# MINUTES OF THE SENATE COMMITTEE ON FINANCE

# Eightieth Session May 31, 2019

The Senate Committee called on Finance was to order bν Chair Joyce Woodhouse at 8:40 a.m. on Friday, May 31, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting 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 Assemblyman Richard Carrillo, Assembly District No. 18 Assemblywoman Selena Torres, Assembly District No. 3 Assemblyman Jim Wheeler, Assembly District No. 39

# STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst Alex Haartz, Principal Deputy Fiscal Analyst Leanndra Copeland, Program Analyst Cathy Crocket, Senior Program Analyst Stephanie Day, Program Analyst Adam Drost, Senior Program Analyst

John Kucera, Program Analyst Colby Nichols, Program Analyst Jaimarie Ortega, Program Analyst Jennifer McEntee, Committee Secretary Tom Weber, Committee Secretary Michael Keever, Committee Secretary

# OTHERS PRESENT:

Natha Anderson, Washoe Education Association

Sylvia Lazos, Nevada Immigrant Coalition

Chris Daly, Nevada State Education Association

Hawah Ahmad, Charter School Association of Nevada; Silver State Government Relations

Paul Enos, CEO, Nevada Trucking Association

Dawn Lietz, Administrator, Motor Carrier Division, Department of Motor Vehicles

Nathan Tea, Nevada Youth Legislature

April Sanborn, Services Manager III, Management Services & Programs Division, Department of Motor Vehicles

Linda Haigh, Director, Adopt a Vet Dental Program

Jim Snyder, Veteran Advocate, Adopt a Vet Dental Program

Tiffany Swisher

Jenni Cartwright, Administrator, Administrative Services Division, Department of Administration

Jennifer Ott, Director, Department of Agriculture

Robert Mergell, Administrator, Division of State Parks, State Department of Conservation and Natural Resources

John Borrowman, Deputy Director, Support Services, Department of Corrections Ryan Miller, Deputy Chief, Investigation Division, Department of Public Safety

Michael Dietrich, Deputy Director and CIO, Division of Enterprise Information Technology Services, Department of Administration

Natasha Koch, Chief, Training Division, Department of Public Safety

Paul Nicks, Deputy Chief, Budget Division, Office of Finance, Office of the Governor

Angela Smith-Lamb, Administrator, Administrative Services Division, Department of Motor Vehicles

Scott Ewart, Chief, Fiscal Services, Department of Corrections

Valerie Carter, Management Analyst 4, Nevada Commission on Judicial Discipline

Steve Fisher, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services

Jhone Ebert, Superintendent of Public Instruction, Nevada Department of Education

Allison Combs, Policy Director, Office of the Governor

Ross Armstrong, Administrator, Division of Child and Family Services, Department of Health and Human Services

# CHAIR WOODHOUSE:

We will open the hearing on Assembly Bill (A.B.) 219.

ASSEMBLY BILL 219 (2nd Reprint): Makes various changes relating to education. (BDR 34-673)

ASSEMBLYWOMAN SELENA TORRES (Assembly District No. 3):

I am submitting testimony (Exhibit C) on A.B. 219. This bill proposes several changes to address high school English language learner (ELL) students. These changes will improve the quality of education and make it more equitable for students. One of these changes is for the Nevada Department of Education (NDE) to provide additional ELL support for State testing. Currently, we have the Smarter Balanced Assessment Consortium (SBAC), the End of Course exams in high school and the American College Testing (ACT) exam. Supports for the ACT are already available and can be easily implemented. The NDE's fiscal note is in regard to supports for the SBAC that we do not provide. Assembly Bill 219 would require that we provide these supports to our students.

Imagine having to take a math assessment exam in a language that you do not know. Language should not be a barrier for these types of assessments. Language barriers yield inaccurate results, and this has been proven over time. The NDE's fiscal note amounts to \$175,611 in fiscal year (FY) 2019-2020 and \$163,801 in FY 2020-2021. Assembly Bill 219 is aligned with federal statutes under the Every Student Succeeds Act (ESSA) of 2015. The ESSA intends to reduce the barriers in instruction and provide appropriate accommodations to all students regardless of their background or spoken language. Under the ESSA, state-mandated proficiency assessments provide ELL students with the appropriate accommodations.

This does not impact or improve their ability to perform if we are testing one skill. If English language proficiency is being tested, that exam will be in English. If we are testing the ability to perform math or science, we should provide these accommodations.

#### **SENATOR DENIS:**

These accommodations exist for the ACT and not for the SBAC. Would accommodations need to be developed for the SBAC? Have other states developed these?

# **ASSEMBLYWOMAN TORRES:**

There are more than ten states who provide this support. The company who develops the SBAC believes that these supports help yield valid scores and meet the requirements of the ESSA.

# **SENATOR DENIS:**

If other states are providing these supports, we would not have to start from scratch.

# **A**SSEMBLYWOMAN TORRES:

The company who develops the SBAC provides these supports. The State of Nevada does not provide these supports. There have been a lot of inconsistencies on what ELL supports are available. Many educators say there is no support available, and some say there is some support. There is no clear support system.

#### SENATOR KIECKHEEER:

Section 1.6 of <u>A.B. 219</u> requires the NDE to ensure that examinations are prescribed in any language that those examinations are published in. Do you know how many different languages the examinations are published in? Spanish is the dominant ELL language; however, there are other languages throughout the State that people are native to.

#### **ASSEMBLYWOMAN TORRES:**

There are a variety of languages that they are published in. I do not know how many languages there are; however, many states accommodate them.

#### SENATOR KIECKHEER:

Do they charge separately based on the language, or can we buy a suite of languages?

# **A**SSEMBLYWOMAN TORRES:

This is a conversation to have with NDE. The level of support by the SBAC varies by language.

#### SENATOR SETTELMEYER:

Is the transfer of students to other schools still in the bill?

# **ASSEMBLYWOMAN TORRES:**

That part has been removed.

# CHAIR WOODHOUSE:

Next, we will open the hearing to support testimony on A.B. 219.

# NATHA ANDERSON (Washoe Education Association):

We support <u>A.B. 219</u>. The financial aspects of this bill are important. There is no consistency on whether or not we can use other tools that are possibly available to help our students. With the passage of this bill, there will be more consistency across all school districts. Yesterday, I spoke with three counselors about how often the ACT is offered in a different language. They had never done this before. Awareness for our students would be helpful.

# Sylvia Lazos (Nevada Immigrant Coalition):

We support <u>A.B. 219</u>. It is important for principals to perceive that the SBAC is fair. Many of our principals think that because they have a lot of ELL students, the SBAC is reflecting their ability to understand the test. Through this bill, we will create the perception of an even playing field. This is important for motivation and knowing that students are being assessed accurately. Federal law requires accommodation on the basis of language. There are many areas of law in the State where we do not make these accommodations. In the area of education and State assessments, it is important that we make the effort to comply. The NDE has contracted SBAC, and they have a suite of translations in dominant languages. The NDE's fiscal note allows the NDE to contract and have the SBAC made available in different languages to the school districts. This is a good bill.

CHRIS DALY (Nevada State Education Association):

We have supported <u>A.B. 219</u> throughout the legislative process. The amount on the NDE's fiscal note is worth the cost to advance the cause of equity and education.

HAWAH AHMAD (Charter School Association of Nevada; Silver State Government Relations):

We support A.B. 219. We have schools across the State that work a lot with ELL students. We noticed that they do not have equal access to education and testing. This is an investment in our ELL students to ensure they have an equitable opportunity. Someday these students will be in our system. If they do not understand what they are tested on, they will not be able to achieve success by standards of high school graduation and college readiness. We want to ensure they are able to give back to our communities. I encourage the members of this Committee to vote in favor of this bill.

# **ASSEMBLYWOMAN TORRES:**

It is important to ensure that we have valid assessments so that educators can accurately measure the success of schools and students. If we do not provide these accommodations, we are not receiving true measures of where students are at. This impacts star ratings for schools. If students know the material, they can perform better, and this will have a positive effect on star ratings.

#### CHAIR WOODHOUSE:

We will close the hearing on A.B. 219 and open the hearing on A.B. 320.

ASSEMBLY BILL 320 (1st Reprint): Revises provisions governing commercial motor vehicles. (BDR 43-255)

Assemblyman Richard Carrillo (Assembly District No. 18):

<u>Assembly Bill 320</u> became necessary to the point of involving the Department of Motor Vehicles (DMV) Motor Carrier Division, the Nevada Highway Patrol (NHP) and the Nevada Trucking Association. This is a group effort.

PAUL ENOS (CEO, Nevada Trucking Association):

Assemblyman Carrillo attended one of our safety summits that we hold twice a year. During these summits, we invite all the regulatory entities, NHP, local law enforcement, DMV and the Nevada Department of Transportation (NDOT) to talk about issues that we see on the road. We kept hearing about these longer

accommodation vehicle permits that can be transferred; many people were beating the system and running multiple trucks on one permit. The NHP would take over an hour to weigh the trucks. Truckers would go to court to fight the citation only to be thrown out of court about 50 percent of the time. This would happen because most truckers own the needed permit that was not in another truck or in an office.

We worked with DMV and NHP to come up with a solution. This solution will reduce the price of the permit from \$60 per 1,000 pounds to \$20 per 1,000 pounds and place the permit on the registration. No one will be able to beat the system anymore. With increased compliance, we will see an increase in revenue that the DMV can speak to. The DMV is currently in the middle of a system modernization project and sometimes new regulations can take hours to code. Fiscal notes related to <u>A.B. 320</u> will go away, because we can put these costs into the DMV modernization project.

# SENATOR GOICOECHEA:

<u>Assembly Bill 320</u> requires an additional permit for reducible combination under 80,000 pounds. How does this fit with the triple-trailer permit?

## Mr. Enos:

Triple-trailer permits are not required under 80,000 pounds. This permit is for over-length loads. If a load is over 80,000 pounds, a longer-combination vehicle permit is required.

DAWN LIETZ (Administrator, Motor Carrier Division, Department of Motor Vehicles):

If a vehicle is hauling three trailers and under 80,000 pounds, only the \$10 over-length permit is required. If the vehicle is over 80,000 pounds, the amount of weight declared on the registration will allow the operation of any legal combination in that weight range.

# SENATOR GOICOECHEA:

With this permit, can a triple-trailer load run overweight?

Ms. Lietz:

Yes.

Assembly Bill 320 will not make changes to the nonreducible loads or overdimensional load permits that NDOT issues. These vehicles are not reducible, carry hazardous materials or are super loads and will not be affected by this bill. This bill will allow the DMV to register commercial motor vehicles that operate reducible loads over 80,000 pounds or over 70 feet in length. Currently, drivers must acquire a separate permit; however, A.B. 320 would make this process automatic in our new registration system.

Vehicles that operate in excess of 80,000 pounds or 70 feet in length are required to purchase an extra permit at \$60 per 1,000 pounds. The DMV conducted an analysis of companies who purchase these permits. We found that there is almost \$900,000 in additional revenue that we do not see on vehicles, in fleets, that permits are not purchased for. This explains the negative fiscal impact. The revenue is out there; it is not being captured.

# CHAIR WOODHOUSE:

Will the new registration system be complete when <u>A.B. 320</u> goes into effect on January 1, 2020?

# Ms. Lietz:

Part of the new system will be going into effect in stages. We can have this part programmed. We have dedicated programming hours in-house on our existing system to have this system in place for January 1, 2020. The fully functional system will be completed in spring 2020.

#### **ASSEMBLYMAN CARRILLO:**

This will create cost savings to the State. The NHP put themselves at risk; this is one less step they will have to take to put themselves in danger.

#### CHAIR WOODHOUSE:

We will close the hearing on A.B. 320 and open the hearing on A.B. 338.

ASSEMBLY BILL 338 (2nd Reprint): Revises requirements for the operation of a motor vehicle by a young driver. (BDR 43-600)

Assemblyman Jim Wheeler (Assembly District No. 39):

I was asked by a family friend to observe a Driver's Edge course for new drivers. Afterwards, I was asked by Nathan Tea to sponsor a bill and make this course mandatory for new drivers. He had a lot of statistics on young drivers

and how many accidents and deaths occur. This is a great way to help new drivers. This bill has been moved through the Nevada Legislative Assembly.

# NATHAN TEA (Nevada Youth Legislature):

Assembly Bill 338 will create an opportunity for aspiring drivers to participate in a defensive-driving course which could improve their skills on the roadway and reduce the accident rate significantly. By completing this course, participants can submit their certificate of completion to their insurance company for a deduction in their insurance rates.

# ASSEMBLYMAN WHEELER:

We have provided an updated fiscal note from the DMV. Since the first reprint of <u>A.B. 338</u>, we have removed part of the bill that required a placard. This had decreased the fiscal amount substantially with \$91,844 in FY 2019-2020 and \$92,099 in FY 2020-2021 for a total of \$184,198. These costs are for a position with the DMV to coordinate this program. This is the only fiscal note on this bill; the bill passed out of the Assembly Committee on Ways and Means and the Nevada Legislative Assembly unanimously apart from one vote.

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

The DMV's fiscal note is funded in the bill the same way we fund appropriations. This is included in section 10.7 of A.B. 338.

# CHAIR WOODHOUSE:

Next, we will open the hearing to neutral testimony on A.B. 338.

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

We are in the neutral position for  $\underline{A.B. 338}$ . This is a fantastic bill; we are happy to be a part of the process.

#### ASSEMBLYMAN WHEELER:

From the way this bill is currently written, we can gather a lot of data over the next two years and bring something more concrete during the 81st Session.

#### MR. TEA:

Today is my last day as an official youth legislator. It has been a fun two years; I have enjoyed learning from all of you.

#### SENATOR KIECKHEEER:

Nathan has done an exceptional job; I was very happy to appoint him. He has fulfilled and exceeded all of my expectations. He will make a difference in the lives of young people through this legislation, which I hope passes the Nevada Legislative Senate and is signed by the Governor.

#### CHAIR WOODHOUSE:

We will close the hearing on A.B. 338 and open the hearing on A.B. 487.

ASSEMBLY BILL 487: Makes an appropriation to the Department of Veterans Services to provide financial assistance and support for the Adopt a Vet Dental Program. (BDR S-1247)

LINDA HAIGH (Director, Adopt a Vet Dental Program):

The need for dental care is critical among our veterans. A shocking 90 percent of our veterans do not qualify for dental care at the Reno Veterans Affairs (VA) center because qualifications are so restrictive. This has led to an epidemic of oral health disease among our veterans in northern Nevada. The Adopt a Vet Dental Program targets low income veterans who do not qualify and cannot afford to see a dentist. We have 130 dentists and specialists who have stepped forward to participate in our program. Because of their generosity, goodwill and skills they have donated over \$5.7 million in services to over 1,130 low income veterans since 2010. With the help of State appropriation funds, over 300 veterans received full service or emergency dental care; our waitlist was reduced to 1 year from almost 3 years.

We added three new rural counties: Elko, Lander and Whitepine. We now serve veterans in 13 of 14 counties in northern Nevada. We hired two staff members with State funding: a dental clinic manager to run our dental clinic and a program assistant to track the performance and statistics of our community and clinic programs. We improve the overall efficiency of our program and increase the number of veterans treated by 150 each year. This summer, we will have our own clinic at Truckee Meadows Community College (TMCC) funded by the William N. Pennington Foundation.

With the overwhelming number of low income veterans needing dental care, our program became more expensive to operate and keep up with demand. This is why we came to the Legislature during the 79th Session to request appropriation funds to help with the operational, administrative and staffing

requirements to run our program. Unfortunately, the large grants we were awarded by foundations will not cover any labor or indirect costs. We received \$350,000 with our 2-year appropriation, and it has all been spent with \$1.2 million in dental care provided to low income veterans.

For this Session, we are requesting an increase of \$150,000 for a total of \$500,000 in appropriation funds for 2 years or \$250,000 per year. This accounts for only 37.3 percent of our overall budget each year, since we anticipate raising \$420,000 per year through grants, donations and fundraising. With additional funds requested, our goal is to concentrate on two underserved veteran groups: women veterans and veterans living in rural areas. Since the average costs per veteran to provide full restoration is approximately \$1,500, this will allow us to help an additional 100 veterans and will increase the number of veterans treated for 2 years from 300 to 400. Our goal is to provide dental care to 60 more women veterans and 40 more veterans in the rural counties.

These underserved populations will require an increased level of outreach, prescreening and case management. The rural areas have accounted for only 17 percent of our veterans who receive dental care. We have several trips planned to increase that. We realize that the Committee has a difficult decision to make. The Committee also has a unique opportunity to leverage funds provided to our program by over a factor of three. We project that over \$1.7 million in dental care will be provided to our low income veterans with \$500,000 in State funding over the next 2 years.

This leverage factor results from two important components of our program: the magnitude of donated services by our dentists and discounted lab costs and the fact that we raise well over 60 percent of our funds from other sources. It has been an honor to serve our veterans, but it has been devastating to see the tragic effects of unattended oral care due to the lack of affordable dental treatment. Our veterans, many who put their life on the line to serve our Country, deserve better. Let us continue our efforts together and be the solution to address this overwhelming challenge and pass <u>A.B. 487</u>.

JIM SNYDER (Veteran Advocate, Adopt a Vet Dental Program):

I have been with the program for about eight years. I went through the program and began volunteering. I am providing a letter (Exhibit D) on behalf of Doris Howard. She is a veteran who went through our program at a time when

her health was deteriorating. This bill was passed by the Assembly Committee on Ways and Means. Throughout Doris' life she was able to get medical care through the VA but never dental. When we have a prescreening, we send our participants to different places such as the Veterans Center and the Veteran Resource Center. The TMCC assists them on available schooling. We have created a great situation with the VA, and they tell veterans what is available through the VA.

Many times, veterans do not get one-on-one treatment. During a prescreening, I was with another Marine. There were two female Marines there with us. They told us that they did not feel like Marines; we were shocked. They also told us that they do not consider themselves veterans. I went back to staff to figure out what was going on. Due to the last appropriation, we doubled the amount of women who have gone through our program through a concentrated effort. Out of 1,130 women veterans, we helped 45. The administrator we hired was assigned as the outreach coordinator for female veterans. Veterans sign the dotted line. It does not matter when they served or what they served—they served. We want to show them by working on this that we are on the right track.

# Senator Joseph P. Hardy (Senatorial District No. 12):

I had the opportunity to go to the veteran's hospital in Las Vegas recently, and everyone asked if I was a veteran. My response was yes, and they would thank me for my service. This was touching. <u>Assembly Bill 487</u> is our way of thanking veterans for their service.

#### TIFFANY SWISHER:

I was lucky to go through the Adopt a Vet Dental Program in 2017. About 15 years ago, I was diagnosed with adult onset epilepsy. It was severe; the neurologists were having a difficult time finding the right combination of medicine to control my seizures. They were successful; however, the medications that were saving my life started to do permanent and destructive damage to my teeth. The enamel was eroding, chipping, weak and painful. I reported this to the VA; however, because I did not qualify for dental services there was nothing they could or would do for me.

It was difficult to look at myself in the mirror every day and watch my teeth being destroyed along with my self-esteem. I began to hide my smile from people and in pictures. At this point, the one thing I would have wished for was

to have my teeth fixed. I searched for free dental clinics, but there was nothing out there for veterans. One day, I came across the Adopt a Vet Dental Program, and it seemed too good to be true. Some of the services I received included root canals, fillings, bridge work and the dentist fixed some gaps in my teeth that were bothersome. I also got a mouth guard, because the epilepsy made me grind my teeth. I left every appointment feeling better about myself. I think about how many times a day I smile at people. Because of the Adopt a Vet Dental Program, I do not have to be embarrassed. This program is a vital part of the veteran community.

# SENATOR HARDY:

You are all veterans of this process. Thank you for your service.

## CHAIR WOODHOUSE:

We will close the hearing on A.B. 487 and open the hearing on A.B. 503.

ASSEMBLY BILL 503 (1st Reprint): Makes an appropriation to the Fleet Services

Division of the Department of Administration for the purchase of new vehicles. (BDR S-1174)

JENNI CARTWRIGHT (Administrator, Administrative Services Division, Department of Administration):

<u>Assembly Bill 503</u> requests \$5,567,759 for 158 vehicles to expand the fleet and accommodate agency requests in the Governor's recommended budget and vehicles approved by the Legislature.

#### CHAIR WOODHOUSE:

We will close the hearing on A.B. 503 and open the hearing on A.B. 504.

ASSEMBLY BILL 504 (1st Reprint): Makes appropriations to the State Department of Agriculture for water conservation projects, the purchase of replacement vehicles and the purchase and replacement of laboratory equipment. (BDR S-1177)

JENNIFER OTT (Director, Department of Agriculture):

<u>Assembly Bill 504</u> makes appropriations for drought projects, replacement vehicles for our law enforcement officers and laboratory equipment in our animal disease laboratory. This equipment will make our sample processing more efficient.

#### SENATOR SETTEL MEYER:

Based on the amount indicated under section 1 of A.B. 504 and the cost benefit analysis I have seen, people are receiving \$30,000 to \$40,000 for projects. Many of these projects are done on personal property, because it is the right thing to do. Many of my constituents have dealt with situations where a wild horse breaks its leg and has to be put down. This creates a problem. There are also problems with cattle rustlers, particularly in Senator Goicoechea's district. Unfortunately, we do not have enough patrol vehicles to get things done. It would make sense to delete section 1, subsection 1 of the bill, reallocate the \$125,000 and purchase 4 replacement vehicles. Two of the five vehicles are in operation; the Department of Agriculture cannot afford a new set of tires. This is problematic.

# Ms. Ott:

We appreciate and agree with Senator Settelmeyer's suggestion. We have law enforcement officers who are in need of vehicles that operate properly.

# CHAIR WOODHOUSE:

We will close the hearing on A.B. 504 and open the hearing on A.B. 505.

ASSEMBLY BILL 505 (1st Reprint): Makes appropriations to the Division of State Parks for self-pay kiosks, replacement of vehicles, a paving project and construction at Ice Age Fossils State Park and maintenance of equipment for Sand Harbor at Lake Tahoe Nevada State Park. (BDR S-1180)

ROBERT MERGELL (Administrator, Division of State Parks, State Department of Conservation and Natural Resources):

Sections 1 and 2 of <u>A.B. 505</u> are related to the Ice Age Fossil State Park for the continuation of an ongoing project. The project includes additional paving for maintenance areas, expansion of the trail system and more exhibits. Section 3 of the bill is for 19 self-pay kiosks that will be placed at every feasible State park throughout the State. Section 4 is for 28 replacement vehicles. Section 5 is for beach cleaner; we are asking for half of that cost with the other half being covered by a land and water conservation fund grant.

#### CHAIR WOODHOUSE:

We will close the hearing on A.B. 505 and open the hearing on A.B. 506.

ASSEMBLY BILL 506 (1st Reprint): Makes appropriations to the Department of Corrections for systems and equipment. (BDR S-1182)

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

I am submitting additional testimony (Exhibit E). There are 8 different areas of appropriation that we are considering through the lifecycle of A.B. 506. The bill appropriates \$1.8 million for ongoing development of the Department of Corrections' (DOC) primary software application Nevada Offender Tracking Information System (NOTIS). This system is used to manage information about inmates and operations. The Assembly Committee on Ways and Means approved Amendment No. 1001 to eliminate 3 of the 5 components of this request and reduce the appropriation to \$420,000. The NOTIS is an international application with over 30 modules available for end users. The DOC uses a little over half of these modules.

The most recent development of NOTIS was the rollout of the medical module which we received appropriations for during the 2017-2019 biennium. We have been able to use the integrated functionality in NOTIS to an incredible value. During the 79th Session, we received an appropriation to address the unsupported Oracle forms and legacy programming in NOTIS. We also evaluated NOTIS to see if it was the best value for the DOC and the State. Given the transitional costs for an alternative product, NOTIS remains the best value for the State and was worth the costs of modifications to have a viable product in the future.

We spoke with our partners who share the database and made sure that this is an appropriate solution for them. Once this was determined, we addressed the Oracle form concerns and the migration to the 12c platform that was required to maintain the lifecycle of this product. The project was completed during the 2017-2019 biennium on time and under budget. Assembly Bill 506 represents ongoing development of the NOTIS product to make sure that we gain operational efficiencies and effectiveness. This includes providing better responsiveness and increasing data inquiries. The Assembly Committee on Ways and Means stated that Amendment No. 1001 was based on concerns about the dependency on wireless networking triangulated irregular networks. This was provided for in the original version of section 3 of the bill.

Assembly Bill 506 appropriates \$623,060 for the full implementation of the key control system to all major institutions. We originally did a pilot project at the Lovelock correctional center. During the 2017-2019 biennium, we received another appropriation to implement this at the Warmsprings correctional center. These implementations were done on time and within budget. This request will roll this out to the remaining institutions. It will also upgrade the Lovelock correctional center to the new enterprise platform that was implemented at the Warmsprings correctional center.

The third appropriation in the original version of <u>A.B. 506</u> was for \$1,465,235 to provide wireless networking associated security hardware. The Assembly Committee on Ways and Means eliminated this for concerns related to giving MP3 players to inmates, the inability for inmates to afford tablets and uncertainties about the limited bandwidth that could be used by the new tablets. Inmates have spent over \$500,000 to purchase MP3 players. These mobile devices may tether to a kiosk system to download photos and messages. Families and friends have paid over \$350,000 to send photos and messages to inmates.

This third appropriation also supports \$1.7 million of music purchased by inmates that can be listened to on the MP3 players. These players are no longer manufactured as the industry migrates to the new industry standard of wireless tablets. With improved functionality to support core correctional activities as authorized by A.B. No. 420 of the 79th Session, these tablets provide programming, education, vocation, job development, reentry, medical care, access to management, access to law libraries, inmate banking services, grievance administration, commissaries, correspondence with friends and family and other features.

#### CHAIR WOODHOUSE:

Please speak to the items included in the first reprint on A.B. 506.

#### Mr. Borrowman:

A component in the original version of <u>A.B 506</u> was eliminated in the first reprint. This has had an impact on the bill. The next four requests are for routine equipment replacements consistent with a replacement schedule to support general operations. The final appropriation of \$1,030,349 in Amendment No. 1001 supports the replacement of 350 desktop computers in each year of the 2019-2021 biennium. This also supports 16 laptop computers

in FY 2019-2020 and 15 laptop computers in FY 2020-2021. These replacements are consistent with the Statewide replacement schedule and Committee closing on the DOC's budget.

# SENATOR GOICOECHEA:

What fiscal changes were made between the original version of  $\underline{A.B.}$  506 and the first reprint?

#### Mr. Borrowman:

Section 1 of the original version of <u>A.B. 506</u> was for \$1.8 million. This was reduced to \$420,000. Section 3 of the original version was eliminated completely for a total of \$1,465,225. The addition of replacement computers was taken out of the operating budget and placed into a one-shot appropriation. This amounts to an increase of \$1,030,349. The total decrease is approximately \$2.8 million.

#### SENATOR GOICOFCHEA:

This is difficult to determine at this point. We already went through the hearing process. We have never seen A.B. 506 prior to this hearing.

## CHAIR WOODHOUSE:

We will close the hearing on A.B. 506 and open the hearing on A.B. 511.

ASSEMBLY BILL 511 (1st Reprint): Makes appropriations to the Investigation Division of the Department of Public Safety for the replacement of vehicles and computer software and hardware. (BDR S-1194)

RYAN MILLER (Deputy Chief, Investigation Division, Department of Public Safety): <u>Assembly Bill 511</u> requests funding to replace vehicles that exceed or are expected to exceed the thresholds in the State administrative manual. Additionally, this bill requests replacement of computer software and hardware that is exceeding or is expected to exceed the schedule set by the State.

#### **SENATOR DENIS:**

Is the computer software and hardware replaced at the same time throughout the Investigation Division?

Mr. Miller:

No. This will be split up based on when the computers were originally purchased.

# CHAIR WOODHOUSE:

We will close the hearing on A.B. 511 and open the hearing on A.B. 512.

ASSEMBLY BILL 512 (1st Reprint): Makes appropriations to the Office of Finance as loans for the implementation and replacement of computer applications. (BDR S-1216)

# Ms. Cartwright:

There are three components to <u>A.B. 512</u>. Section 1 of the bill requests \$2,138,800 for the continued implementation of the Office 365 business productivity suite. Section 2 requests \$4,186,202 for firewall initiatives. Section 3 requests \$1,784,500 to replace a content management system. Section 1, subsection 2; section 2, subsection 2 and section 3, subsection 2 specify repayment of each allocation with user fees over 4 years beginning in FY 2021-2022.

## **SENATOR DENIS:**

Regarding section 1 of <u>A.B. 512</u>, will the Office 365 application be implemented to all agencies throughout the State?

# Ms. Cartwright:

Yes, with the exception of NDOT and DOC. The DOC will be implemented at a later time. All State agencies will be on this application by the end of the 2019-2021 biennium. This is a portion of the total cost and represents initial licensing fees that are due July 1, 2019. This amounts to \$1,738,800. Of this, \$400,000 is for a contract with Microsoft for consulting and implementation services.

# **SENATOR DENIS:**

Do the implementation services include implementing Office 365?

Ms. Cartwright

Yes.

## SENATOR DENIS:

Regarding section 2 of A.B. 512, will all firewalls be replaced?

MICHAEL DIETRICH (Deputy Director and CIO, Division of Enterprise Information Technology Services, Department of Administration):

This will replace two firewalls in northern and southern Nevada that are the primary boarder protections for the Silvernet State network.

#### **SENATOR DENIS:**

Does this include maintenance and other stuff that goes along with that?

# MR. DIETRICH:

Yes. It also includes setting features that are enabled on the firewall hardware devices. This is at an additional cost. These features are required for protection and hardware maintenance.

#### SENATOR DENIS:

How often do the firewalls need to be replaced?

#### Mr. Dietrich:

This varies based on the version of the purchased hardware and software. These firewalls will be cutting edge devices and will have the most current software and hardware on them. We hope that they will remain viable for at least four to five years.

#### SENATOR DENIS:

There is one firewall for the north and one for the south. Does everything that comes in have to go through these?

#### Mr. Dietrich:

Yes. They are the entry and egress point for all traffic between the open internet and Silvernet. All Silvernet traffic flows through these devices.

#### **SENATOR DENIS:**

This technology changes fast. Protecting all of our data is important. By updating these firewalls, we are getting the most up-to-date stuff. The intrusion stuff is not going to stop. We need to have the ability to adjust for this as we move forward.

## CHAIR WOODHOUSE:

We will close the hearing on A.B. 512 and open the hearing on A.B. 513.

ASSEMBLY BILL 513 (1st Reprint): Makes appropriations to the Department of Public Safety for the replacement of computer hardware and software. (BDR S-1219)

NATASHA KOCH (Chief, Training Division, Department of Public Safety): Section 1 of <u>A.B. 513</u> requests \$27,387 from the General Fund (GF) and \$47,056 out of the Highway Fund for a total of \$74,443.

# CHAIR WOODHOUSE:

We will close the hearing on A.B. 513 and open the hearing on A.B. 516.

ASSEMBLY BILL 516 (1st Reprint): Makes appropriations to the Interim Finance Committee for the unanticipated costs related to the implementation of Marsy's Law. (BDR S-1229)

PAUL NICKS (Deputy Chief, Budget Division, Office of Finance, Office of the Governor):

<u>Assembly Bill 516</u> requests appropriations in each year of the 2019-2021 biennium of \$5 million for unanticipated costs associated with Marsy's Law, the implementation of Marsy's Law and the potential for a decline in revenues through the court assessments.

#### Mr. Krmpotic:

When <u>A.B. 516</u> comes back for work session, Fiscal staff will propose that the effective date of the appropriations be changed to upon passage and approval.

#### CHAIR WOODHOUSE:

We will close the hearing on A.B. 516 and open the hearing on A.B. 522.

ASSEMBLY BILL 522 (1st Reprint): Makes appropriations to the Budget Division for an upgrade to the Nevada Executive Budget System and the replacement of office furniture. (BDR S-1165)

#### MR. NICKS:

Section 1 of  $\underline{A.B.522}$  requests the sum of \$1,438,500 for the replacement of the Nevada Executive Budget System (NEBS). This was originally going to be

part of the SMART 21 program. During the requirements gathering phase of SMART 21, they queried different agencies and the Legislative Counsel Bureau. It was determined that the current system is the best option for us going forward. Assembly Bill 522 will fund the replacement of this system by utilizing the same vendor. This vendor built the Budget Analysis System of Nevada (BASN). We will continue to have connectivity between NEBS and BASN. Section 2 of the bill requests \$53,052 for replacement furniture. The majority of our furniture is beyond its useful life. Historically, we go through the State surplus. At this time, we are unable to get any additional stuff; we are looking to replace some of our furnishings.

# CHAIR WOODHOUSE:

We will close the hearing on A.B. 522 and open the hearing on A.B. 523.

ASSEMBLY BILL 523 (1st Reprint): Makes appropriations to the Department of Motor Vehicles for replacement of uninterruptible power supply equipment and Storage Area Network units, an upgrade to the Avaya telephone and PBX Systems and CrowdStrike software. (BDR S-1191)

ANGELA SMITH-LAMB (Administrator, Administrative Services Division, Department of Motor Vehicles):

<u>Assembly Bill 523</u> requests an appropriation to the DMV for replacement of uninterruptible power supply equipment, storage area network units and an upgrade to the Avaya telephone system, PBX system and CrowdStrike software.

#### CHAIR WOODHOUSE:

We will close the hearing on A.B. 523 and open the hearing on A.B. 524.

ASSEMBLY BILL 524 (1st Reprint): Makes a supplemental appropriation to the Office of the Director of the Department of Corrections for an unanticipated shortfall in certain costs. (BDR S-1234)

SCOTT EWART (Chief, Fiscal Services, Department of Corrections):

The first reprint of <u>A.B. 524</u> requests a supplemental appropriation in the amount of \$5,169,127 to fund unanticipated GF projected shortfalls in institutional costs including utilities, inmate food, maintenance of buildings and grounds, operations, personnel services, partial loss of federal receipts of the

State Criminal Alien Assistance Program grant and inmate medical services which were added by the Assembly Committee on Ways and Means.

#### CHAIR WOODHOUSE:

We will close the hearing on A.B. 524 and open the hearing on A.B. 536.

ASSEMBLY BILL 536: Makes a supplemental appropriation to the Commission on Judicial Discipline for unanticipated operating expenses. (BDR S-1274)

Valerie Carter (Management Analyst 4, Nevada Commission on Judicial Discipline):

I am happy to answer any questions the Committee has on A.B. 536.

#### CHAIR WOODHOUSE:

<u>Assembly Bill 536</u> appropriated \$49,897 for unanticipated operating expenses. Is this correct?

Ms. Carter:

Yes.

CHAIR WOODHOUSE:

We will close the hearing on A.B. 536.

Next, we will open this meeting to a work session.

#### MR. KRMPOTIC:

<u>Senate Bill (S.B.) 3</u> was heard by this Committee on May 28, 2019. The bill was requested on behalf of the Attorney General. The Committee had fiscal concerns involving a fiscal note that was submitted by DOC on the bill as introduced. Through the first reprint of the bill, the DOC's fiscal note has been removed. Fiscal staff has no other concerns with the bill.

<u>SENATE BILL 3 (1st Reprint)</u>: 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)

SENATOR SETTELMEYER MOVED TO DO PASS S.B. 3.

SENATOR PARKS SECONDED THE MOTION.

#### THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

JOHN KUCERA (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

<u>Senate Bill 90</u> makes various changes related to health care of children and was submitted on behalf of the Legislative Committee on Health Care. This bill included a number of provisions that were amended through a conceptual amendment (<u>Exhibit F</u>). This was submitted by representatives of the Children's Advocacy Alliance.

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

Exhibit F deletes section 30 of S.B. 90 which removes \$1 million in the Diapering Resources Account. It also deletes section 31 removing \$100,000 for training and technical assistance grants and reduces the amount under section 32 to \$100,000 in each year of the 2019-2021 biennium to provide assistance to child care providers for the implementation of new regulations related to physical activity and nutrition standards as required by A.B. No. 152 of the 78th Session. This bill becomes effective on July 1, 2019. After consideration of Exhibit F, the remaining fiscal impact would be \$100,000 in each year of the 2019-2021 biennium. During the work session on May 29, 2019, there was some uncertainty regarding the nature of the grant funds that may be available to support physical activity nutrition standards within section 32 as revised by Exhibit F. There is a representative here from the Department of Health and Human Services (DHHS) Division of Welfare and Supportive Services (DWSS) to elaborate on the status of Child Care and Development Block Grant (CCDBG) funds.

STEVE FISHER (Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services):

In regards to section 2 of <u>S.B. 90</u>, the DWSS was not involved with this bill. A few days ago, we were asked if we already have resources addressing nutrition and fitness. The CCDBG can cover subsidies for child care and quality improvements to improve healthy development in child care settings. Nutrition and physical activity are two areas that can be focused on for quality improvement. Traditionally, we have not broken out quality improvement funds

into specific categories, but we can. If the goal is to improve the influence child care facilities have on nutrition and physical activity, then we can support these activities under quality improvement.

# SENATOR KIECKHEFER:

Does the DWSS have funding available to support these efforts in a way that does not strip away funding from direct support for families?

#### MR. FISHER:

Quality funds do not support families, but the subsidies do. We would do this through the Early Childhood Advisory Council (ECAC). They set the priorities and goals on how to spend the quality funds. We have current programs in place that can not use these funds because they are obligated. We have new programs in the future that are set to move forward, and funds have been obligated. We would have to take a look at future programs and figure out how to weave nutrition and physical activities into something going forward.

# SENATOR KIECKHEFER:

Is it realistic to ask the DWSS to do this?

# MR. FISHER:

Nutrition and physical activity seems like a reasonable request to work with the ECAC on.

# SENATOR KIECKHEFER:

This sounds like something that should be part of that process. The things I asked about during the hearing are a part of the licensing requirement.

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED <u>S.B. 90</u> TO AGREE WITH RECORDED HISTORY ON THIS BILL WITH <u>EXHIBIT F</u>, TO ENTIRELY REMOVE THE APPROPRIATION FROM THE BILL AND FOR THE DWSS TO WORK WITH THE ECAC ON IMPLEMENTATION PURPOSES OF NUTRITION AND FITNESS PROGRAMS THROUGH THE QUALITY RATING IMPROVEMENT SYSTEM.

SENATOR PARKS SECONDED THE MOTION.

#### CHAIR WOODHOUSE:

If this motion passes, will it make it more difficult for the DWSS to be competitive for grants regarding obesity intervention?

MR. FISHER:

No.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Stephanie Day (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

<u>Senate Bill 202</u> was presented by Senator Dondero Loop along with a conceptual amendment (<u>Exhibit G</u>) to this Committee on May 27, 2019.

**SENATE BILL 202**: Revises provisions relating to persons with disabilities. (BDR 38-685)

<u>Senate Bill 202</u> presented a fiscal impact from the DHHS Aging and Disabilities Services Division and from the DHHS Division of Health Care Financing and Policy (DHCFP). <u>Exhibit G</u> removed the fiscal impacts for both of these entities. A second conceptual amendment (<u>Exhibit H</u>) was presented by Steven Cohen. This would provide consumers of the Department of Employment, Training and Rehabilitation's Rehabilitation Division with informed choice of employment networks via the Ticket to Work program and would revise personnel *Nevada Revised Statutes* (NRS) concerning probationary employees.

# CHAIR WOODHOUSE:

Have you had the opportunity to review Exhibit H, and do you consider it a friendly amendment?

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

I have reviewed <u>Exhibit H</u>; however, I have not been able to discuss this with DHHS. Steven Cohen was part of the overview and origination of <u>S.B. 202</u> since he went through the 700-Hour Program. As long as <u>Exhibit H</u> does not alter the fiscal effects or interrupt our services, I would be happy to accept it.

CHAIR WOODHOUSE:

Will the fiscal impacts from the DHHS be removed with Exhibit G?

SENATOR MARILYN DONDERO LOOP:

Yes.

SENATOR SETTELMEYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 202.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Ms. Day:

<u>Senate Bill 216</u> was presented by Senator James Ohrenschall on May 27, 2019, and includes the establishment of the Commission on Autism Spectrum Disorders (CASD), which has been operating under executive order since November 2008.

SENATE BILL 216 (1st Reprint): Revises provisions relating to autism spectrum disorders. (BDR 38-33)

The CASD requires agencies to oversee programs that provide services to persons with autism spectrum disorders and to report certain information concerning these programs. There is a fiscal note from DHHS attached to  $\underline{S.B.\ 216}$  for \$67,530 in FY 2019-2020 and \$63,447 in FY 2020-2021. This fiscal note has not affected this bill in the first reprint. There was testimony in support of the bill from two individuals; there was no testimony in the opposition and neutral position. No other additional amendment has been proposed.

SENATOR CANCELA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 216.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR DENIS WAS ABSENT FOR THE VOTE.)

\* \* \* \* \*

CATHY CROCKET (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

<u>Senate Bill 344</u> was heard on May 24, 2019, and was presented by Senator Scheible who also presented a conceptual amendment (<u>Exhibit I</u>) for the bill.

<u>SENATE BILL 344</u>: Revises Medicaid reimbursement rates related to family planning services. (BDR 38-743)

Exhibit I removed provisions related to increasing Medicaid reimbursement rates for family planning services and added authorization for providers of family planning services, including federally qualified health centers to use sources of money in addition to reimbursements under Medicaid to pay for contraceptive devices and supplies provided to Medicaid recipients. This would allow these entities to accept grants and other sources of funding. The second element of S.B. 344 is to indicate that there is a prohibition against requiring or allowing any copayments for services or premiums for benefits of Medicaid recipients.

The third element of <u>S.B. 344</u> is to require the DHCFP to reimburse for certain services provided by community health workers as defined in NRS 449.027. This specifies that community health workers must work under the supervision of a licensed physician, advanced practiced registered nurse or a physician assistant. There was an element to indicate the definition of a federally qualified health center. Under NRS 422.27243, there is a provision that would allow the director of DHHS to charge a premium or other cost-sharing device for certain disabled individuals who work and exceed the standard Medicaid eligibility thresholds. This provision is currently in place.

Currently, there are three caseloads on the program. If the Committee wished to amend <u>S.B. 344</u> to prohibit copays and cost-sharing, it may wish to consider exempting NRS 422.27243 from the cost-sharing prohibition. The bill sponsor is in agreement with this. In considering that the bill would propose to establish a new provider type for community health workers, the DHCFP does not anticipate that there would be a net cost increase, since they project other

savings will materialize. The Committee may wish to consider an amendment to require the DHCFP to report to the Interim Finance Committee (IFC) on the cost and savings of adding community health workers to the Medicaid State Plan by October 1, 2020.

SENATOR PARKS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 344. TO INCLUDE EXHIBIT I, AND TO REQUIRE THE DHCFP TO REPORT TO THE IFC ON THE COST AND SAVINGS OF ADDING COMMUNITY HEALTH WORKERS TO THE MEDICAID STATE PLAN BY OCTOBER 1, 2020

SENATOR CANCELA SECONDED THE MOTION.

## SENATOR KIECKHEFER:

I will support the motion; however, I object to the provision regarding copayments and cost sharing. I think copayments are reasonable to consider as Medicaid has evolved. This helps direct people to the appropriate level of care. We can always change this during the 81st Session. I support this for the other policy purposes involved.

## SENATOR SETTELMEYER:

For the reasons stated by Senator Kieckhefer, I will vote against this motion. I have seen California programs where they instituted miniscule copays and have been able to ensure that individuals do not abuse the system.

THE MOTION CARRIED. (SENATORS GOICOECHEA AND SETTELMEYER VOTED NO.)

\* \* \* \* \*

LEANNDRA COPELAND (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

<u>Senate Bill 421</u> was heard by this Committee on May 25, 2019, and was sponsored by Senator Ohrenschall.

SENATE BILL 421 (1st Reprint): Requires the establishment and carrying out of a program relating to certain unmanned aircraft systems. (BDR 18-31)

Senate Bill 421 requires the Governor's Office of Economic Development (GOED) to establish and carry out a program to facilitate the growth and safe integration of small unmanned aircraft systems in Nevada to the extent of available funds. The bill, as amended, requires GOED to ensure the program complies with all applicable federal law, authorizes the program to provide training, conduct testing and provide assistance with complying with any safety standards related to small unmanned aircraft development by the Federal Aviation Administration. It also authorizes GOED to enter into an agreement with a nonprofit organization for the operation of the program and makes an appropriation of \$1 million to GOED to carry out the program.

Any remaining balance of the appropriation must not be committed for expenditure after June 30, 2021. Any unspent amount must be reverted to the GF. This bill was presented by Senator Ohrenschall and two other presenters. There was one individual who testified in support and none who testified in the opposition or neutral position. This act becomes effective on July 1, 2019, and the correct action on this would be "do pass."

# CHAIR WOODHOUSE:

There is the possibility of some substantial federal funding with S.B. 421.

SENATOR PARKS MOVED TO DO PASS S.B. 421.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

#### MR. KRMPOTIC:

Earlier this morning, the Committee heard testimony on several appropriation bills. These included one-time appropriations and supplemental appropriations. The Committee is aware of the constitutional requirement which requires the passage of the education funding bill prior to any other appropriations. With respect to supplemental appropriations which address shortfalls in FY 2018-2019, these can be sent to enrollment before the education funding bill. However, the caveat is that the appropriation is for the current fiscal year. The "education first" provision provides for the enactment of appropriations for the 2019-2021 biennium or future fiscal years. The first supplemental

appropriation is for <u>A.B. 524</u> which would appropriate \$5,169,127 to the DOC to address various shortfalls in their budgets for FY 2018-2019. This supplements an appropriation passed by the 79th Session within *Statutes of Nevada* 2017, chapter 396.

SENATOR SETTELMEYER MOVED TO DO PASS A.B. 524.

SENATOR BROOKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

## MR. KRMPOTIC:

The second supplemental appropriation is included in <u>A.B. 536</u> for the Commission on Judicial Discipline in the amount of \$49,897. This supplements an appropriation approved by the 79th Session in *Statutes of Nevada* 2017, chapter 396, section 12. This will supplement shortfalls in FY 2018-2019.

SENATOR PARKS MOVED TO DO PASS A.B. 536.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

# CHAIR WOODHOUSE:

First, we will introduce the kindergarten through Grade 12 (K-12) public education bill draft request (BDR) for the 2019-2021 biennium.

# MR. KRMPOTIC:

Bill Draft Request 34-1279 is for the K-12 education funding bill.

<u>BILL DRAFT REQUEST 34-1279</u>: Ensures sufficient funding for K-12 public education for the 2019-2021 biennium. (Later introduced as <u>Senate Bill 555</u>.)

This includes funding for K-12 education through the Distributive School Account (DSA) budget account (B/A) 101-2610 and the categorical programs that are included in K-12 education.

**EDUCATION** 

K-12 EDUCATION

NDE - Distributive School Account — Budget Page K-12 EDUCATION-17 (Volume I)
Budget Account 101-2610

ADAM DROST (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Section 1 of <u>BDR 34-1279</u> is a new section for the 80th Session and provides the total public support for school districts and charter schools for FY 2019-2020 at an estimated average of \$10,227 per pupil. This provides all revenue from State, local and federal sources excluding federal revenue provided directly to school districts.

## Mr. Krmpotic:

Fiscal staff has provided a chart (Exhibit J) that displays the increase in overall funding layered by federal funds, State categorical funds, local guaranteed State support and local guaranteed revenue. It is not necessary to understand the bill as Fiscal staff reviews this. However, this chart provides additional guidance to the changes in funding.

# Mr. Drost:

Under section 2 of <u>BDR 34-1279</u>, total public support provided for FY 2020-2021 is estimated at \$10,319 per pupil. Section 3 provides the basic support guarantee for school districts, charter schools and university school for profoundly gifted pupils for FY 2019-2020 with the estimated weighted average of \$6,218 per pupil. Section 3 also provides the basic support guarantee for each school district within the State. Section 4 provides the basic support guarantee for FY 2020-2021 and is an estimated weighted average of \$6,288. Section 4 also provides the estimated basic support guarantee for FY 2020-2021 for each school district and will be recalculated for FY 2020-2021 based on updated property tax revenue provided by the Department of Taxation (DOT).

Section 5 of <u>BDR 34-1279</u> provides the GF appropriations from the DSA. For FY 2019-2020, total appropriations are \$1.17 billion and for FY 2020-2021 total appropriations are \$1.16 billion. Section 6 provides expenditure authority for the DSA which totals \$495.5 million in FY 2019-2020 and \$508.3 million in FY 2020-2021. This includes all of the non-GF revenue sources within the DSA such as the Slot Tax, out-of-state Local School Support Tax, 10 Percent Retail Marijuana Tax and the Room Tax. Section 9 provides total funding for pupils with disabilities or special education funding. This totals \$211.5 million in FY 2019-2020 and \$218 million in FY 2020-2021.

Section 10 of <u>BDR 34-1279</u> provides additional special education funding for pupils in school districts within special education enrollment that exceeds 13 percent with funding of \$1.5 million in each year of the 2019-2021 biennium. Section 11 provides special transportation cost expenditures of \$142,555 in FY 2019-2020 and \$145,650 in FY 2020-2021. Section 12 provides expenditures for the national school lunch program State match requirement for \$588,732 in each year of the 2019-2021 biennium. Beginning in section 14 is the class size reduction program. This provides funding for pupil and teacher ratios of 17 pupils per licensed teacher in Grades 1 and 2, and 20 pupils per licensed teacher in Grade 3. Section 15 provides funding of \$161.7 million in FY 2019-2020 for the class size reduction program.

Section 16 of <u>BDR 34-1279</u> provides authority of \$165.5 million in FY 2020-2021 for the class size reduction program. Section 17 provides the alternative class size reduction program that is available for smaller school districts. Section 18 provides the prioritization of class size reduction funding. Section 19 covers the Other State Education Programs B/A 101-2699 and provides GF appropriations of \$91.9 million in FY 2019-2020 and \$90.6 million in FY 2020-2021. Section 19, subsection 3 provides expenditure authority of \$1.2 million in FY 2020-2021. This budget contains various categorical funding and section 19, subsection 4 contains these individual categoricals with \$19.3 million available for each FY of the 2019-2021 biennium for the Adult Standard High School Diploma program.

NDE - Other State Education Programs — Budget Page K-12 EDUCATION-22 (Volume I)
Budget Account 101-2699

Section 19, subsection 7, paragraph (a) of <u>BDR 34-1279</u> contains another categorical program within B/A 101-2699 for \$49,285 in each FY of the 2019-2021 biennium for the National Board Teacher Certification program. Some of the larger ones under paragraph (e) include \$13.5 million for grants for programs of career and technical education. Paragraph (f) includes \$5.1 million in FY 2019-2020 and \$4.2 million in FY 2020-2021 for the Jobs for America's Graduates program. Paragraph (k) provides a total of \$750,000 in each FY of the 2019-2021 biennium for the Nevada Institute on Teaching and Educated Preparation which provides teacher education and training. Paragraph (l) provides a total of \$500,000 in each FY of the 2019-2021 biennium for transfer to the Clark County Public Education Foundation for operation of educational leadership training programs. Section 20 of <u>BDR 34-1279</u> is a parallel section based on passage and approval of <u>A.B. 309</u>.

ASSEMBLY BILL 309 (1st Reprint): Makes various changes relating to state financial administration. (BDR 34-886)

Section 21 of <u>BDR 34-1279</u> provides funding of \$1.3 million in each FY of the 2019-2021 biennium for incentive grants to public high schools for the College and Career Ready High School Diploma program. Section 22 provides funding of \$8.2 million in each FY of the 2019-2021 biennium for the Gifted and Talented Education program. Section 23 provides funding of \$5 million in each FY of the 2019-2021 biennium for the College and Career Readiness Grant program. This is used to support duel enrollment and science, technology, engineering and mathematics grant programs. Section 24 provides funding for the Underperforming Turnaround Schools program with \$2.5 million in each FY of the 2019-2021 biennium.

Section 25 of <u>BDR 34-1279</u> provides funding for the Read by Grade 3 program totaling \$31.5 million in FY 2019-2020 and \$31.4 million in FY 2020-2021. Section 25, subsection 2 provides the use of this funding. Section 26 contains funding provided for the Zoom Schools program and includes GF appropriations of \$50 million in each year of the 2019-2021 biennium. Section 26, subsection 3 provides an allocation for Clark County School District (CCSD) and Washoe County School District (WCSD). This is based on the number of ELL students within those districts. Section 26, subsection 4 calls for the recalculation in the second year of the 2019-2021 biennium based on updated counts. Section 26, subsection 5 provides \$5.1 million to the other school

districts; this would also be recalculated in the second year of the 2019-2021 biennium based on updated counts.

Section 27 of <u>BDR 34-1279</u> provides GF appropriations of \$10 million in each FY of the 2019-2021 biennium for the Nevada Ready 21 Technology Competitive Grant program for Statewide one-to-one pupil technology devices. Section 28 provides GF appropriations of \$21.8 million in each year of the 2019-2021 biennium for the account for Programs for Innovation and Prevention of Remediation (PIPR) for the Victory Schools program. Section 28, subsection 4, provides authorizations which reflect balance forward and interest earnings of \$3.2 million in FY 2019-2020 and \$1.2 million in FY 2020-2021.

Section 29 of <u>BDR 34-1279</u> provides GF appropriations of \$2.5 million in each year of the 2019-2021 biennium to provide financial incentives to newly hired teachers. Section 29, subsection 3, provides the requirements for this funding include individuals hired to teach full-time in a school that is a Title I school or designated as an underperforming school. It also includes those licensed to teach full-time in special education. Section 30 provides a GF appropriation in the accounts for PIPR of \$2.5 million for new teachers to teach at Title I schools or schools designated as underperforming. Section 30, subsection 2, provides a GF appropriation of \$2.5 million for individuals to transfer to Title I schools or schools designated as underperforming.

Section 31 of <u>BDR 34-1279</u> provides GF appropriations of \$7.7 million in each year of the 2019-2021 biennium for the Professional Development Programs Account (PDPA). This is utilized as funding for Regional Professional Development centers. Section 32 provides the allocation to each of the 3 districts who serve as the fiscal agents for these centers. Section 33 provides funding of \$100,000 in each FY of the 2019-2021 biennium for the Statewide Council for the Coordination of the Regional Training programs. This provides training opportunities for educational administrators in Nevada.

Section 34 of <u>BDR 34-1279</u> provides GF appropriations of \$120,000 for financial literacy training. This section is a parallel section based on passage and approval of <u>S.B. 314</u>.

SENATE BILL 314 (2nd Reprint): Revises provisions relating to education. (BDR 34-730)

Section 35 of <u>BDR 34-1279</u> provides GF appropriations in the Great Teaching and Leading Fund (GTLF). These appropriations total \$4.9 million in each year of the 2019-2021 biennium. This is utilized for professional development, leadership training and teacher preparation. Subsection 5 provides expenditure authority of \$94,591 in the GTLF. Section 36 is a parallel section based on passage and approval of <u>A.B. 309</u>. Section 37 provides GF appropriations of \$1.3 million in each year of the 2019-2021 biennium for the PDPA for the Peer Assistance and Review program. Section 37, subsection 2, provides the guidelines on the use of this funding. Section 38 is a parallel section based on passage and approval of A.B. 309.

Section 39 of <u>BDR 34-1279</u> provides a State GF appropriation in the State Contingency Account for Special Education Services B/A 101-2619 of \$100 in each FY on the 2019-2021 biennium. Subsection 2 provides expenditure authority in B/A 101-2619 of approximately \$2 million in each fiscal year of the 2019-2021 biennium. This funding is used for extra ordinary special education services.

NDE - Contingency Account For Special Ed Services — Budget Page K-12 EDUCATION-151 (Volume I)
Budget Account 101-2619

Section 40 of <u>BDR 34-1279</u> provides GF appropriations of \$1 million in each year of the 2019-2021 biennium to the grant fund for Incentives for Licensed Education Personnel B/A 101-2616. This is utilized to purchase 1/5 of a year of retirement service credit.

NDE - Incentives For Licensed Education Personnel — Budget Page K-12 EDUCATION-44 (Volume I)
Budget Account 101-2616

Section 41 of <u>BDR 34-1279</u> provides GF appropriations of \$45,000 in each year of the 2019-2021 biennium in the Bullying Prevention Account B/A 101-2704. This is used to provide bullying prevention grant funding to school districts.

NDE - Bullying Prevention Account — Budget Page K-12 EDUCATION-162 (Volume I)

Budget Account 101-2704

Section 42 of <u>BDR 34-1279</u> provides GF appropriations to the Teach Nevada Scholarship Program B/A 101-2718. Subsection 3 provides expenditure authority of \$4.9 million in FY 2019-2020 and \$5.5 million in FY 2020-2021 for B/A 101-2718.

NDE - Teach Nevada Scholarship Program — Budget Page K-12 EDUCATION-38 (Volume I)
Budget Account 101-2718

Section 43 of <u>BDR 34-1279</u> provides GF appropriations for the School Safety Account B/A 101-2698 totaling \$16.6 million in FY 2019-2020 and \$21.4 million in FY 2020-2021. Subsection 2 requires that \$14.6 million is utilized in FY 2019-2020 and \$18.1 million is utilized in FY 2020-2021 to provide block grants for social workers or other licensed mental health workers in schools. Subsection 2 defines the uses of this funding. Under subsection 6, \$1.5 million and \$3 million in FY 2019-2020 and 2020-2021 respectively are provided to fund additional school resource officers or school police officers.

NDE - School Safety — Budget Page K-12 EDUCATION-32 (Volume I) Budget Account 101-2698

Section 44 of <u>BDR 34-1279</u> provides a GF appropriation of \$7.5 million to provide grants on a competitive basis to school districts and counties with populations less than 100,000 and charter schools for schools safety facility improvements. This section is effective upon passage and approval. The NDE has until the end of FY 2020-2021 to spend this funding. Section 45 provides GF appropriations of \$69.9 million in each year of the 2019-2021 biennium for the New Nevada Education Funding Plan or funding from S.B. No. 178 of the 79th Session. Section 45, subsection 3, provides expenditure authority of \$22,044 in each year of the 2019-2021 biennium.

Section 46 of <u>BDR 34-1279</u> provides GF appropriations of \$4.5 million in each year of the 2019-2021 biennium for the Teachers' School Supplies Reimbursement B/A 101-2717 to reimburse teachers for out-of-pocket expenses. Subsection 3 of <u>BDR 34-1279</u> provides expenditure authority of \$1,000 in each fiscal year of the 2019-2021 biennium for B/A 101-2717.

<u>NDE - Teachers' School Supplies Reimbursement</u> — Budget Page K-12 EDUCATION-42 (Volume I)

Budget Account 101-2717

Section 47 of <u>BDR 34-1279</u> provides expenditure authority in the State Supplemental School Support Account B/A 101-2617 for \$187.2 million in FY 2019-2020 and \$190.6 million in FY 2020-2021. Subsection 2 provides for the transfer of Room Tax revenue from B/A 101-2617 to B/A 101-2610 as a State revenue source through the 2019-2021 biennium.

NDE - State Supplemental School Support Account — Budget Page K-12 EDUCATION-36 (Volume I)

Budget Account 101-2617

Section 48 of <u>BDR 34-1279</u> provides an appropriation from the GF to the Instruction in Financial Literacy B/A 101-2620 of \$750,000 in each year of the 2019-2021 biennium. Subsections 2 and 3 provide further clarification on these if S.B. 314 is passed.

NDE - Instruction In Financial Literacy — Budget Page K-12 EDUCATION-15 (Volume I)

Budget Account 101-2620

Section 49 of <u>BDR 34-1279</u> is a new section to ensure education is funded first. Funding for the Marijuana Regulation and Control Account B/A 101-4207 is included in the K-12 funding bill to move in unison with K-12 funding.

FINANCE AND ADMINISTRATION

**TAXATION** 

<u>Taxation - Marijuana Regulation and Control Acct</u> — Budget Page TAXATION-15 (Volume I)

Budget Account 101-4207

Section 49, subsection 1, of <u>BDR 34-1279</u> clarifies that if <u>A.B. 533</u> which establishes the Cannabis Compliance Board is not enacted, the DOT would maintain B/A 101-4207. This would provide them with authority for

expenditures of \$55.6 million in FY 2019-2020 and \$57.2 million in FY 2020-2021.

ASSEMBLY BILL 533 (1st Reprint): Revises provisions relating to cannabis. (BDR 60-1217)

Section 49, subsection 2 of <u>BDR 34-1279</u> applies if <u>A.B. 533</u> is passed. This would provide expenditure authority of \$55.6 million in FY 2019-2020 for the DOT to operate B/A 101-4207 and would allow for expenditure authority of \$57.2 million in FY 2020-2021 for the operation of the Cannabis Compliance Board.

Sections 50 and 51 of <u>BDR 34-1279</u> are conforming changes for the transfer of Room Tax revenue from B/A 101-2617 to B/A 101-2610. Section 2 provides the effective dates of the bill.

## SENATOR SETTELMEYER:

Regarding school safety funds under sections 43 and 44 of <u>BDR 34-1279</u>, does this replace funds that were taken out?

## Mr. Drost:

This reflects closing actions of the Committee on items that were approved.

#### CHAIR WOODHOUSE:

The remainder of school safety funds are in S.B. 551.

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

### SENATOR SETTELMEYER:

I have not had the opportunity to read <u>A.B. 309</u> which is within section 38 of <u>BDR 34-1279</u>. Can Fiscal staff explain this bill?

### Mr. Drost:

Assembly Bill 309 would provide block grant funding to school districts and charter schools on a per pupil basis. This bill would transfer and allow the use of seven existing categorical programs to be provided. <u>Assembly Bill 309</u> provides for these transfers from one budget; however, some of these programs are in

other budgets. The parallel sections allow funding to be combined into one budget and provided to the school districts and charter schools.

## SENATOR KIECKHEFER:

Do the GF appropriations in section 5 of <u>BDR 34-1279</u> and the authorizations in section 6 add up to authorized and approved expenditures for K-12 education for the 2019-2021 biennium?

#### Mr. Drost:

Those account for GF appropriations and authorizations in the DSA only.

## SENATOR KIECKHEFER:

What is the total amount that will be spent on K-12 education with the approval of BDR 34-1279?

# Mr. Drost:

The total amount of GF appropriations will be \$1,465,000,000 in FY 2019-2020 with authorizations of \$692.9 million. In FY 2020-2021, GF appropriations will be \$1,454,000,000 with authorizations of \$708.9 million.

# SENATOR KIECKHEFER:

The school districts have specific deadlines they must meet in preparing their tentative budgets for the upcoming school year. With these preparations, they must project "per pupil" amounts. Are the numbers in <u>BDR 34-1279</u> finalized to be allocated for FY 2019-2020?

Mr. Drost:

Yes.

## SENATOR KIECKHEFER:

Are these numbers in section 3 of BDR 34-1279?

# Mr. Drost:

Section 3 reflects the basic support quarantee per district for FY 2019-2020.

## SENATOR KIECKHEFER:

If WCSD is budgeted at \$5,924 dollars per pupil and their actual number is \$6,034, this is a difference of approximately \$110 per pupil. Multiplying this

difference by the number of pupils they estimate, could amount in an increase of about \$7 million. This same calculation can be used for CCSD and would result in an additional \$71 million than what was budgeted. Is this a fair way to look at this?

Mr. Drost:

Yes.

#### **SENATOR DENIS:**

I appreciate the addition of sections 1 and 2 of <u>BDR 34-1279</u> that show the total amounts. We always talk about how much money we spent on education; this was considered when building the new funding formula. Do these sections include federal, local and State funding?

### MR. DROST:

Yes. We excluded prekindergarten and adult education from the categorical funding.

## SENATOR KIECKHEFER:

Regarding section 49 of <u>BDR 34-1279</u> and <u>A.B. 533</u>, we have not heard this bill.

JAIMARIE ORTEGA (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Assembly Bill 533 establishes the Cannabis Compliance Board with an implementation effective date of July 1, 2020. Under section 49, subsection 1 of BDR 34-1279, if A.B. 533 is not approved, this section provides authority to maintain the status quo for B/A 101-4207 under the DOT. Subsection 2 would allow FY 2019-2020 to be funded under the DOT. This would transfer over to the new Cannabis Compliance Board agency in FY 2020-2021.

# SENATOR KIECKHEFER:

Will the use of these funds change when it is transferred into the new Cannabis Compliance Board agency?

# Ms. Ortega:

No. This will stay the same and will fund the operation and administrative cost of regulating marijuana. This will also pay \$5 million to local governments. Whatever is left over will be transferred to the DSA.

SENATOR KIECKHEFER:

Has this amount changed?

Ms. Ortega:

No.

# SENATOR KIECKHEFER:

Is there anything substantively different from a mechanical standpoint in BDR 34-1279 than previous education funding bills?

Ms. Ortega:

No.

## SENATOR SETTELMEYER:

What is the effect of changing the word "student" to "pupil" in BDR 34-1279?

## Mr. Drost:

Students are typically related to the Nevada System of Higher Education and pupils are related to K-12.

# SENATOR GOICOECHEA:

It looks like <u>A.B. 309</u> could impact revenues for the 2019-2021 biennium funding if it passes. <u>Senate Bill 543</u> will not have any impact on the structure until we get to 2021. Is this correct?

SENATE BILL 543 (1st Reprint): Revises provisions relating to the funding of public schools. (BDR 34-1263)

Mr. Drost:

Yes. Senate Bill 543 would be in effect for the 2021-2023 biennium.

## SENATOR GOICOECHEA:

Could A.B. 309 effect revenues for the 2019-2021 biennium?

### Mr. Drost:

Among other things, <u>A.B. 309</u> allows for the transfer of various programs for allocation to the school districts and charter schools.

### SENATOR GOICOECHEA:

Assembly Bill 309 will allow charter schools and other schools to shore up or supplant funds in this allocation. This will give them a larger budget. Is this correct?

Mr. Drost:

Yes. <u>Assembly Bill 309</u> would provide one-time block grant funding to school districts and charter schools.

MR. KRMPOTIC:

Fiscal staff can provide a chart that shows how funds flow from certain categoricals to the block grant funding proposed in A.B. 309.

SENATOR DENIS MOVED TO INTRODUCE BDR 34-1279.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

# CHAIR WOODHOUSE:

Next, we will open this meeting to a work session.

COLBY NICHOLS (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

<u>Senate Bill 275</u> is sponsored by Senator Goicoechea and was heard on May 30, 2019. This bill would create a board to license master guides and subguides within the Department of Wildlife (DOW).

SENATE BILL 275: Makes various changes relating to licensing and regulation of master guides and subguides. (BDR 45-150)

As introduced, <u>S.B. 275</u> would transfer powers and duties relating to licensure and regulation on master guides and subguides from the DOW and the Board of Wildlife Commissioners (BWC) to the new board to license master guides and subguides. In addition, this bill establishes that revenue currently received by the DOW for the issuance of renewal of guide licenses would instead be used to pay for the new board. The bill was presented by Senator Goicoechea. There

was no testimony presented in support or against the bill. Testimony in neutral was provided by the DOW.

During the hearing, Proposed Amendment No. 5819 (Exhibit K) was discussed to no longer create the new board. Instead, S.B. 275 would create an advisory guide board within the DOW. In addition, Exhibit K would remove language that would transfer revenues received for fees related to guides from the DOW to the board to license master guides and subguides. Those fees would continue to be received by DOW. Exhibit K also establishes that the authority to regulate guides and subguides would remain under the DOW and the BWC.

Regarding the fiscal impact of <u>S.B. 275</u>, Fiscal staff inquired with the DOW on how <u>Exhibit K</u> would affect the fiscal note submitted by the DOW. In response, the DOW provided information that indicated that the advisory board created by <u>Exhibit K</u> would require costs of \$70,406 in FY 2019-2020 and \$71,867 in FY 2020-2021 for personnel travel, supplies and equipment costs for the advisory board. These costs would be funded through sportsman's revenue. This bill would become effective upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks and on July 1, 2019, for all other purposes.

SENATOR SETTELMEYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 275.

SENATOR BROOKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

## Mr. Kucera:

<u>Senate Bill 483</u> was heard by this Committee on May 27, 2019, and expands the list of individuals eligible for services offered by the Statewide program for suicide prevention to family members of persons at risk of suicide. The measure additionally requires the coordinator of the Statewide program to establish a program of free suicide prevention training for family members of persons at risk of suicide.

**SENATE BILL 483**: Revises provisions governing the Statewide Program for Suicide Prevention. (BDR 40-1163)

<u>Senate Bill 483</u> was introduced by Senator Pat Spearman, Senator Dallas Harris and representatives of the DHHS Division of Public and Behavioral Health Office of Suicide Prevention. Several parties testified in support of the bill with none against or in the neutral position. According to previous testimony, the fiscal impact of the bill had been reduced from \$241,600 to \$101,680 over the 2019-2021 biennium. Proposed Amendment No. 5959 (<u>Exhibit L</u>) was submitted by the bill sponsors. Senator Harris noted during the hearing that <u>Exhibit L</u> serves as a contingency plan to reduce the fiscal impact entirely by eliminating the scope of services made available through the measure. The effective date would be July 1, 2019. If the Committee would like to approve the bill in its original form, the revised \$101,680 fiscal impact remains. Alternatively, approval of <u>Exhibit L</u> would reduce the fiscal impact entirely.

SENATOR CANCELA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 483.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

ALEX HAARTZ (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

<u>Senate Bill 287</u> was heard by this Committee on May 29, 2019. The bill was introduced by Senator Parks, and there was testimony in support of the bill by various individuals and organizations. There was also testimony against the bill by governmental agencies related to fiscal costs. There was no testimony in neutral.

**SENATE BILL 287**: Revises provisions governing public records. (BDR 19-648)

During the hearing, there was discussion on a possible Proposed Amendment No. 6085 (Exhibit M). This eliminates language by adding a definition of a public record proposed to be added as a new subsection 8 to NRS 239.005. This is included in section 3 of the original version of S.B. 287. Exhibit M clarifies the

circumstances under which a governmental entity is required to provide a copy of a public record in an electronic format by means of an electronic medium. It also revises the monetary amount of a civil penalty for which a governmental entity that has legal custody or control of the public record may be fined. This is based on a tiered-amount system of \$1,000 for the first violation, \$5,000 for the second violation and \$10,000 for the third and subsequent violations.

Any civil penalties imposed must be accounted for separately by the Department of Administration Division of State Library Archives and Public Records and must be used to improve access to public records. Exhibit M revises the definition of actual costs that a public entity can use to recover the cost of producing copies of records. These include the cost of ink, toner, paper, media and postage. It also excludes agency overhead costs to governmental agencies and any labor costs incurred in providing the public record. Exhibit M revises the applicability of S.B. 287 to those actions filed on or after October 1, 2019, and deletes sections 8, 9, 10 and 12 entirely.

There were many State and local governmental entities that identified potential fiscal impacts with regard to the bill as introduced. Fiscal staff has received a communication from the Division of State Library Archives and Public Records on the removal of their fiscal note of approximately \$1 million per year. Fiscal staff has not received any other communication regarding how <a href="Exhibit M">Exhibit M</a> changes the other fiscal notes.

# Senator Ben Kieckhefer (Senatorial District No. 16):

This is an effort to reach compromised legislation to meet the intended goals of improving the process for members of the public and all interested parties who access public records. We want to make this effective, efficient and ensure there are more strict laws for compliance. Under section 1, subsection 1 of <u>S.B. 287</u>, the original proposal would allow up to \$250,000 fines against clerks who were processing public records requests. We did not feel this was an appropriate method; we made changes to institute significant and reasonable fines against government agencies who violate the Nevada Public Records Act. These fines would be levied against the agency and not the individual, which is important.

Exhibit M would remove language from the end of section 3, subsection 1, of S.B. 287 regarding actual costs. This will ensure that actual costs relate to direct costs associated with the records request. Under section 3, subsection 8,

<u>Exhibit M</u> removes the definition of public records. This relates specifically to many of the fiscal costs associated with <u>S.B. 287</u> and the retention policy associated with keeping specific outlined records. These include photographs and audio recordings that would change retention requirements for government.

Under section 5, subsection 4, <a href="Exhibit M">Exhibit M</a> addresses concerns that were presented in the local government fiscal notes. One of these concerns is related to producing records in an electronic format when they were not originally created in this type of format. Additional language under section 6 of <a href="Exhibit M">Exhibit M</a> speaks to the process that a government agency will have to go through to help a requestor identify the records they are seeking for the facilitation of successful outcomes. Section 6, subsection 3 which identified an individual to be the point of contact for any request has been removed. We felt this could make any such individual a target for harassment.

Section 7 of <u>S.B. 287</u> outlines the course of action an individual could follow if they felt they were being unreasonably delayed or denied records. It also provides the legal process for addressing the courts. At the end of <u>S.B. 287</u>, we retain existing good faith exemptions from liability. This has been a process of working with government agencies and advocates of the bill to develop <u>Exhibit M.</u> These advocates include the Press Association, American Civil Liberties Union, Nevada Policy Research Institute and other interested parties.

<u>Exhibit M</u> is something that no one has officially signed off on apart from myself, Senator Scheible and Senator Parks. This is our best effort to come up with good policy and something that addresses a lot of the fiscal concerns that were previously presented to the Senate Committee on Finance and Senate Committee on Government Affairs.

SENATOR MELANIE SCHEIBLE (Senatorial District No. 9):

The genesis of <u>S.B. 287</u> was individuals, private citizens and nonprofit organizations who want access to public records and who felt they were not being provided within a timely fashion. This bill provides new rules and provisions for people who are seeking records. These allow fines to be imposed for a governmental agency that violates public record laws. State agencies are required to follow the law; however, there is no specific fine set in NRS for this. <u>Senate Bill 287</u> requires government agencies to work with individuals who are requesting records by narrowing down the scope of the record and being proactively assistive in locating those records. We have heard stories from our

constituents of requests for records that were not provided due to the extensive scope of the requests. In many cases, these requests can be narrowed down and made reasonable for the benefit of the requestor and agency fulfilling the request.

The provisions of fees and requirements of accommodations are two of the most important aspects of <u>S.B. 287</u> for individuals and government transparency. These are balanced with the fiscal concerns presented by local governments and State agencies. Providing every record for every request can be burdensome for those who work in government. This provides immunity to government agencies who act in good faith and who try to provide requested records. Privacy is a concern for everyone. This bill creates a balance between allowing government agencies to keep information private that needs to be kept private and giving other parties involved more tool to ensure that government is responsive.

## **SENATOR BROOKS:**

Have the local agencies who submitted fiscal notes been able to look at Exhibit M?

## SENATOR KIECKHEFER:

Based on the process we are going through, I posted a link to <a href="Exhibit M">Exhibit M</a> on my Twitter feed this morning. I also contacted advocates and governmental entities to give them access to this.

### SENATOR SCHEIBLE:

Many of our bills went through iterations. As recently as Tuesday, May 28, 2019, they have received the previous version of <u>S.B. 287</u>, met with us, and we have incorporated changes that are reflected in <u>Exhibit M</u>.

## **SENATOR PARKS:**

I would like to request that Senator Kieckhefer and Senator Scheible are added as sponsors to <u>S.B. 287</u>.

### CHAIR WOODHOUSE:

They are in agreement that their names will be added when **Exhibit M** is processed.

SENATOR CANCELA:

I would also like to add my name as a sponsor of S.B. 287.

SENATOR CANCELA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 287.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Mr. Krmpotic:

<u>Senate Bill 162</u> was heard by this Committee on May 1, 2019, and was presented by Senator Kieckhefer. This bill relates to electronic transactions including public block chain as a type of electronic record for the purposes of the Uniform Electronic Transactions Act of 1999.

<u>SENATE BILL 162 (1st Reprint)</u>: Revises provisions relating to electronic transactions. (BDR 59-876)

Providing that the person who uses block chain to secure information does not relinquish any right of ownership related to information, <u>S.B. 162</u> requires a governmental agency to consider certain uses of its equipment and software by acquiring, replacing and updating information processing systems. Concerns from the Committee are in regards to the fiscal notes attached to this bill. There was a fiscal note submitted by the DOC. They have since removed this fiscal note through a revised submission in response to the first reprint of the bill. There were no amendments submitted for the bill. Fiscal staff recommends a motion of "do pass as amended."

SENATOR SETTELMEYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 162.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Mr. Krmpotic:

<u>Senate Bill 467</u> was heard by this Committee on May 22, 2019. This bill continues the Zoom Schools and Victory Schools programs for the 2019-2021 biennium.

SENATE BILL 467 (1st Reprint): Revises provisions relating to education. (BDR S-820)

Senate Bill 467 contained a fiscal note which was discussed by the Committee. This fiscal note remains on the bill. Fiscal staff would like to discuss new information that has been provided by NDE. Supplemental information (Exhibit N) has been provided that reflects the NDE's request to add funding of approximately \$900,000. This would represent a one-time appropriation. The items requested with this funding are detailed in the bill on the supplemental page. This includes \$190,000 for desktop monitoring, \$400,000 for school improvement tools, \$115,000 per year for a project manager and \$80,000 for professional development and travel. The State superintendent Jhone Ebert is available to answer questions regarding this request.

The Zoom Schools and Victory Schools programs are continuing programs and has been operated by the NDE since 2013 for the Zoom Schools program and 2015 for the Victory Schools program. There were no amendments provided for <u>S.B. 467</u>. The bill would be required to continue the Zoom Schools and Victory Schools programs for which funding was presented for in the education funding bill for the 2019-2021 biennium.

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

<u>Exhibit N</u> describes software that we would like to use for monitoring and providing information and accountability. The software we have been using for the last four years was provided to the NDE for free by WestEd. They were funded through a federal program; we have been able to use it as a desktop monitoring tool to collect project plans and monitor student progress. This existing tool will no longer be available to the NDE after December 31, 2019.

Regarding school improvement tools, the NDE does partial monitoring with school districts and projects. We have 16 federal projects and 5 State projects. These are all separate monitoring pieces. We would like to create a consolidated application for school districts to streamline processes between the NDE and

school districts. As opposed to having applications at different times and in various pieces, this tool will bring everything together in a cohesive way. This will allow the NDE and the school districts can talk about progress, monitor funds and monitor student achievement.

Other components of <u>S.B. 467</u> involve project management to deliver software components and professional development for implementation of the tools. This is a one-shot appropriation. We looked at this strategically; we are intentional about this work. From this, fiscal notes on <u>S.B. 467</u> and <u>A.B. 289</u> will be removed.

ASSEMBLY BILL 289 (2nd Reprint): Revises provisions relating to the subject area of reading. (BDR 34-93)

CHAIR WOODHOUSE:

Does this amount to \$900,000 for the new fiscal note?

Ms. Ebert:

Yes.

SENATOR SETTELMEYER:

Is this an appropriation out of FY 2018-2019?

Mr. Krmpotic:

Yes. If this appropriation is approved, Fiscal staff recommends  $\underline{S.B.~467}$  to be effective upon passage and approval and to come out of the FY 2018-2019 surplus funds.

**SENATOR DENIS:** 

Will this track information of different categoricals in the future?

Ms. Ebert:

Yes. We will be able to provide information in a timely manner.

SENATOR DENIS:

Is the desktop monitoring aspect an annual renewal?

Ms. EBERT:

All of this will be through a one-time appropriation. The NDE will be able to maintain these products into the future through current GF and federal funding.

**SENATOR DENIS:** 

Does this allow the NDE to add other things to be tracked in the future?

Ms. EBERT:

Yes. These are based on quotes that we have received. We will still need to bid out the software. Once we receive those bids, we will be able to analyze the expansion of the tool we select.

**SENATOR DENIS:** 

Will it allow you to add other categories to track in the future?

Ms. EBERT:

Yes.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 467 WITH AN APPROPRIATION OF \$900,000 TO BECOME EFFECTIVE UPON PASSAGE AND APPROVAL.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR WOODHOUSE:

We will now open the meeting on A.B. 534.

ASSEMBLY BILL 534 (1st Reprint): Revises provisions regarding response to emergencies. (BDR 16-1220)

Allison Combs (Policy Director, Office of the Governor):

<u>Assembly Bill 534</u> includes strategically drafted provisions to improve the way our State responds and serves victims. This is in response to the aftermath of lessons learned in recent years. This bill includes a component that transfers the Victim of Crimes program from the Department of Administration to the DHHS.

Other components of the bill ensure that victims' advocates are included in the development of State emergency plans and expands the pool of licensed emergency, medical and mental health providers immediately following a State of emergency. It also includes provisions updating the Victims of Crime program in its operation.

ROSS ARMSTRONG (Administrator, Division of Child and Family Services, Department of Health and Human Services):

Assembly Bill 534 can be broken into two main topics. Sections 1 through 15 transfer the Victims and Crime compensation program to the DHHS. The Confidential Address program and the contingency account for victims of human trafficking are within NRS 217 and are administered by the DHHS. This brings the Victims and Crime program into the DHHS family. We will be able to integrate these with applications from other programs to assist individuals. Even though they may not qualify for the Victims and Crime program, DHHS can connect victims to healing resources.

There is a definition change under section 2 of <u>A.B. 534</u>. Other provisions make it clear that a physical injury is not a prerequisite to receiving Victims and Crime program funds. The detrimental effects of being a victim of crime may not always have a physical injury element to it. There are other technical changes to the fiscal administration and final appeals that are being dealt with by the DHHS. This is opposed to everything going to the Nevada Board of Examiners. If an individual thinks that they have been improperly denied funds, they will have to go before the Governor, Secretary of State and Attorney General in a public hearing to talk about their victimization. This allows a process through administrative regulation. We want to have a victim-centered approach. There are many documents uploaded on to the Nevada Electronic Legislative Information System from people who have been working with victims in the aftermath of the 1 October shooting.

# MR. KRMPOTIC:

During the budget closing for the Victims of Crime program under the Director's Office B/A 101-1337, Fiscal staff noted that at the time a bill number had not been assigned to BDR 16-1220.

FINANCE AND ADMINISTRATION

**ADMINISTRATION** 

<u>Administration - Director's Office</u> — Budget Page ADMIN-4 (Volume I) Budget Account 101-1337

<u>BILL DRAFT REQUEST 16-1220</u>: Requires the addition of victim services in emergency response plans. (Later introduced as Assembly Bill 534.)

This has since been introduced as <u>A.B. 534</u>. The bill would require technical adjustments to B/A 101-1337 if passed. The opportunity to make technical adjustments to B/A 101-1337 has passed. In regards to where adjustments need to be made, Fiscal staff recommends DHHS to approach IFC and make necessary adjustments so that the program can be transferred. There are no appropriations included in the bill.

SENATOR CANCELA MOVED TO DO PASS A.B. 534.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Senate Committee on Finance May 31, 2019 Page 54		
CHAIR WOODHOUSE: There being no further business, this meeting is adjourned at 10:21 p.m.		
	RESPECTFULLY SUBMITTED:	
	Michael Keever, Committee Secretary	
APPROVED BY:		
Senator Joyce Woodhouse, Chair	_	
DATE:	_	

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	Α	3		Agenda
	В	8		Attendance Roster
A.B. 219	С	7	Assemblywoman Selena Torres	Testimony
A.B. 487	D	7	Jim Snyder/ Adopt a Vet Dental Program	Testimony of Doris Howard
A.B. 506	Е	2	John Borrowman/ DOC	Testimony
S.B. 90	F	1	Children's Advocacy Alliance	Conceptual Amendment
S.B. 202	G	2	Senator Marilyn Dondero Loop	Conceptual Amendment
S.B. 202	Н	1	Steven Cohen	Conceptual Amendment
S.B. 344	-	1	Senator Melanie Scheible	Conceptual Amendment
BDR 34-1279	J	1	Mark Krmpotic/ Fiscal Analysis Division	Supplemental Information
S.B. 275	K	11	Senator Pete Goicoechea	Proposed Amendment No. 5819
S.B. 483	L	3	Senator Pat Spearman	Proposed Amendment No. 5959
S.B. 287	М	13	Legal Division/ LCB	Proposed Amendment No. 6085
S.B. 467	N	1	Jhone Ebert/ NDE	Supplemental Information