State government as well.

We did a request for information (RFI) in anticipation of requesting this allocation; we have six bids and an amount we think is feasible. With the requested funds we would be able to start the process of creating a case management system like that in other states where people can file online. This

system will allow us to track and reduce human error so we can process complaints in a timelier manner.

SENATOR PARKS:

Are the six proposals you have from your RFI all for off-the-shelf software programs?

KIMBERLY GAA (Administrator, Division of Information Development and Processing, Department of Employment, Training and Rehabilitation)

Yes. The RFI we conducted was for a customizable software system that would be supported by the vendor.

CHAIR WOODHOUSE:

I will take testimony in support of A.B. 509. Seeing none, I will take testimony in opposition or neutral. Seeing none, I will close the hearing on A.B. 509 and open the hearing on A.B. 510.

ASSEMBLY BILL 510: Makes an appropriation to the Department of Motor Vehicles for the Automatic Voter Registration Initiative. (BDR S-1190)

APRIL SANBORN (Services Manager III, Management Services and Programs Division, Department of Motor Vehicles):

Assembly Bill 510 was submitted on behalf of the Department of Motor Vehicles to secure the remainder of funds for FY 2020 in the amount of \$87,000 from the State General Fund which are needed to implement the Automatic Voter Registration (AVR) Initiative. The DMV is working in cooperation with the Office of the Secretary of State, county clerks and registrars, the Office of the Governor and the respective advocacy groups to implement the AVR process by January 1, 2020.

CHAIR WOODHOUSE:

I will take testimony in support of A.B. 510. Seeing none, I will take testimony in opposition or neutral. Seeing none, I will close the hearing on A.B. 510 and open the hearing on A.B. 517.

ASSEMBLY BILL 517 (1st Reprint): Makes supplemental appropriations to the Office of the Governor for an unanticipated shortfall in contract, utility and other operating costs. (BDR S-1230)

Senate Committee on Finance
May 28, 2019
Page 23

PAUL NICKS (Deputy Chief, Office of Finance, Office of the Governor):
Section 1 of A.B. 517 requests \$8,475 for a shortfall in utility costs for the Governor's mansion.

Section 2 of A.B. 517 requests an appropriation of \$12,500 for a shortfall in operating costs in the Office of the Governor.

Section 3 of A.B. 517 is a request for \$33,556 for a shortfall in contract costs related to the State single audit.

SENATOR PARKS:

In section 3, why would there be a \$33,000 shortfall for contract costs for the single audit? That seems like a relatively large sum for an adjustment.

MR. NICKS:

The contract was renewed last summer. Since we budgeted two years ago, the increase in the contract cost was not included in the previous budget.

SENATOR KIECKHEFER:

The Senate Committee on Finance Subcommittee on Audit also approved a contract that was more expensive than what was budgeted.

CHAIR WOODHOUSE:

I will take testimony in support of A.B. 517. Seeing none, I will take testimony in opposition or neutral. Seeing none, I will close the hearing on A.B. 517 and open A.B. 518.

ASSEMBLY BILL 518: Makes a supplemental appropriation to the Division of Public and Behavioral Health for an unanticipated shortfall in indirect cost rate revenue. (BDR S-1233)

DEBI REYNOLDS (Deputy Administrator, Administrative Services, Division of Public and Behavioral Health, Department of Health and Human Services):

Assembly Bill 518 makes a supplemental appropriation to the Division of Public and Behavioral Health (DPBH) for \$1,565,311 for an unanticipated shortfall in indirect cost rate revenue. The factors that contributed to this shortfall include eight positions that were transferred off of the State General Fund onto indirect cost rate with the assumption that additional indirect costs could be generated by transferring these positions. Unfortunately, the costs for these positions

were already included in the indirect cost rate proposal that was submitted to and approved by the Federal Department of Health and Human Services Division of Cost Allocation Services. Therefore, additional indirect revenue cannot be generated by transferring these positions.

There was also an overprojection of budgeted indirect revenue, notably in Budget Account (B/A) 101-3215 where \$1.1 million of indirect revenue was budgeted in each year of the biennium. However, only \$72,000 was collected in FY 2018 and a similar amount is projected for FY 2019.

HEALTH AND HUMAN SERVICES

DIVISION OF PUBLIC AND BEHAVIORAL HEALTH

HHS-DPBH - Communicable Diseases — Budget Page DHHS-DPBH-60
(Volume II)
Budget Account 101-3215

There was a disconnect in the cost allocation unit and the staff that builds and manages the budget account. The actions we have taken to address these factors include requesting a budget amendment to reinstate the General Fund. The budget amendment for the 8 positions that were transferred from the State General Fund was approved by the Senate Committee on Finance and Assembly Ways and Means money committees on May 13, 2019. We have reviewed the budgeted indirect revenue and find that it is in line with projections. We have moved the cost allocation unit back underneath the administrative services officer IV who has direct oversight and management of both the cost allocation unit and the staff that manage and build the budget.

CHAIR WOODHOUSE:

I will take testimony in support of A.B. 518. Seeing none, I will take testimony in opposition or neutral. Seeing none, I will close the hearing on A.B. 518 and open A.B. 520.

ASSEMBLY BILL 520: Makes appropriations to the Division of Public and Behavioral Health for a web-based Community Health Services system, the replacement of computer hardware and software at certain facilities and a skid-steer. (BDR S-1244)

Senate Committee on Finance
May 28, 2019
Page 25

MS. REYNOLDS:

The allocation we are requesting in A.B. 520 includes \$12,282 in section 1 for replacement computer hardware and software in Behavioral Health Administration B/A 101-3168.

HHS-DPBH - Behavioral Health Administration — Budget Page DHHS-DPBH-132
(Volume II)
Budget Account 101-3168

In section 2 of A.B. 520 we are requesting \$112,000 for a web-based community health services system for Community Health Services B/A 101-3224.

HHS-DPBH - Community Health Services — Budget Page DHHS-DPBH-117
(Volume II)
Budget Account 101-3224

In sections 3 and 4 of A.B. 520, we are requesting \$34,656 in B/A 101-3645 for replacement computer hardware and software in the Lakes Crossing Center.

HHS-DPBH - Facility For the Mental Offender — Budget Page DHHS-DPBH-175
(Volume II)
Budget Account 101-3645

In sections 5 through 8 of A.B. 520, we are requesting \$1,117,623 for replacement computer hardware and software, deferred maintenance projects, phone system upgrades and replacement of buildings and grounds equipment in Northern Nevada Adult Mental Health Services B/A 101-3162.

HHS-DPBH - No NV Adult Mental Health Svcs — Budget Page DHHS-DPBH-155
(Volume II)
Budget Account 101-3162

In sections 9 and 10 of A.B. 520, we are requesting \$195,960 Services for replacement of computer hardware and a skid steer tractor for Southern Nevada Adult Mental Health Services B/A 101-3161.

HHS-DPBH - So NV Adult Mental Health Services — Budget Page DHHS-DPBH-
165 (Volume II)
Budget Account 101-3161

SENATOR PARKS:

For what application does DPBH use a skid steer tractor?

MS. REYNOLDS:

The skid steer tractor is used for general grounds maintenance. The combined acreage of the Southern Nevada Adult Mental Health Services campus is approximately 65 acres. The tractor can be used to fill potholes and keep up with city compliance. Additionally, there is a loading dock at the site warehouse and some large deliveries have to be turned away since there is no way to lift heavy packages.

SENATOR KIECKHEFER:

Is the web-based community health system something new, or is it an upgrade?

MS. REYNOLDS:

It is the replacement of an existing system. The funding is requested to contract for the development, implementation and maintenance of a web-based community health services system. The system is necessary to capture patient, clinical and billing data by individual clinics or combined clinics from appointment to visit with patient and insurance billing, including third-party billing. The quote of \$112,000 is based on a system similar to one used by Washoe County.

SENATOR KIECKHEFER:

Is this specifically for clients of the DPBH?

MS. REYNOLDS:

It is for clients served by the rural clinics.

SENATOR KIECKHEFER:

In section 7, the \$207,000 for a phone system upgrade seems like a lot. What is the reach of that upgrade?

MS. REYNOLDS:

The current phone system is antiquated, and the system is no longer being supported. All recent repairs have had to use refurbished parts. Recently, Lakes Crossing Center upgraded their phone system, and that has caused interruptions with the Northern Nevada Adult Mental Health Services (NNAMHS) phone system. This upgrade will allow both NNAMHS and Lakes Crossing Center to add additional phone lines if necessary and to update software to the current version.

SENATOR KIECKHEFER:

Is this specifically for the Dini-Townsend Psychiatric Hospital? Will it be the same system that is at Lakes Crossing, so they can all talk to each other?

MS. REYNOLDS:

It will support the Dini-Townsend Psychiatric Hospital, but I do not know if it is the same system that is at Lakes Crossing Center.

SENATOR KIECKHEFER:

As long as they work together, I am sure it is fine.

SENATOR DENIS:

Are you replacing the whole system or just some of it?

MS. REYNOLDS:

I believe it is the whole thing.

BRIAN SOTOMAYOR (Administrative Services Officer, Northern Nevada Adult Mental Health Services, Division of Public and Behavioral Health, Department of Health and Human Services):

My understanding is that this is an upgrade of the current system to add capacity but not to replace the entire system. To Senator Kieckhefer's question, the NNAMHS and Lakes Crossing Center systems are the same, so they would be able to communicate.

SENATOR DENIS:

Is the current system a Voice over Internet Protocol (VoIP) system?

MS. REYNOLDS:

No.

SENATOR DENIS:

Does it have a node that everything connects to? Most agencies are now switching to the VoIP system.

ERIN WILLIAMS (IT Manager, Division of Public and Behavioral Health, Department of Health and Human Services):

This is not a VoIP system. Due to the needs of the behavioral health center and hospital, the requirements for the system are in line with the needs for the hospital. The current system is extremely old and has been expanded to the capacity beyond which it can no longer be expanded.

SENATOR DENIS:

Are you saying that you are not replacing it, but you are expanding it?

MS. REYNOLDS:

That is correct.

SENATOR DENIS:

So you will be putting in a box somewhere which will give you additional lines, and you are going to keep using the same old phones?

MR. REYNOLDS:

Yes. Lakes Crossing Center recently upgraded their phone system, and this is to bring the NNAMHS system in line with that one.

SENATOR DENIS:

Mr. Sotomayor said you have the same system in both facilities. You are not worried about being able to replace handsets as they break?

MS. REYNOLDS:

We will have to replace equipment along the way as needed.

SENATOR DENIS:

Do you have the ability to get replacements? If the system is old enough, sometimes it is hard to get replacement parts.

MS. REYNOLDS:

All the parts that have had to be replaced have come from refurbished parts. It would be difficult, but with upgrading the system, it would be easier. If we have to continue to use the existing system, we would struggle.

SENATOR DENIS:

I would hope it is on your list to be looking at eventually replacing the whole system because at some point, you will not be able to find replacement parts. You have to be able to communicate.

CHAIR WOODHOUSE:

I will take testimony in support of A.B. 520. Seeing none, I will take testimony in opposition or neutral. Seeing none, I will close the hearing on A.B. 520 and open the hearing on A.B. 527.

ASSEMBLY BILL 527: Revises provisions relating to the annual fee imposed for collections of child support in certain cases. (BDR 38-1246)

NOVA MURRAY (Deputy Administrator, Field Operations Support, Division of Welfare and Supportive Services, Department of Health and Human Services):

Assembly Bill 527 raises the annual fee from \$25 to \$35 for custodial parents who have never received Temporary Assistance for Needy Families (TANF). The threshold to start collecting that annual fee went from \$500 to \$550. This is a federal requirement from the Bipartisan Budget Act of 2018, updating section 454 of the Social Security Act. States must impose the fee or pay from the General Fund to offset the program costs at the federal level. Currently, 27,000 clients are affected by this which would be roughly a \$270,000 increase to offset the program costs.

CHAIR WOODHOUSE:

I will take testimony in support of A.B. 527. Seeing none, I will take testimony in opposition or neutral. Seeing none, I will close the hearing on A.B. 527 and open A.B. 530.

ASSEMBLY BILL 530: Requires a background investigation of employees, prospective employees, contractors and prospective contractors of the Department of Taxation. (BDR 32-1197)

MELANIE YOUNG (Executive Director, Department of Taxation):

The IRS requires agencies accessing federal taxpayer information to establish a personnel security program that ensures background reinvestigations for any individual with access to that information at a minimum of every 10 years. Assembly Bill 530 is in response to an audit the Department of Taxation went through last fiscal year. The bill is intended to ensure we implement the aforementioned security program and move the frequency of background checks from every 10 years to every 5 years.

The Department currently works with the Records, Communication and Compliance Division of the Department of Public Safety. We conduct background checks on initial employment based on NRS 239B.010, subsection 1, paragraph (b). The FBI has determined that statute will only allow us to conduct background checks on employees when they are initially hired which does not comply with the IRS requirement for the reinvestigation.

Through A.B. 530, we are proposing a change to NRS 360 which is the general provision for the Department of Taxation. This change will allow us to do background fingerprinting and background checks on employees for initial employment and every five years thereafter while they are employed. This would include current employees and contractors.

The fiscal impact of A.B. 530 is \$7,251 in FY 2020 and \$1,741 in FY 2021. The request was approved at the budget closing for B/A 101-2361, and can be found in decision unit M-501.

FINANCE AND ADMINISTRATION

ADMINISTRATION

TAXATION

Department of Taxation — Budget Page TAXATION-6 (Volume I)
Budget Account 101-2361

M-501 Federal IRS Mandate — Page TAXATION-8

SENATOR KIECKHEFER:

Is there a list of specific violations that would exclude someone from employment based on the report that would come back?

MS. YOUNG:

We are working on the policy of what that would include; we are working with a list provided to us by the Records, Communications and Compliance Division. In the background checks, the Department would be concerned by any criminal histories in financially related matters similar to those which the employee would be around every day.

SENATOR KIECKHEFER:

Or identity theft.

MS. YOUNG:

Correct.

CHAIR WOODHOUSE:

I will take testimony in support of A.B. 530. Seeing none, I will take testimony in opposition or neutral. Seeing none, I will close the hearing on A.B. 530 and open the hearing on A.B. 532.

ASSEMBLY BILL 532: Revises provisions governing sales of motor vehicles.
(BDR 43-1211)

J.D. DECKER (Administrator, Division of Compliance Enforcement, Department of Motor Vehicles):

Assembly Bill 532 authorizes the DMV to enter into a contract with a vendor for the issuance and tracking of certain temporary placards for newly obtained motor vehicles. The need for A.B. 532 arose after we attempted to renew the existing contract and the Office of the Attorney General review resulted in a recommendation that we clean up the language and give the DMV express authority. I have submitted the written testimony of Teri Baltisberger, DMV Services Manager III ([Exhibit D](#)).

CHAIR WOODHOUSE:

I will take testimony in support of A.B. 532.

ANDY MACKAY (Nevada Franchised Auto Dealers Association):

We support A.B. 532 as it will make our operations much easier. We can dropship straight to the respective stores instead of having to dedicate our staff time to go to the DMV.

CHAIR WOODHOUSE:

Seeing no more testimony, I will close the hearing on A.B. 532. I will open the hearing on S.B. 3.

SENATE BILL 3 (1st Reprint): Revises provisions governing postconviction petitions for a writ of habeas corpus that challenge the computation of time served in incarceration by an offender. (BDR 3-411)

JESSICA ADAIR (Chief of Staff, Office of the Attorney General):

Senate Bill 3 requires that inmates seek relief through the NDOC regarding the calculation of their sentences before they file a petition for writ of habeas corpus challenging that calculation. It also requires that inmates who are physically housed outside the State file their petition in the First Judicial District Court since they do not have any other recourse under existing law. The original version of S.B. 3 was confusing in what it required the NDOC to do, so we worked with them to submit an amendment. Amendment No. 79 was adopted by the Senate on April 15, 2019. Following that action, the NDOC sent in a revised fiscal note which indicates that there is no fiscal impact to the NDOC with the current version of S.B. 3.

CHAIR WOODHOUSE:

Yes, we have that new fiscal note indicating there is no fiscal impact. I will take testimony in support of S.B. 3. Seeing none, I will take testimony in opposition or neutral. Seeing none, I will close the hearing on S.B. 3 and open the hearing on S.B. 90.

SENATE BILL 90 (1st Reprint): Making various changes relating to the health of children. (BDR 40-448)

DENISE TANATA, J.D. (Executive Director, Children's Advocacy Alliance):

The provisions included in S.B. 90 are a compilation of children's health issues presented to the 2017-2018 Interim Legislative Committee on Health Care. Sections 1 to 22 and 24 to 29 were deleted by Amendment No. 87 which was adopted by the Senate on April 22, 2019. Section 23 includes changes to

reporting requirements for childhood blood lead testing which would bring us into compliance with some national standards. There are no fiscal notes or appropriations in section 23.

Section 30 established the diaper and resources account to be administered by the Committee on Diaper and Resources established through A.B. No. 340 of the 79th Session. Due to budget constraints, our current proposed amendment ([Exhibit E](#)) removes the \$1 million appropriation but leaves the establishment of the account to allow the Division and the Committee to accept any grants, donations or other resources that may become available. As amended, section 30 contains no fiscal note.

Sections 31 and 32 of S.B. 90 make appropriations to provide training, technical assistance and stipends to early childhood providers to address the growing rate of early childhood obesity. In Nevada, more than 30 percent of students are overweight or obese when they enter kindergarten. To address this issue, the Nevada Early Childhood Obesity Prevention Work Group established a State plan that includes recommendations to improve practices among early childhood providers, other community providers and public entities.

In response to the Work Group's recommendations, the Legislature passed A.B. No. 152 of the 78th Session; regulations were adopted to address physical activity, breast feeding and nutrition standards in early childhood facilities. This included the use of USDA nutrition standards for meals and snacks. Sections 31 and 32 will provide resources to help childcare providers implement the new standards.

To reduce the impact of S.B. 90, our amendment, [Exhibit E](#), proposes to eliminate section 31 which would have provided an appropriation for training because we recognize there are other resources available. We are also reducing the appropriation request in section 32 to \$100,000 per biennium for a total appropriation request of \$200,000.

In addition to supplying early childhood providers with resources to improve their ability to implement high quality standards for physical activity, this funding would help Nevada become more competitive for both federal and private funding to support our ongoing obesity prevention efforts.

Senate Committee on Finance
May 28, 2019
Page 34

SENATOR SETTELMAYER:

What is the total fiscal request of S.B. 90 with the amendment proposed in [Exhibit E](#)?

Ms. TANATA:

It is \$200,000.

SENATOR KIECKHEFER:

It seems like we deal with the Quality Rating and Improvement System (QRIS) in five different budgets. Is this the only place providers are able to access funds to help qualify them through the QRIS system? Does the Division of Welfare and Supportive Services (DWSS) have another program that does that?

Ms. TANATA:

I cannot speak for the DWSS on the funds they have available. It was my understanding that there is a reduction in funds available for grants through the QRIS. These funds would be specific to the needs to address implementation of nutrition and physical activity standards.

SENATOR KIECKHEFER:

Are there nutrition or physical activity standards in terms of licensing for childcare providers?

Ms. TANATA:

Yes.

CHAIR WOODHOUSE:

I know it is difficult to make some of these deletions, but I appreciate the effort. I will take testimony in support of S.B. 90.

JOANNA JACOB (Dignity Health-St. Rose Dominican Hospitals):

We supported S.B. 90 when it was heard in the Senate Committee on Commerce and Labor, especially regarding the resources suggested on the diapering resource account. We know the Children's Advocacy Alliance does good work, and we support this amended version of S.B. 90.

OCTAVIO POSADA (Interim Executive Director, Nevada Minority Health and Equity Coalition):

The mission of the Nevada Minority Health and Equity Coalition is to eliminate health disparities in Nevada through constructive and supportive collaboration among partners, leaders and stakeholders committed to improving the health and well-being of underserved Nevadans. In Nevada, many of our youngest learners do not have equal access to nutritional food with adequate physical learning equipment during their critical developmental period of life.

This lack of resources can have impacts on long-term health and development. According to the Nevada Institute for Children's Research and Policy, a kindergarten health survey found that more than 30 percent of children entering kindergarten in Nevada are either overweight or obese. Children who are obese are more likely to have a shortened lifespan and develop a variety of health problems, including hypertension, high cholesterol, liver disease, orthopedic problems, sleep apnea, asthma and type II diabetes. These children are also predisposed to be obese in adulthood.

Unfortunately, many early learning providers are underfunded which creates a lack of resources and can limit a center's ability to address physical and institutional standards. For example, it is costly for providers to afford to update larger cost items such as kitchen and playground equipment which can be helpful for providing quality physical and nutritional opportunities in centers.

Senate Bill 90 would help access funds to help provide increased access to nutritious foods and physical activity opportunities. It is a step in the right direction for Nevada to begin investing in the lives and health of our young children. On behalf of the Statewide Nevada Minority Health and Equity Coalition with more than 50 members, we support S.B. 90.

SENATOR PAT SPEARMAN (Senatorial District No. 1):

I have been in contact with Richard Whitley, the Director of the Nevada Department of Health and Human Services, about removing the remaining fiscal note on S.B. 90 and instead seeking grants. As funding is available, we will be able to accomplish that.

JOELLE GUTMAN (Washoe County Health District):

I echo Ms. Jacob's support for S.B. 90. We also supported the bill in the policy committee. We provide Women, Infants and Children services, commonly

known as WIC, for Washoe County. As such, we would have loved to see the diaper and diapering supplies be provided, but we still support S.B. 90.

BENJAMIN SCHMAUSS (American Heart Association):

The opportunity to address physical activity and nutrition and screen time in this window of early childhood will make a difference in the lifetime of a child. We support S.B. 90 and appreciate the efforts made by everyone involved.

CHAIR WOODHOUSE:

I will take testimony in opposition or neutral to S.B. 90. Seeing none, I will close the hearing on S.B. 90 and open the hearing on S.B. 198.

SENATE BILL 198 (1st Reprint): Revises provisions governing eligibility for Medicaid. (BDR 38-744)

SENATOR MELANIE SCHEIBLE (Senatorial District No. 9):

The original intent of S.B. 198 was to cover kids who are eligible for Medicaid for a full 12 months. There are numerous national studies showing that kids get booted off of Medicaid because their parents may get a bonus or a new job with no insurance benefits, leaving children with a gap in their medical insurance. Other jurisdictions have implemented a policy allowing children to stay on Medicaid for one year from the time they were first eligible.

When we explored this policy more, we ran into two obstacles. One was understanding how much this would cost. Our current technology in Nevada did not allow DWSS and DHHS to poll accurate numbers of how many kids are removed from Medicaid each year and why they are removed. Some of the reasons include the fact that their eligibility has lapsed and they became reeligible in that 12 months.

The proposed amendment to S.B. 198 ([Exhibit F](#)) suggests making a system change and technology update to our computer system and database to determine if our hypothesis is correct and to understand what causes kids to be removed from Medicaid before 12 months has passed. We want to develop a system where we can gather data and look at ways to cover more Nevada children under Medicaid or other programs for which they are eligible. When kids are covered, we know it costs the State less due to preventative care and fewer trips to the emergency room. It is the right thing to do, because kids have no choice in this matter.

MS. TANATA:

The proposed amendment, [Exhibit F](#), deletes the current language in its entirety and instead requires DHHS to conduct a systems enhancement to the Medicaid management system allowing DHSS to disaggregate data for children who are disenrolled in Medicaid. This would include children who cease to reside in Nevada or who voluntarily request to terminate coverage. It also covers termination of coverage because of the death of the child, excess income, noncooperation or because the child leaves the household. We could then identify how many children fall into each of those categories and would be eligible for the 12-month continuous eligibility.

The proposed amendment, [Exhibit F](#), would also require DHHS to conduct an analysis of children enrolled in Medicaid who lose coverage within 12 months of eligibility to determine the number of children disenrolled for the reasons previously listed.

The amendment also requires DHHS to submit a report to the LCB and the Interim Legislative Committee on Health Care no later than October 1, 2020. The report must include the number of children disenrolled from Medicaid for months/years in which data is available. The report must also outline the number of children disenrolled from Medicaid by closure category for months/years in which data is available. The report will also include fiscal analysis of the cost of amending the State Plan for Medicaid to allow for 12-month continuous eligibility for children who are disenrolled due to a change in income during any given 12-month eligibility period.

Section 4 of the proposed amendment, [Exhibit F](#), states that the effective date of this bill is July 1, 2019. We recognize it will take approximately one year for the system enhancement to be completed, so that date may need to be changed. We also understand the Division has the ability to reduce the fiscal note to only cover the cost of the system enhancement.

SENATOR GOICOECHEA:

I hope someone from the Division can explain the reduction to the fiscal note. The current note seems expensive.

SENATOR KIECKHEFER:

Do these six categories really capture everything you are looking for? We talk a lot about the churn between the Children's Health Insurance Program (CHIP) and

Medicaid with kids falling off and being uninsured. Are we really capturing all that data through these six categories?

SENATOR SCHEIBLE:

I think those are all the categories. I hope the system update will allow us more general flexibility to be able to poll data and see individual records. If we discover other categories in the course of our study, those can be isolated.

MS. TANATA:

I agree. We have reviewed these categories with the Division.

SENATOR SCHEIBLE:

Those are the categories of which we are aware, which indicates they are probably the main reasons for disenrollment. If we cannot capture why 0.01 percent of kids are being kicked off Medicaid, I do not think that low number would affect a policy decision going forward. However, we are talking about larger policy decisions such as how many children are disenrolled because their parents make too much money? If we can get that number, we can assess how much it would cost to increase the time the child is allowed to be on Medicaid or the amount of money the parents are allowed to make before the child is disenrolled. We are not talking about those policy decisions today, but if we can get data on the major categories we will be better informed for future decisions.

SENATOR KIECKHEFER:

I agree. If the issue is just increased income, perhaps the parents are \$100 above the limit and the kids are on CHIP and then they bounce back to Medicaid; maybe they are out for good. Those are different issues, categories that could be addressed by policy once we have the data. Perhaps there is not a simple way to get that type of data.

CHAIR WOODHOUSE:

Could someone from the DWSS come forward to let us know what the fiscal note would be based on the deletion of the language in the legislation as previously brought forward? I would also like to know the effective date.

LISA SWEARINGEN (Chief, Eligibility and Payments, Division of Welfare and Supportive Services, Department of Health and Human Services):

If we make these changes and would just be looking at updating the system so we can track denial reasons for children, our fiscal note would be reduced from \$834,000 to \$426,000. This would be covered under a funding split with the Centers for Medicare and Medicaid Services (CMS), so 90 percent would be paid through CMS and 10 percent would come out of the General Fund.

CHAIR WOODHOUSE:

Do you have any thoughts on the effective date if this should pass?

MS. SWEARINGEN:

We have requested that we be given until July 1, 2020, so we can make changes to the system.

DUANE YOUNG (Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services):

The conceptual amendment to S.B. 198 proposed in [Exhibit F](#) deletes our fiscal note.

CHAIR WOODHOUSE:

I will take testimony in support of S.B. 198 including the amendment [Exhibit F](#), which deletes and replaces the original bill.

MS. JACOB:

We supported the original version of S.B. 198 in the policy committee. We still support the delete-and-replace version of the bill. It is still moving us forward to get an idea of how many children are being impacted. We see this as an issue about access to care; we would like to reduce the churn of these children if they are dropping in and out of health care coverage. We want to see kids stay covered and become members of the health care system.

CHAIR WOODHOUSE:

I will take testimony in opposition or neutral to S.B. 198. Seeing none, I will close the hearing on S.B. 198 and open the work session with S.B. 65.

SENATE BILL 65: Makes an appropriation to the Department of Motor Vehicles for the creation and maintenance of branch offices in the City of West Wendover and the City of Caliente. (BDR S-444)

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

Senate Bill 65 was heard on March 4 in this Committee. In its original form, the bill appropriates State Highway Funds of \$330,000 in each year of the biennium for the creation and maintenance of a branch office of the DMV for the City of West Wendover.

Section 1, subsection 2, appropriates \$330,000 in each year of the biennium for the creation and maintenance of a branch office of the DMV in the City of Caliente.

At the time S.B. 65 was heard, a conceptual amendment to reduce the appropriations was discussed and followed up by the DMV ([Exhibit G](#)). This was based on the implementation of travel teams to accommodate some of the DMV services in West Wendover and Caliente. For West Wendover, the appropriation from the State Highway Fund in the first year of the biennium is reduced from \$330,000 to \$12,437. In section 1, subsection 1, paragraph (b), the appropriation is reduced from \$330,000 to \$41,118 in FY 2020 and \$28,895 in FY 2021.

In Caliente, the reduction in appropriation is from \$330,000 to \$41,215 in FY 2020 and \$29,188 in FY 2021 as seen in section 1, subsection 2, paragraph (a), subparagraph (1) of [Exhibit G](#).

In section 4 of S.B. 65, the DMV proposed the effective date to be July 1, 2019. This is changed through the friendly amendment, [Exhibit G](#), to October 1, 2019, to implement the program services. March 1, 2020, was also proposed as the effective date of the mobile traveling team for driver's and identification services.

That is the extent of the amendment, [Exhibit G](#), and the appropriations that are not included in the Executive Budget.

SENATOR GOICOECHEA:

Doing rough math, it will cost us more than \$130,000 to put the two mobile teams into both West Wendover and Caliente. There is definitely a need there; this is better than the initial appropriation of almost \$1 million. If the mobile team is only in each of those cities two days a month, I would hope they would be supplying services to other areas.

MR. KRMPOTIC:

That was not testified to, but years ago the DMV did have travel teams available to go to locations where DMV offices did not exist, such as Battle Mountain, Eureka and others. I believe the travel teams would be available to service other locations as needed. If S.B. 65 is passed with the amendment, [Exhibit G](#), Fiscal staff can verify the travel team capacity with the DMV and report back to the Committee if the Chair wishes.

SENATOR GOICOECHEA:

I would like more information on that. Historically, the DMV ran mobile units out of Ely and Elko.

TONYA LANEY (Administrator, Field Services Division, Department of Motor Vehicles):

The only fiscal note we have submitted is to service the area of Caliente and to set up the office in West Wendover. We envision that once we offer those services, other jurisdictions may want to have those services, but at this point, the fiscal note is only for those two cities.

SENATOR KIECKHEFER:

Can you put the State Highway Fund into perspective for me? I assume that taking \$100,000 out does not put a huge dent in the total.

MR. KRMPOTIC:

I do not have confirmation at this time. I believe that information was reported to the Senate Committee on Finance Subcommittee on Public Safety, Natural Resources and Transportation at the time the Nevada Department of Transportation budgets were heard. I do not believe there were significant additions to the State Highway Fund appropriations. In the case of the DMV, there was a significant reduction to their system modernization appropriation from what the Governor recommended. The last time I looked at the State Highway fund balance, it was not in jeopardy or at an abnormally low level.

SENATOR GIOCOECHEA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 65.

SENATOR BROOKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:

I will open the work session on S.B. 324.

SENATE BILL 324: Revises provisions relating to education. (BDR 34-683)

JULIE WALLER (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 324 was heard in this Committee on April 8, 2019. As introduced, this bill revises provisions related to the Teachers' School Supplies Reimbursement Account in the State General Fund. The Account reimburses teachers for out-of-pocket expenses made when purchasing necessary supplies for their classrooms.

The amount of funding received by each school district or charter school is based on the number of teachers employed in the school district or charter school. The teacher may receive a reimbursement of up to \$250 per year. Senate Bill 324 also authorizes funding to be dispersed via a debit card issued to a teacher or by paying the balance out on a credit card used by the teacher for the purchase of necessary school supplies. Senate Bill 324 deletes the requirement that any money remaining in the school district or charter school's special revenue fund at the end of the fiscal year revert back to the Teacher's School Supply Reimbursement Account. The money could instead be carried forward for use in the next fiscal year.

Senate Bill 324 retains the requirement that a teacher receiving reimbursement must submit receipts to the principal. The bill also provides that if a teacher purchases anything other than school supplies or exceeds the authorized amount of \$250 per year, he or she must repay the amount to the special revenue fund.

Four individuals testified in support of S.B. 324 and 2 two testified in neutral. There were no testimonies against the bill. Proposed Amendment No. 5650 ([Exhibit H](#)), renames the Account to the Teacher's School Supplies Assistance Account and authorizes money to be dispersed in additional ways other than reimbursement including direct deposit, check, purchasing card, credit card or

debit card. Proposed Amendment No. 5650, [Exhibit H](#), authorizes the school district board of trustees or the governing body of a charter school to allow a teacher who has used the entire amount of his or her disbursement or reimbursement to request additional money as long as the combined total amount does not exceed \$250 per year. A teacher who receives money to directly purchase school supplies shall repay the special revenue fund for any amount that was not used, any amount that was used to purchase something other than school supplies or any amount that exceeds the maximum of \$250 not later than the last day of the fiscal year in which the money was received.

The amendment, [Exhibit H](#), also eliminates the requirement that a teacher must submit receipts for any supplies purchased, instead requiring the board of trustees of a public school or the governing body of a charter school to develop a policy that establishes the manner in which to account for the reimbursements or disbursements of the money through each form of payment authorized. The policy may include a requirement to submit receipts for any purchase of supplies with the money received.

The amendment, [Exhibit H](#), strikes the requirement that the funding does not revert back to the State. Any unexpended funding would revert back to the Account. The Department of Education indicated there was no fiscal impact and the funding for the reimbursement or disbursement to the teachers is included in Executive Budget at \$4.5 million for each fiscal year. This provision would become effective July 1, 2019.

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 324.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:

I will open the work session on S.B. 427.

SENATE BILL 427 (1st Reprint): Revises provisions relating to business entities.
(BDR 7-306)

KAREN HOPPE (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 427 as amended revises provisions governing the resignation of registered agents as filed with the Office of the Secretary of State. The bill also revises provisions relating to private incorporations. This revision clarifies which records must be kept by the corporation and made available for inspection, which persons are entitled to inspect such records and revises requirements to submit a demand to inspect records made available for inspection.

Additionally, S.B. 427 authorizes the removal of a director of a corporation under certain circumstances, revises provisions related to the appointment of a receiver, revises requirements to determine whether a quorum is present at a meeting of stockholders and expands provisions relating to limitations on the right of a stockholder to dissent.

Finally, existing law provides for the appointment of a receiver for the creditors and stockholders for a private corporation; S.B. 427 enacts similar provisions for limited liability companies.

Senate Bill 427 was heard in the Finance Committee on May 25, 2019, and introduced by a representative of the business law section of the State Bar of Nevada. Testimony in support of the bill included Senator Joseph P. Hardy, who respectfully requested the Committee not accept Proposed Amendment No. 5942. There was no testimony in opposition or neutral on S.B. 427.

There was one fiscal note from the Office of the Secretary of State for an estimated \$66,283 annual revenue loss to the Office. Scott Anderson, Chief Deputy Secretary of State, testified that the fiscal impact was removed with Amendment No. 252 which was adopted by the Senate on April 18, 2019. The effective date for S.B. 427 is October 1, 2019.

SENATOR PARKS MOVED TO DO PASS S.B. 427.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Senate Committee on Finance
May 28, 2019
Page 45

CHAIR WOODHOUSE:

I will open the work session on S.B. 507.

SENATE BILL 507: Makes an appropriation to the Office of Finance as a loan for the support of Marlette Lake. (BDR S-1176)

MR. KRMPOTIC:

Senate Bill 507 was heard in this Committee on May 21, 2019. The bill was sponsored on behalf of the Office of Finance in the Office of the Governor. The bill appropriates \$200,000 to support Marlette Lake—that amount was drafted as a loan to Marlette Lake. On behalf of the State Public Works Division, the Administrative Services Division of the Department of Administration testified the funds were no longer necessary. Since that time, additional information has come to light indicating the funding to support Marlette Lake is necessary after all. Given that the Marlette Lake Water System does not have the ability to repay a loan of \$200,000, the Division is requesting an appropriation instead. Fiscal staff has examined information from the Division; it appears that funding is necessary for operating expenses and sufficient funding into the next biennium.

SENATOR BROOKS:

If the revenues are not sufficient for the Marlette Lake Water System to be at a place where they need a loan, and this is basically a water utility for some Nevadans, what stops them from raising rates to be solvent?

MR. KRMPOTIC:

I am not sure there is anything that would stop them from raising rates. I believe the Division is examining its business operation and structure to determine its future in terms of financial solvency. There has been information regarding additional potential customers that may request to purchase Marlette Lake water in the future which could make the budget more viable. Fiscal staff has not yet received any solid information to this regard.

SENATOR PARKS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 507.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:

I will close the work session and open the hearing on A.B. 515.

ASSEMBLY BILL 515 (1st Reprint): Makes appropriations to the Legislative Fund for building maintenance, computer hardware, dues of national organizations and reimbursement of the interim costs of the Nevada Right to Counsel Commission. (BDR S-1227)

RICK COMBS (Director, Legislative Counsel Bureau):

Section 1 of A.B. 515 is a General Fund appropriation of \$230,000 for the reimbursement of costs associated with the Nevada Right to Counsel Commission (NRCC) created through S.B. No. 377 of the 79th Session. The bill in 2017 had an \$115,000 appropriation to the Nevada Supreme Court (NSC) for each year of the current biennium. Prior to establishing the NRCC, the NSC asked the Legislative Counsel Bureau (LCB) to intervene due to litigation which created a conflict for the NSC to staff the NRCC. The LCB staffed the NRCC during the current biennium but because the appropriation was made to the NSC, the LCB was unable to get that money into our account. The NSC has reverted the appropriation to the General Fund. Through A.B. 515, we are asking for the 2017 be made to LCB to cover the costs we already incurred to staff the NRCC.

Section 2 of A.B. 515 appropriates more than \$1.8 million for computer hardware, building maintenance and the payment of dues to national organizations. On page 1 of my handout ([Exhibit I](#)) is a list of the national organizations to which the Legislature subscribes. The two columns on the right headed "As Amended" represent the version approved by the Assembly that is in the First Reprint of A.B. 515. The dues are primarily based on bills we already received for FY 2020. For FY 2021, I did my best to project what those dues will be based on increases in previous years.

The only significant percentage increase from FY 2020 to FY 2021 is the National Conference of Insurance Legislators (NCOIL). The NCOIL invoice indicated the rate would be going up next year but not by how much. The

NCOIL said part of the increase would include providing stipends for legislators to travel to meetings.

The total for national organization dues comes to \$427,878 in the first year of the biennium and \$447,535 in the second year of the biennium.

Page 2 of [Exhibit I](#) lists the computer hardware replacements we are requesting for the upcoming biennium. Most of our computers, monitors and laptops are on a four-year replacement cycle which will come up in the next biennium. Some equipment will reach that landmark in the upcoming biennium. The total allocation for the computer hardware replacement need would be \$285,555.

On page 3 of [Exhibit I](#) are two projects for the facilities unit of the Administrative Division of the LCB. The first request is for replacement of Legislative building elevator components. We have been on a mission to get one elevator updated each biennium. This request is for the elevator outside of the Senate Chamber. The elevator for the Assembly Chamber was updated during the 2017-2018 Interim.

We also have a request for roofing replacement at the Sedway Office Building and the State Printing Office for \$381,135. Last Session, we asked for \$100,000 to do water remediation work at the Sedway Office Building. Part of that work has been done, but when experts got up there, they discovered there are already two overlays on that roof, so we need to replace the roof.

That is the extent of the one-shot appropriation bill. The other pages of [Exhibit I](#) include a list of equipment we recommend to be funded out of the uncommitted reserve in the Legislative Fund which totals a little over \$3 million. Typically, with one-shot items, we could have asked for General Fund appropriations, but we are instead using the uncommitted balance in the Legislative Fund.

Page 4 of [Exhibit I](#) lists \$302,100 to repair concrete work around the Legislative building. In some areas of the Capitol mall the concrete is being lifted by tree roots and also degrading from normal wear and tear. This creates some safety hazards. This past winter we spent time sanding down some of the problem areas, but that was just a bandage on the problem.

Page 5 of [Exhibit I](#) is the most expensive list with replacement of information technology services hardware and software. We are coming up on the

eight-year replacement schedule. A full replacement of the network hardware will come to \$853,100; server hardware replacements will cost \$879,800 and database hardware and software will cost \$356,300. On page 5, the replacement of the Granicus computer system and encoders will cost \$67,600 and the antivirus software will cost \$85,263. This comes to a total of \$2,242,063.

On page 7 of [Exhibit I](#) is the request for \$51,675 for a new SUV for the Legislative Police Department. The fleet of vehicles we currently have includes 2 2006 Dodge Durango SUVs we acquired as surplus vehicles in 2014. We also have a 2007 GMC Yukon and a 2012 Toyota Sienna. The new SUV will replace one of the Durangos. We will keep the second Durango for another biennium. There may be another vehicle replacement request in the next biennium to replace the remaining Durango.

On page 8 of [Exhibit I](#) is a request for \$301,000 to update the chamber voting system. The system we currently use was written in-house in the late 1990s. It uses a programmable logic controller which was viable back then, but it is now difficult to communicate with other more advanced software systems. It is time for us to get a new seamless interface that would also include fresh forms for the chief clerk and secretary of state in each house as well as the presiding officers. We are evaluating the use of clicking buttons, a touch screen or other options for a new system for the chambers. We are just looking into all the options now. The primary goal is to ensure that we have a system that functions well with all the other equipment, especially with the control room in the Broadcast and Production Services (BPS) unit of the LCB where all of this is managed.

On page 9 of [Exhibit I](#) are allocations for two BPS projects. The first is an upgrade to our audio mixers for \$112,009. The second is an upgrade to our presentation equipment. We have had good feedback on what we did in Room 4100 of the Legislative Building with the monitors instead of pull down screens. Our plan is to do this in all the committee rooms. Costs are coming down for monitors and it makes sense to use monitors instead of projectors. The hard part is installing monitors into walls with woodwork such as those behind the dais in the committee rooms. We do not know how we will do it yet; we believe it will be expensive because of the extensive woodwork, so the replacement of those monitors is not in our current plans.

SENATOR SETTELMAYER:

Should people be paying their own dues to be members of certain organizations? Why do we pay dues for everyone when not everyone participates?

MR. COMBS:

I am not sure if the organizations would accept individual dues. This is the way they handle it for most states; to charge the state for becoming a member. For the National Conference of State Legislatures (NCSL), it is the Legislature that is a member. For organizations like the Council of State Governments (CSG) and the Education Commission of the States (ECS), it is the whole State, so the executive branch of the State government gets the benefit of our membership of those organizations. The National Conference of Insurance Legislators is more like NCSL than CSG or ECS.

I can check with these organizations to see if there is an option to register as an individual. Staff does receive benefits from membership in these organizations in terms of training opportunities, documents and webinars.

SENATOR KIECKHEFER:

You mentioned the elevator outside the Senate Chamber. That elevator has the most reactive button in the building—do not change that one.

CHAIR WOODHOUSE:

The elevator that scares me is the one that goes down to the lower floor of the parking garage because it bounces three times before the door opens.

MR. COMBS:

That one is on our list.

SENATOR DENIS:

I second the comment on the responsive elevator. I would hate to see it changed. I was able to have a conversation outside of this meeting about the types of computer equipment in the plans in [Exhibit I](#) and ask detailed questions. I am comfortable with that request.

Senate Committee on Finance
May 28, 2019
Page 50

CHAIR WOODHOUSE:

I will close the hearing on A.B. 515 and open public comment. Seeing none, we are adjourned at 8:43 p.m.

RESPECTFULLY SUBMITTED:

Linda Hiller,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	3		Agenda
	B	16		Attendance Roster
S.B. 493	C	21	Senator Marilyn Dondero Loop	Proposed Amendment No. 6037
A.B. 532	D	1	J.D. Decker / Department of Motor Vehicles	Submitted Testimony by Teri Baltisberger
S.B. 90	E	1	Denise Tanata / Children's Advocacy Alliance	Conceptual Amendment
S.B. 198	F	4	Jared Busker / Children's Advocacy Alliance	Mock Up Conceptual Amendment
S.B. 65	G	2	Tonya Laney / Department of Motor Vehicles	Friendly Amendment
S.B. 324	H	5	Julie Waller / Fiscal Division	Proposed Amendment No. 5650
S.B. 515	I	9	Rick Combs / Legislative Counsel Bureau	One Shot Fund Requests