MINUTES OF THE MEETING OF THE
SENATE COMMITTEE ON FINANCE
AND
ASSEMBLY COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEES ON GENERAL GOVERNMENT

Eightieth Session
February 13, 2019

The joint meeting of the Subcommittees on General Government of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Yvanna D. Cancela at 8:05 a.m. on Wednesday, February 13, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Yvanna D. Cancela, Chair
Senator David R. Parks
Senator Pete Goicoechea

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Heidi Swank, Chair
Assemblywoman Daniele Monroe-Moreno, Vice Chair
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Sandra Jauregui
Assemblyman Al Kramer
Assemblyman Jim Wheeler

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Sarah Coffman, Principal Deputy Fiscal Analyst
John Kucera, Fiscal Analyst
Vicki Kemp, Committee Secretary
Michael Keever, Committee Secretary

OTHERS PRESENT:

Kent M. Ervin, Ph.D., Legislative Liaison, Nevada Faculty Alliance
Patrick Cates, Director, Department of Administration
Jenni Cartwright, Administrator, Department of Administration
Damon Haycock, Executive Officer, Public Employees' Benefits Program
Cari Eaton, Chief Financial Officer, Public Employees' Benefits Program
Marlene Lockard, Public Employees of Nevada
Priscilla Maloney, American Federation of State, County and Municipal Employees
Kyle Dalpe, Ph.D., Interim Executive Director of Legislative Affairs, Nevada System of Higher Education
Douglas Unger, Chair, Council of Faculty Senate Chairs, Nevada System of Higher Education

CHAIR CANCELA:
We will begin the meeting with public comment.

KENT M. ERVIN, PH.D. (Legislative Liaison, Nevada Faculty Alliance):
Good healthcare benefits are vital for recruiting and retaining State employees, including faculty of the Nevada System of Higher Education (NSHE). I will briefly amplify the comments that were submitted in (Exhibit C). Public Employees' Benefits Program (PEBP) benefits for State employees have not fully recovered from drastic cuts after the financial crisis of 2007–2008. The Nevada Faculty Alliance's (NFA) top priority for plan improvements is to reduce out-of-pocket maximums for high-deductible plans.

Employees with serious chronic conditions pay the maximum out-of-pocket costs which can be catastrophic to lower-wage State employees. These payments are often made within the first month or two of every plan year for treatments and medications allowing them to stay productive in their jobs. Our second priority is to restore retirement healthcare benefits for post-2011 hires. The NFA is appreciative that the "orphan problem" was fixed during the 79th Session; however, newer employees will not have State healthcare benefits in their retirement. This problem will become more expensive, if it is not dealt with soon.

Increases in State contributions, per employee, is substantially less than projected medical inflation by actuaries. We fear this funding level will lead to increased premiums for employees. The Executive Budget mandates adding $400 in the first year and $100 in the second year to health savings accounts (HSA) from excess reserves. This is imprudent if PEBP's actuaries estimate higher rates than what is funded by the State's subsidy. We recommend the Subcommittees let the PEBP retain its authority to use available reserves, as needed, in the best interests of participants and to either stabilize rates or reduce deductibles and out-of-pocket maximums.

CHAIR CANCELA:
We will now hear on budget requests from the Department of Administration.

PATRICK CATES (Director, Department of Administration):
Page 3 of (Exhibit D) describes the shared services model the Department uses. On page 4, the Subcommittees with find information pertaining to the director's office. The deputy director position is appointed by the director, and also by the Governor as chief information officer (CIO) by *Nevada Revised Statutes* (NRS). Traditionally, the administrator of the Division of Enterprise Information Technology Services (EITS) has always been appointed by the Governor as CIO. This change is an effort to provide a higher priority to information technology.

On page 4 of Exhibit D, we have provided information on the director's office budget account (B/A) 101-1337. This information is determined by base year 2018 expenditures and shows how the Department is funded. Our first enhancement unit request E-225 is for travel expenditures. The Department would like to increase in-state and out-of-state traveling expenditures from our 2018 base year budget. Previously, this budget did not account for the vacant deputy director position.

FINANCE AND ADMINISTRATION

ADMINISTRATION

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

E-225 Efficient and Responsive State Government — Page ADMIN-6

Much of this budget goes towards out-of-state travel to the National Association of State Chief Administrators (NASCA), the National Association of State Chief Information Officers (NASCIO) and Gartner Consulting research conferences. The Department is a member of all these organizations. Enhancement unit E-710 is a computer replacement request, per the EITS replacement schedule.

E-710 Equipment Replacement — Page ADMIN-7

ASSEMBLYWOMAN SWANK:
Can the Department explain the increases in out-of-state travel expenses to the NASCA conference, and how the State benefits from attending this and other conferences?

MR. CATES:
In base year 2018, the deputy director position was vacant for a substantial period of time and did not incur travel costs. The NASCA conference is a national organization for department of administration directors throughout the United States. Most states participate in this organization. The NASCA holds an annual conference and recently added a second conference in the spring. This new conference was not originally included in the budget. Some of the budget increases are attributed to this addition. These conferences are valuable to myself, and essential to our operations and collaborative efforts with colleagues.

The organization provides training for chief administrators and their staff, and provides case studies of best practices from different states. There are many different types of innovative concepts and projects other states have done, which we try to adopt here in Nevada. The Department's participation has continued to grow with the addition of another conference. I was recently named to the NASCA executive committee and believe it is a wonderful organization.

Historically, only directors would go to the conference; however recently, the leadership at NASCA asked us to bring more people to the conference. By doing this, employees can focus on succession planning with cabinet-level appointees who do not stay on for long periods of time. I have started bringing members from our Administrative Services Division to this conference.

The NASCIO is the NASCA's sister organization for information technology (IT) and CIOs. They have very large conferences which gives us the chance to see how other states are meeting their IT needs. We also learn about case studies, receive trainings and advocacy. During the last conference in Washington D.C., we met with federal officials and presented our concerns with how they conduct certification of different systems.

Certification is different going through the Social Security Administration versus the U.S. Department of Homeland Security. Standards are not the same, making it very difficult for states to share IT resources. The NASCIO advocates for this on behalf of the states. These difficulties make it very costly for states to provide cyber security.

ASSEMBLYWOMAN SWANK:
It would be helpful if the Department could provide information on what the travel budget looked like in previous years when the deputy director position was filled.

CHAIR CANCELA:
Can you talk more about the Gartner Consulting subscription and what benefits it has to the Department?

MR. CATES:
Gartner Consulting is a leader in IT research and information. Some staff members at EITS have a subscription. At the time when I accepted this position, the current State CIO was the only person with a subscription. Subscription participants are able to access materials and experts. It was very difficult to leverage this subscription across the enterprise, so we looked to expand to only a few positions, mine being one of them. I have a lot of use for this subscription as it affords us access to extensive Gartner Consulting research catalogs.

Gartner Consulting is a global company and state-of-the-art in ranking different IT sectors and applications. Often, IT companies refer to themselves being in the golden quadrant of Gartner Consulting. There is a wealth of information from applications to IT practices. We work with liaisons who help us mine data, meet with us regularly and coordinate meetings with experts to collaborate and review IT requests for proposals (RFP), policies and templates.

CHAIR CANCELA:
Next, we will move into B/A 716-1371.

Administration - Administrative Services — Budget Page ADMIN-15 (Volume I)
Budget Account 716-1371

MR. CATES:
The Administrative Services Division provides fiscal services to the Department, agencies and smaller departments such as the Governor's Office. They also do rate development, which is unique to Nevada. Because we are an internal service fund, most of our services are for assessments or rates that are billed to other state agencies. There is a lot of federal regulation around this; the Division performs calculations to ensure these regulations are met.

On page 8 of Exhibit D, the Subcommittees will see funding information for the Division. The Department is requesting enhancement unit E-225 for a new accounting assistant II position. We are requesting this to enhance customer service and provide efficient and responsive operations to the agencies. The number of customer accounts the Division serves continues to grow.

E-225 Efficient and Responsive State Government — Page ADMIN-17

The Division's workload is high, and during the 79th Session, it was proposed and approved, to eliminate 3 clerical positions. This was done as a budget saving initiative; however, we may have eliminated too much, which has made our workload difficult to manage. This new position would help alleviate this. We are also requesting enhancement unit E-710 for replacement computers according to EITS's replacement schedule. More details on these enhancement units can be found on page 9 of Exhibit D.

E-710 Equipment Replacement — Page ADMIN-18

On page 10 of Exhibit D, the Department is requesting enhancement unit E-900 to transfer a program officer position from the Administrative Services Division to the State Public Works Board (SPWB). This position is part of a group of program officers who process contracts for our customers. This specific program officer works exclusively on SPWB contracts because these contracts are very different from other State contracts.

E-900 Position Transfer From 1371 To 1562 — Page ADMIN-19

Most contracts are executed under NRS 333; however, contracts for SPWB are executed under NRS 338, which has its own set of rules. The incumbent in this position is already imbedded and supervised by the SPWB. This transfer would better align the position with duties, improve customer service and enhance cost transparency for SPWB.

The Department is also requesting enhancement unit E-600 to eliminate a training officer position which provides Advantage Financial System training. The Administrative Services Division inherited this position from the Controller's Office after requesting to eliminate it during the 79th Session. The Legislature transferred it to our office and we believe it is an important function to maintain. However, we would like to roll that training function into the Silver State Modernization Approach for Resources and Technology in the 21st Century (SMART 21) project.

E-600 Budget Reductions — Page ADMIN-18

The Department is also requesting enhancement unit E-711 to replace computer equipment for the Advantage Financial program training room. This program is our State financial system and details of this enhancement can be found on page 11 of Exhibit D. We are requesting to transfer all operating costs of the training program to the SMART 21 project. This project has been around for some time and is a big undertaking to replace the State's human resource and financial system. The project is currently out to bid and we hope to award the contract later this year. The SMART 21 project can maintain the existing advantage training and use those resources to develop financial training for the new system. This better aligns with the role of the SMART 21 project going forward. More information on this transfer can be found on page 12.

E-711 Equipment Replacement — Page ADMIN-19

CHAIR CANCELA:
Can you talk about how training in the current financial system will continue with the elimination of the training officer position?

JENNI CARTWRIGHT (Administrator, Department of Administration):
We have been working with the SMART 21 office in the current 2017-2019 biennium to transition training functions from our office to theirs. A position at the SMART 21 office was reclassified and cross-trained by the Department's trainer who has since retired. Their duties include Advantage Financial System training. This position is supervised by the SMART 21 office, making them privy to a lot of information as that project develops. This structures them to help with current training and exposes them to SMART 21.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
Can you talk about when we will see modernization of the State's financial and human resources systems? What work has been done during the interim?

MR. CATES:
The computer lab is setup and trainings for the Advantage Financial System are being held there. Additional trainings by EITS on Office 365 applications have also been held in the lab over the last few weeks. It is a functioning lab that agencies are using. The Department has slipped a bit on the timeline for launching the SMART 21 project and this is being vetted through Session. We expected to be further along in the RFP. The Department was on course to release its RFP in summer 2018; however, after assessing what progress had been made, we felt we were not ready to move forward.

At that time, the Department had used very limited resources to prepare an RFP and gather system requirements. Overall, the process was not very efficient. We then brought in Gartner Consulting to help launch the SMART 21 office which is now fully staffed. They assisted with the RFP despite delays in the process. Without Gartner Consulting, we would not have been successful. Our intent is to award a vendor and have the project begin by summer and fall of 2019. We intend to have all parts of this system operational by January of 2022; however, I am hopeful a vendor can come up with a faster timeline. I am also confident there are pieces of the application, such as onboarding and recruitment, that we can get up and running well before 2022.

CHAIR CANCELA:
Next, we will move into B/A 101-1341.

Administration - Office of Grant Procurement Coord — Budget Page ADMIN-88 (Volume I)
Budget Account 101-1341

MR. CATES:
The Office of Grant Procurement, Coordination and Management (OGPCM) functions are outlined on page 19 of Exhibit D. The OGPCM has two main focuses. The first is helping agencies find grant opportunities and assisting in writing grant applications. The second is training agencies on how to properly manage and write grants. The OGPCM is very small and unable to write all the grants in the State, so we look for leverage in training. The OGPCM also puts on conferences and tries to develop collaborations among State government, local government and nonprofit sectors.

On page 20 of Exhibit D, the Department has provided an overview of the OGPCM's funding with all funds coming from the General Fund (GF). Their first enhancement unit request is E-225 for a grants management system. This would be used by all State agencies. During this last biennium, a vendor who was not awarded the contract challenged the Department's decision by filing an appeal. This lead to an administrative hearing which lasted for the better part of a year. The verdict was found in favor of the vendor. The Department does not agree with this ruling and has filed in district court for judicial review, which is currently going back and forth in litigation. We hope that a judge will look at this case within the next few months. Should this case be resolved, we are requesting funding to continue in the next 2019-2021 biennium for procurement of a grant management system. Enhancement unit E-710 requests computer replacement per EITS recommendations.

E-225 Efficient and Responsive State Government — Page ADMIN-90
E-710 Equipment Replacement — Page ADMIN-90

CHAIR CANCELA:
If the district court rules against the Department, how will that affect this budget request?

MR. CATES:
We are trying to preserve the original RFP process. If we are not able to do so, the Department will have to start over by going through another procurement process. This would be with the same amount of funding we started with last biennium.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
Did we fund a position in the Department to help with the RFP process? Who contested the awarded contract?

MR. CATES:
It was contested by one of the unsuccessful bidders. A position was approved to help with the RFP process along with funding for an in-house legal counsel during the 79th Session. The RFP position has been filled and they have been involved in the process. In addition, we also work with the Office of the Attorney General who assigns us a deputy attorney general (DAG) to represent us. The in-house counsel and DAG work together daily on this issue and others.

ASSEMBLYMAN KRAMER:
It is my understanding that the OGPCM is funded by GF appropriations and over time they have become very efficient in procuring grants. During the 79th Session, there was a discussion to allow local governments to access OGPCM services. Are these services being offered to local governments? If so, is there any way to charge for these services?

MR. CATES:
We could look at models on how to fund the OGPCM in terms of who they serve and how we develop rates for their services. This has not been done yet. To my knowledge, the OGPCM has not helped a local government write a grant application. The OGPCM tends to assist State agencies who receive grants that are subgranted to local governments. They also collaborate with local governments to include all partners associated with a grant. The OGPCM provides training to help local governments, works with nonprofits and

hosts conferences on grants. Last month, they hosted a conference with many representatives in attendance. Assistance to local governments is mostly focused on Clark County and Washoe County.

ASSEMBLYMAN KRAMER:
I was referring to the "CLAD that helps State and local government libraries." In areas where these libraries benefit, is there any cross charge that the OGPCM can get back as an alternative to being funded 100 percent by GF appropriations?

CHAIR CANCELA:
These programs will be heard on another date with budgets in their entirety.

MR. CATES:
To date, the OGPCM has never charged or received any funds for services for State or local government.

CHAIR CANCELA:
We will now hear on B/A 711-1354.

Administration - Fleet Services — Budget Page ADMIN-77 (Volume I)
Budget Account 711-1354

MR. CATES:
On page 13 of Exhibit D, the Subcommittees will find information on major services the Fleet Services Division provides. On page 14, we have provided information on the Fleet Services Division's funding, which comes entirely from long-term and short-term rentals. Details on rate comparisons between the 2017-2019 and 2019-2021 biennia are found on pages 15 and 16. As the Subcommittees will see, rates are going up; however, rates previously decreased during the second year of the 2017-2019 biennium.

The Fleet Services Division has growing reserves. According to federal rules, we are unable to hold large reserves for internal service funds. The Fleet Services Division paid these down by artificially lowering rates. The Department performed an analysis of long-term rates by comparing ours to private vendors. Our rates are favorable by about 30 percent less.

On page 17 of Exhibit D, we have provided information on requests to replace and expand our fleet. In B/A 101-1301, we are requesting a one-shot appropriation E-893 to be spread over 2 biennia for about $5.3 million. This appropriation will be paid back by the Fleet Services Division over 5 years and would include replacement of 100 vehicles in the first year and 96 vehicles in the second year of the 2019-2021 biennium. We are primarily replacing vehicles that are long-term leases to State agencies.

ELECTED OFFICIALS

Governor's Ofc of Finance - Special Appropriations — Budget Page ELECTED-69 (Volume I)
Budget Account 101-1301

One-Shot Appropriation — General Fund loan for replacement vehicles

The next item is a one-shot appropriation E-888 for B/A 711-1356. This funding will total $5.7 million of combined Highway Fund and GF appropriations. It will also expand long-term vehicle fleet leasing for State agencies. This request is reflective of staffing growth and operational changes, represents 175 vehicles, and is tied to agency budgets.

Administration - Fleet Services Capital Purchase — Budget Page ADMIN-83 (Volume I)
Budget Account 711-1356

One-Shot Appropriation — Expansion of long-term vehicle fleet leasing for State agencies

The next enhancement unit E-711 in B/A 711-1356 is for the capital account of the Fleet Services Division. This includes paying back GF appropriations of $671,000 in FY 2020-2021 and miscellaneous fees for licensing and titling of vehicles.

E-711 Equipment Replacement — Page ADMIN-84

The next item is enhancement unit E-721 in B/A 711-1354 for the operating budget. We are requesting to spend approximately $573,000 on insurance, maintenance, fuel costs and other items for these new vehicles.

E-721 New Equipment — Page ADMIN-81

Enhancement unit E-721 for B/A 771-1354 requests the purchase of evaporative coolers, which are relatively inexpensive. These would be for our repair shops in Carson City and Las Vegas during hot summer months.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
The Department has changed its methods of purchasing vehicles. Can the Department explain these historic changes taking place and where we are today? Why is the Department no longer utilizing municipal financing programs to purchase these vehicles?

MR. CATES:
During the last biennium, we extensively leased vehicles rather than purchasing vehicles. This was done due to the scarcity of GF available. The Department and the Governor's Office of Finance had discussions over this as an alternative way to replace our fleet. Currently, there is more money to go around and fund a one-shot appropriation. In close cooperation with the Governor's Office of Finance, we believe the money is available and the Department is better off purchasing vehicles outright. In the long run, leasing options would cost more with interest rates of 6 percent per year.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
So the Department will pay back a five-year loan to the GF with revenue from rentals, until 2025? Is this the best way to fund this?

MS. CARTWRIGHT:
Yes. Current leasing payments on existing fleet vehicles are expected to end soon. Financing our vehicles with a one-shot appropriation is how the Department normally operates. Last biennium is an exception to this.

SENATOR GOICOECHEA:
We are seeing preferences to access vehicles through Fleet Services in other agency budgets. Is this correct? How will this work in the budget process?

MR. CATES:
I think this trend has been going on for a while. More and more agencies have been turning to Fleet Services for long-term lease options rather than replace vehicles on their own. The one-shot appropriation expansion is reflective of this. We are going to purchase and lease these vehicles long term.

SENATOR GOICOECHEA:
Do you anticipate the Fleet Services Division will have more salvage value out of these vehicles? Does the Department plan to purchase and lease vehicles to highway patrol in the future? Is there an advantage to doing this?

MR. CATES:
It is difficult to know if we would see vehicles turned in with more resale value. During my time with the Department of Wildlife, we considered leasing vehicles. The appeal was to avoid paying a large sum of money and this logic is the same for most agencies. Allocation of federal grants towards vehicle leases are sometimes acceptable; however, purchasing a vehicle outright is not.

There are a lot of incentives for agencies to keep their fleets updated. This gives the Department the advantage of economies of scale when making these purchases. It gives us more flexibility to move vehicles around and reuse them in thoughtful ways. Many of these vehicles will be purchased and leased long term. When vehicles are eventually turned in, they will be placed in the daily vehicle fleet. In the long term, it helps us to strategically save the State dollars overall.

ASSEMBLYWOMAN SWANK:
Can you talk about the impacts this one-shot allocation will have? Will it increase the Department's reserves? Are there concerns with federal paybacks?

MS. CARTWRIGHT:
We have depleted our reserves because of some previous intentional actions to keep those reserves low. Going into fiscal years (FY) 2019-2020 and

2020-2021, I am confident that we are not going to have the risk of a federal payback in terms of reserves. We need to build them back up again. The risk of a federal payback comes when we collect too much for our services; however, I do not think this will happen anytime soon.

CHAIR CANCELA:
Next we will hear from the Public Employees' Benefits Program (PEBP).

DAMON HAYCOCK (Executive Officer, Public Employees' Benefits Program):
The PEBP provides comprehensive health and welfare programs to about 71,000 people made up of employees and retirees at State and local jurisdiction levels. The Agency is governed by NRS 287 and our mission is to provide employees, retirees and their families with access to high-quality benefits at affordable prices. On page 5 of (Exhibit E), we have provided an overview of the Agency. Currently, we have 34 full-time positions including the addition of 2 positions in response to Senate Bill (S.B.) No. 552 of the 79th Session.

The Agency is funded by a combination of employer contributions, employee premiums and retiree premiums. We do not normally receive GF appropriations; however, S.B. No. 552 of the 79th Session set aside funding to offset high costs of non-State retiree premiums. On page 6 of Exhibit E, the Subcommittees will find information on eligible participants of the PEBP. In the past, non-State local jurisdictions were allowed to take their employees out of the program and leave their retirees. This created a non-State high-risk pool. Now, in order for non-State employees and retirees to enter into the program, they must all enter at the same time as an all-in or all-out policy. This policy is based on S.B. No. 544 of the 74th Session.

On page 7 of Exhibit E, we have provided details on the Agency's benefit offerings. The PEBP offers medical and prescription drug coverage to active employees and non-Medicare retirees. We manage two plans internally which are self-funded. The first of these plans is a Statewide, consumer-driven health plan (CDHP) which is a high-deductible plan coupled with an HSA and health reimbursement arrangement (HRA). We recently implemented an exclusive provider organization (EPO) plan in northern and rural Nevada to replace a higher cost health maintenance organization (HMO) offering. The EPO plan is coupled, in similar plan design, with an HMO plan we have maintained for many years in southern Nevada. Medicare retirees are placed on a Medicare Exchange and can purchase supplement and advantage plans to assist in their healthcare. The Agency provides a comprehensive dental program for all plans.

The PEBP offers basic life insurance, long-term disability and a small amount of voluntary benefits, including flexible spending accounts, long-term care, additional buy-up life insurance, short-term disability and home, auto and renters insurance, found on page 8 of Exhibit E. On page 9, we have provided information on current plan design enhancements. It is the goal of PEBP to give these excess reserves back to participants as we have done for many years through plan design enhancements. Currently, we have supplemented our base HSA and HRA offering by an additional $200. This is tied to the primary participant and is earned, based on two requirements. One hundred dollars is awarded, if the participant is enrolled with Doctor On Demand and Healthcare Bluebook. These technology resources assist participants to find high-quality, low-cost care and access a licensed doctor, 365 days a year, for medical and mental health services.

The Agency supports additional life insurance up to $25,000 for employees and $12,500 for retirees. This enhancement is being shifted to the base plan during this Session and will not be seen as an enhancement going forward. We provide a supplement of $2 per month, per year of service, to Medicare eligible retirees on the Exchange. This helps them pay for rising healthcare costs, increased Medicare supplement premiums and advantage premiums.

In 2019, we included a three dimensional, or 3D, mammography as part of the 100 percent-paid preventive benefit plan. The Agency has also implemented the Health Care Blue Book, which is an online transparency vendor showcasing in-network providers. This tool also has a quality and cost component so participants can pick where to receive services. In certain circumstances, higher quality options offer better deals and we incentivize those choices.

On slide 10 of Exhibit E, the Subcommittees will find enhancements that were recently approved in November 2018 and January 2019. The Agency implemented cost-saving activities to offset the high costs of healthcare. As of July 1, 2019, we are disallowing patient assistance programs, such as drug manufacturing coupons, to be applied towards accumulators. These are the deductibles and out-of-pocket maximums associated with CDHPs. In 2019, the Agency implemented a voluntary, narrow pharmacy network for 90-day retail prescription fills. These are maintenance drugs people refill in three-month increments. This was relatively successful and needs to be implemented on a mandatory basis to control costs of pharmacy benefits. The PEBP plans to increase the HSA and HRA contributions to $400 for primary participants. The first $200 is tied to certain activities, and the second $200 has no additional requirements.

The Exchange enhancements will continue to fund participant administrative fees and life insurance premiums. The plan has been paying for those, since the inception of the Exchange, and the Agency has been providing this as a relief to Medicare eligible retirees on fixed incomes. For Medicare Part B credit, the Centers for Medicare and Medicaid Services increased the base amount from $134 to $135.50. We want to keep pace with this since it is an excellent program for PEBP. It allows us to save costs through coordination of benefits on our CDHP, HMO and EPO plans.

The Agency is expanding voluntary benefits for the first time in program history, and we are looking at implementing a voluntary benefit platform on May 1, 2019. This platform will include additional benefits in vision, legal, auto, additional life insurance, identification protection, pet insurance and others. A number of voluntary products have been approved and these products will be assessed for engagement and success. We also have an enhanced nutrition services pilot with the University of Nevada, Las Vegas at their wellness center.

The PEBP is looking to promote wellness and nutrition as a means to help control costs and prevent chronic disease. If this is successful, we may consider expanding services throughout the program. The Agency will make some changes to the HMO and EPO plans to help provide assistance to our participants and balance costs. Details of these changes can be found on page 11 of Exhibit E. Increases in copays for preferred generic retail pharmacy drugs will offset the impact of reduced coinsurance for specialty retail pharmacy drugs by 20 to 30 percent.

CARI EATON (Chief Financial Officer, Public Employees' Benefits Program):
On page 12 of Exhibit E, we have provided the Governor's recommended budget enrollment projections. These projections are compared to enrollments approved from the 79th Session and FY 2017-2018 actuals. Budget account 625-1338 includes a 2.75 percent increase in projections for FY 2019-2020 over FY 2018-2019 and a 1.7 percent increase in projections for FY 2020-2021 over FY 2019-2020. Percentages of the Governor's overall inflation assumptions and fiscal year budget amount totals can be found on page 13. During contract negotiations with our life insurance vendor, the Agency was able to ensure inflation would not increase for the 2019-2021 biennium.

SPECIAL PURPOSE AGENCIES

PUBLIC EMPLOYEES’ BENEFITS PROGRAM

PEBP - Public Employees Benefits Program — Budget Page PEBP-6 (Volume III)
Budget Account 625-1338

The Governor's budget includes an active employee group insurance subsidy of $757.83 for FY 2019-2020; a 2 percent increase over FY 2018-2019. It also includes a subsidy of $785.63 for FY 2020-2021; a 4 percent increase over FY 2019-2020. The retired employee group insurance subsidy is $522.68 for FY 2019-2020; a 16 percent increase over FY 2018-2019 and $470.20 for FY 2020-2021; a 10 percent decrease over FY 2019-2020.

A large increase in the first year of the biennium is to make up for a projected shortfall of $3.6 million. The base Exchange HRA increases from $180 in FY 2018-2019 to $195 in FYs 2019-2020 and 2020-2021 as a subsidy for 15-year retirees. The Exchange HRA is currently provided at $12 per month, per year of service, and will increase to $13 per month, per year in FYs 2019-2020 and 2020-2021. This increase is included in enhancement unit E-231.

E-231 Efficient and Responsive State Government — Page PEBP-12

The PEBP HRA reserve is funded at 100 percent of the CDHP HRA unspent balance for active employees, pre-Medicare retirees and any unspent balances for the Exchange HRA. This is to ensure funding is available to cover all available HRA balances in those accounts. The incurred but not reported (IBNR) reserves are for incurred and not paid claims. These occur when participants seek services and a claim has not been filed or paid. Providers and participants have a year from the date of service to file a claim.

This reserve has been fully funded at 95 percent probability and will cover all claims submitted for that plan year, as determined by PEBP's contracted actuaries. The catastrophic reserve is fully funded at 95 percent probability and will maintain plan solvency, also determined by the contracted actuaries. Excess reserves are made up of increased revenue and or reduced spending. These have been returned to participants through increased plan design benefits, HAS contributions and HRA contributions.

The PEBP's actuaries increased IBNR and catastrophic reserves in FY 2018-2019 to meet the needs of the new, self-insured EPO plan. This was introduced to replace the high costs of northern Nevada's HMO plan. The Agency was able to fund the increase with IBNR, excess and catastrophic reserves to avoid an increase in premiums and rates in 2019. The actuarial analysis of the IBNR and catastrophic reserves are completed on an annual basis and may increase or decrease depending on time, number and level of claims being paid. This analysis is conducted to project reserves each year. The Governor's budget for the 2019-2021 biennium is $1.1 billion. A chart on page 17 of Exhibit E shows the Agency's sources of revenue. On page 18, we have provided the Subcommittees with a breakdown of the PEBP's expenditures. A large portion of these come from self-funded claims for CDHP and EPO plans.

Details of enhancement units E-230, E-231, E-710 and E-816 for B/A 625-1338 can be found on page 19 of Exhibit E. Enhancement unit E-816 is for recruitment retention and succession planning.

E-230 Efficient and Responsive State Government — Page PEBP-12
E-231 Efficient and Responsive State Government — Page PEBP-12
E-710 Equipment Replacement — Page PEBP-13
E-816 Unclassified Position Changes — Page PEBP-13

There have been no significant changes to PEBP's performance measures over the 2017-2019 biennium. Information on these measures can be found on pages 20 and 21 of Exhibit E.

MR. HAYCOCK:
The Agency determines rates by data and actuarial analysis. The authority of PEBP to establish rates is contained in NRS 287.043. Rates are established every March for a July 1 implementation of that calendar year. Factors of rates include plan design and actuarial assumptions, such as population; current medical inflation and utilization over the last 24 months. From these developed rates, we apply the available employer contribution or subsidy to offset costs of monthly premiums. Participants will pay the difference. Additional information is found on page 22 of Exhibit E.

The PEBP is required to ensure reporting on other postemployment benefits (OPEB) liability. There are certain cash subsidies approved by the Legislature every two years to fund OPEB for retirees; however, these benefits are scheduled to ultimately end. Anyone hired after January 1, 2012, will not be eligible for a subsidy towards retirement healthcare. The Agency's OPEB liability is expected to drop off sometime in 2040. Eligibility requirements for OPEB subsidies is five years of service. If participants were hired between January 1, 2010, and December 31, 2011, they would be required to have 15 years of service. The Governmental Accounting Standards Board (GASB) requires us to recognize the cost incurred and not paid. Details of OPEB can be found on page 23 of Exhibit E.

On page 24 of Exhibit E, the Subcommittees will find information on GASB's OPEB valuation for FY 2017-2018. Changes made to the GASB's standards make it difficult to compare valuations of OPEB from FY 2017-2018 to any other previous year. This is due to changes made to naming conventions. With OPEB valuation now tied to a volatile discount rate, as this rate increases and decreases, so will OPEB's valuation. On page 25, the Agency has provided information on B/A 101-1369.

PEBP - Non-State Retiree Rate Mitigation — Budget Page PEBP-16 (Volume III)
Budget Account 101-1369

We have solved the problem of non-State retiree high-cost premiums. Beginning July 1, 2017, non-State retiree participants are allowed to pay the same premium as State retiree participants who have served the same number of years. Before S.B. No. 552 of the 79th Session, non-State retirees were paying a lot more due to differences of risk between State and non-State retirees.

Now the difference in premiums between State and non-State retirees will be paid for by GF allocations, in smaller denominations, until FY 2021-2022. At that point, local governments will pay for 100 percent of the difference. On page 26 of Exhibit E, we have provided figures on GF appropriations for FY 2017-2018 and projected appropriations for the 2019-2021 biennium. The PEBP is expecting appropriations to decrease due to less funds being received from the State and decreases in enrollments.

ASSEMBLYWOMAN JAUREGUI:
Referring to page 10 of Exhibit E, can you explain the cost-saving opportunities of disallowing patient assistance programs from applying to accumulators?

MR. HAYCOCK:
An accumulator is considered a deductible, a copay, coinsurance or out-of-pocket maximum. These are costs that accumulate over time to meet certain thresholds. Currently, patient assistant programs assist participants across the Nation to help offset costs of healthcare. Pharmacy manufacturers provide drug coupon cards to offset the cost of their drugs.

As an example, a participant could receive a coupon card of $1,000 per month to pay towards a prescription that costs $5,000. This $1,000 coupon may or may not be enough to offset the remaining out-of-pocket costs for the prescription. On the other hand, the Agency's out-of-pocket maximums are low; $3,900 for individuals and $7,800 for families. Nevada Health Link has deductibles of $6,000 to $15,000. In the time a participant uses a coupon card, they could have covered the cost of the PEBP's out-of-pocket maximums.

We are disallowing participants from applying patient assistance accumulators, but we are not disallowing them from using coupons. The intent is not to be punitive to our participants in this process. Our intent is to maximize the amount of money the prescription drug manufacturers have available to offset significant increases in pharmacy costs.

ASSEMBLYWOMAN JAUREGUI:
If a participant uses a coupon, does that money come back to the Agency?

MR. HAYCOCK:
Yes. However, once a participant has satisfied their out-of-pocket maximum, there is no mechanism to receive that money anymore.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
Can the Agency talk about why the one-time HSA and HRA contribution is funded at $400 in the first year and $100 in the second year?

MR. HAYCOCK:
This is because of available funds. The Agency has $20 million of excess reserves in the first year of the 2019-2021 biennium. This will be spent down by almost $10 million with the $400 contribution and there will be little leftover for the second year. It is too early to know for certain if there will be enough funds to contribute $100 in the second year. The Agency determines how to use excess reserves as they are assessed throughout the year. Recommendations are typically made in November, and lately we have accumulated more reserves. Once they are assessed, benefits are typically paid out to participants. The $100 contribution will be reassessed sometime in the future. As of today, a $100 contribution is what has been agreed upon with the Governor's budget.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
How many reserves will be leftover at the end of FY 2019-2020 and FY 2020-2021?

MR. HAYCOCK:
Referring to pages 15 and 16 of Exhibit E, the Subcommittees will see that excess reserves are decreasing while reserves for HRA, IBNR and catastrophic are increasing. The Agency estimates excess reserves decreasing from $9 million at the end of FY 2019-2020 to just over a $1 million in FY 2020-2021.

ASSEMBLYWOMAN SWANK:
Every session the topic of excess reserves comes up. Although it is beneficial to give funds back to the participants, it would be nice if the Agency could not take funds from them in the first place. Participants who leave State service do not receive these funds the following year.

State contribution percentages recommended during the 79th Session were lower than what the Agency approved. Looking forward, it seems the Agency is using excess reserves to cover 85 to 95 percent of contribution, which are expected to decrease over time. There is a lot of instability for participants with extra HSA contributions fluctuating from year to year. Can you explain how these contribution figures were decided on and the overall fluctuation of services from year to year?

MR. HAYCOCK:
Since 2016, rates have decreased for participants to avoid the creation of excess reserves; the Agency continues to address this. In 2014, enhancements were approved to decrease reserves and adopt those provisions into our base plan. We want to be more consistent with our plans and their designs. We also offer HSA funding of $700 per primary participant and $200 per dependent, with additional enhancements guaranteed every year. This funding is a mechanism for balancing figures when we have good negotiations with our vendors. This also includes well-managed programs and services that never fluctuate and return savings to the program.

The Agency understands that consistency is important. Despite decreasing excess reserves by decreasing participant rates, we can not project how many high-cost claims we will receive each year. Some of these claims that we must be able to insure can exceed $100,000 and go up to $1 million. Excess reserves help us offset bad years with lots of expensive claims and this saves our catastrophic reserves.

The problem with only using catastrophic reserves to manage bad years is they must be backfilled, which negatively affects actuaries. In turn, this can create the need to increase the amount of catastrophic reserves leading to more rate increases. Having some excess reserves is not a bad thing. These are generated by the State, and participants pay a small percentage of premiums.

Contributions fluctuate due to insufficient percentages, which force the Agency to borrow from the next legislative cycle. If we experience extra money with less contribution from the State, this must be built into the rates we set. If we fail to do this, the Agency must dip into excess reserves. There was a policy decision made back in 2017 allowing actuaries to determine and approve the costs of healthcare. They also examine adjustments made to the Agency's administrative load, determine reserves and produce an overall rate. State-approved funding is applied to the rate with the difference going to participants.

CHAIR CANCELA:
In regards to these one-shot HSA benefits, can you tell us if there are any requirements attached to this added benefit and what they are?

MR. HAYCOCK:
Referring to page 10 of Exhibit E, there is a $400 HSA and HRA allotment that we provide. The first set of requirements are to offer preventative activities and improve the healthcare of our participants. These requirements are completed by enrolling in Doctor on Demand and Healthcare Blue Book. Utilization of these tools has increased along with positive feedback. The tool Doctor On Demand lets participants consult with physicians from their home, receive a diagnosis and fill prescriptions remotely. This is to avoid costs of urgent care and emergency room visits.

Healthcare Bluebook provides costs and quality of care information to help participants find providers. Participants inside and outside the State receive these incentives. Preventative services also include visits to a medical doctor and dentist once a year. Participation in these services has increased year to year. Other requirements involve the Internal Revenue Service which dictates what can be done with an HSA versus an HRA.

CHAIR CANCELA:
If a participant does not complete these activities, do they not receive the $400 benefit?

MR. HAYCOCK:
These participants will automatically receive $200 in accordance with this enhancement. The other $200 is tied, in increments, to technology enrollments and preventative services that must be completed. The Agency is working to simplify this process further and ensure less barriers are affecting participants from fulfilling these requirements.

CHAIR CANCELA:
What happens to the $200 that does not go to the participant?

MR. HAYCOCK:
It goes towards excess reserves. Ironically, we may have actually solved the problem of having a $100 contribution in the second year.

CHAIR CANCELA:
In the 81st Session, I would like to see data on how many participants take advantage of preventative services.

SENATOR GOICOECHEA:
Is the $400 referred to on page 10 of Exhibit E the same amount referred to on page 13?

MR. HAYCOCK:
Yes.

SENATOR GOICOECHEA:
Why is this amount going from $400 the first year to $100 the second year? Could the Agency do $200 for each year and smooth this out for our constituents? We tend to hear from our constituents in response to small rate increases resulting from excess reserve problems.

MR. HAYCOCK:
We can work with the Governor's Office of Finance and explore this as an opportunity for a budget amendment.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
For the Exchange retiree HRA account, rates were $13 in FY 2017-2018, $14 in FY 2018-2019 and will be $13 throughout the 2019-2021 biennium. Is there a way we can smooth out that $1 increase?

MR. HAYCOCK:
The current 2017-2019 biennium experienced something similar where these rates were supplemented and not increased in the base budget. When the Agency has additional funding and excess reserves, we are able to lower rates and provide supplemental funding.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
Referring to the graph on page 15 of Exhibit E, the funded HRA reserves were around $29 million in both FY 2017-2018 and FY 2018-2019. In the 2019-2021 biennium, these reserves increase to over $30 million. Does the discretion exist to keep the rate at $14?

MR. HAYCOCK:
Those reserves are based on current and projected balances. As the rate is increased from $13 to $14, those reserves also increase. This is due to the cash balance we maintain to pay any liabilities for Medicare retirees. This is not a cash excess that can be distributed as an additional benefit.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
If the Legislature set the prerogative for the rate to continue to be $14 throughout the 2019-2021 biennium, would we see those reserves decrease by approximately $1 million each year?

MR. HAYCOCK:
No. We can not draw from those reserves. These reserve figures reflect what balances our participants have today and what we estimate they will have in the future. If the rate increases from $13 to $14, those reserves may increase. The Agency needs to ensure the entirety of these HRAs are funded to be reimbursed.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
Should the funding be available, what is the Agency doing to make that adjustment in the future?

MR. HAYCOCK:
The Agency has the authority to expend excess reserves. If we generate them, we can smooth rates out as we did in March 2018 with a $2 increase.

ASSEMBLYWOMAN SWANK:
Is there a way the Agency can have more frequent conversations through the work program change process of the Interim Finance Committee (IFC) to review and approve excess reserves?

MR. HAYCOCK:
The Agency participates in IFC meetings whenever we need to adjust our budget. There are information items that can be placed on the IFC to provide reports to the Legislature. The danger in making adjustments to excess reserves every couple of months is that they are constantly fluctuating. Our solution to this is by picking a point in time close to fiscal year end and determine how many reserves we have to make a recommendation, which are reviewed in the following January and March. In March 2018, we funded a Medicare HRA increase to decrease reserves. I am not sure where in the IFC process it makes sense to collectively conduct an additional approval process.

Referring to the chart of page 15 of Exhibit E, the dark bars represent excess reserves. In past years, these reserves have been high and peaked in FY 2014-2015. The Agency has been working, and continues to work, on decreasing these. We have established a new health plan for the first time in years and reduced rates for everyone for the first time. Despite the uncertainty of what future excess reserves will look like, we are here to support the Legislature and are willing to provide reports when requested. Every quarter we include excess reserves in our budget reports that can be provided. If recommendations need to be decided through the IFC work program, we would request this be done once, before it is brought to the Agency for final approval.

CHAIR CANCELA:
How does the Agency feel about the numbers used to calculate inflation and projected costs in the Executive Budget? Do these align with where the Agency sees costs going? Do these make sense with the numbers used in the past?

MR. HAYCOCK:
Similar to the 79th Session, the Agency was asked to hold inflation unchanged. We were successful in managing our program during the 79th Session by adhering to this inflation level. This is why we are being asked to maintain 3.7 percent for medical and pharmacy inflation. We have a sneak peek of our six-month utilization report on pharmacy inflation, and we expect to have reports on medical inflation, for the first three months of this fiscal year, by the end of the week.

Pharmacy inflation is trending at about 11 percent in 2019 over 2018. The trend in 2018 over 2017 was 20 percent. Those numbers can be high and we are satisfied to be down to 11 percent. We are working with all types of services and plan designs to curve this; however, there is a concern the pharmacy trend may be difficult to adhere to. On the medical side, we are trending to increase just under 2 percent. In 2018, there was no change. Low medical inflation may be subsidizing high pharmacy inflation to balance costs. It is difficult to determine because we are concerned about the pharmacy trend regardless of the budgeting process. The Agency is doing everything we can to manage this.

CHAIR CANCELA:
Is there any relationship between the way patients use coupons and the effects of inflation on the costs of prescriptions?

MR. HAYCOCK:
We expect to see some changes. If the Agency is able to pull more money from the pharmacy manufacturers, the pharmacy inflation trend should decrease. Participants will still be able to use coupons and they will not see a large change to prescriptions until they satisfy their out-of-pocket maximum costs. Generally, they may have already done this by making the coupons unnecessary. For any additional medical services or pharmacy benefits, coupons will have to be

applied to those standard deductibles and out-of-pocket maximums, which could have potential cost increases.

ASSEMBLYWOMAN SWANK:
Is the Agency aware that manufacturers are telling participants to not use coupons so that they pay up-front to reach their out-of-pocket maximum? Is this being done while the manufacturer reimburses the participant on the side?

MR. HAYCOCK:
Yes. We can not stop participants from receiving reimbursement funds from multiple sources or advocate groups. Our intention is not to penalize participants, as the Agency is not opposed to them using available funding to pay for healthcare. However, we do want to maximize the amount we can receive from manufacturers to offset the effects of the 20 and 11 percent trends, which are unsustainable. In 2018, we had $5 million more in spending than in 2017. In the first half of 2019, we are already $2 million over 2018. If the Agency is going to stay on pace for $5 million a year, we would need to come back every 2 years and request more funds. It is our goal to solve this problem in the most appropriate way without punishing the participants.

ASSEMBLYWOMAN SWANK:
I agree. The cost of medication is a problem for insurance companies and participants.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
One of the biggest impacts to participant's paychecks is the cost of healthcare. Recommended contributions for the PPO and HMO plans will decrease in 2020 relative to 2019, before increasing again. What will the effects of this be on participant contributions?

MR. HAYCOCK:
The impacts of healthcare on participant paychecks come in the form of premium rates they pay. We are not certain what these rates will look like. If the amount set in the Governor's budget does not meet the inflation necessary, participants will pay the difference. The ultimate cost of healthcare changes year over year with some things we can control, other things we can not control. The Agency uses provider and pharmacy networks which have

contracts allowing them to increase certain types of reimbursement models on balanced billing and paying for care at a percentage of Medicare. Participant rates decreased in 2018 but paychecks increased. Our goal is to keep rates low, or flat, if possible.

Costs for visiting a doctor depend on copays of our HMO or EPO plans. Some copays, such as specialty drugs, are decreasing while copays for emergency room visits and generic drugs are increasing. Since 2013, HSA funding has provided a base amount, and this is not changing. Enhancements of $200 to this will increase total contributions to $400, and participants will automatically receive $200 in their paycheck to go towards healthcare. In 2018, we had 358 participants who used coupons. Disallowing the coupon accumulator program is not going to harm a great majority, but it will effect critically ill participants. Healthcare costs continue to increase Nationwide; the Agency is beating this. The majority of participants will win, some will lose.

CHAIR CANCELA:
It is in the interest of the Agency to look at how preventative measure can be tied to diseases in states with the highest costs in prescription drugs. Usually these are chronic diseases. It is important that incentives are tied to HAS funding and the program in general. Can you explain the projected 2019 shortfalls within the retired employee group insurance?

MR. HAYCOCK:
Budget account 680-1368 is set up as a percentage of payroll and is based on projected enrollments. When enrollments change, the percentage of payroll is not sufficient to meet requirements. There is a shortfall. We were not able to pull in enough money based on the percentage of payroll. An adjustment has been made in the following biennium.

PEBP - Retired Employee Group Insurance — Budget Page PEBP-17 (Volume III)
Budget Account 680-1368

CHAIR CANCELA:
We will now open for public comment.

MARLENE LOCKARD (Public Employees of Nevada):
When major changes were made to the PEBP in 2011, Medicare retirees were taken off of the State plan and placed into the Exchange. Employees hired after 2011 would no longer be covered by retiree insurance at the time of retirement. Currently, there is a new class of State employees who will not receive retiree benefits. They will experience a gap in coverage between the ages of 60 and 65 years old when they are eligible for Medicare. Retired Public Employees of Nevada (RPEN) feels it is important to restore that benefit to State employees since they have not been reinstated.

Since the beginning, removing Medicare eligible retirees from the Exchange has saved the State approximately $15 million. This has contributed to excess reserves because employee contributions have remained steady. The RPEN has advocated with the PEBP to restore this to the base again. Just last year, the PEBP did adopt that posture; however, it has not been adopted for early retirees hired after 2011. We feel there could be a mechanism from excess reserves to prefund those early retirees. There is a lot of time before these individuals will retire.

PRISCILLA MALONEY (American Federation of State, County and Municipal Employees):
I am submitting testimony from the American Federation of State, County and Municipal Employees (AFSCME) retirees chapter local 4041, see (Exhibit F). We have provided a link to a PEBP presentation from 2017 that details how the administrative load is calculated. Most concerns from AFSCME retirees revolve around understanding the difference in costs between pre-Medicare retirees and Medicare retirees.

Medicare retirees understand it is possible that from this bucket they are subsidizing some of the CDHPs with high deductibles. This is where excess reserves are generated. If appropriation funding for all retirees is coming out of one bucket, I would like to bring the Subcommittees attention to S.B. No. 551 of the 79th Session. Every appropriation cycle since 2011 has had a separate statutory scheme for the compensation of Medicare retirees. There is a $240 cap in this appropriation and you can see there is a substantial gap between what retirees can maximize and receive.

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

The NSHE Board of Regents passed a resolution last year advocating for better overall healthcare benefits and options for their employees. This is in an effort to retain current employees and provide a better package to attract new employees. We look forward to following this discussion as it progresses throughout the budget process.

DOUGLAS UNGER (Chair, Council of Faculty Senate Chairs, Nevada System of Higher Education):

I am submitting testimony as (Exhibit G) in response to the PEBP's budget for 2019-2021 and (Exhibit H) for the PEBP's CDHP alternative plan design cost estimates.

Remainder of page intentionally left blank; signature page to follow.

CHAIR CANCELA:
There being no further business, this meeting is adjourned at 10:05 a.m.

RESPECTFULLY SUBMITTED:

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Michael Keever,
Committee Secretary

APPROVED BY:

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Senator Yvanna D. Cancela, Chair

DATE:______________________________

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Assemblywoman Heidi Swank, Chair

DATE:______________________________

EXHIBIT SUMMARY				
Bill	**Exhibit / # of pages**		**Witness / Entity**	**Description**
	A	2		Agenda
	B	3		Attendance Roster
	C	2	Kent M. Ervin/NFA	Testimony
	D	22	Patrick Cates/Department of Administration	Presentation
	E	27	Damon Haycock/PEBP	Presentation
	F	2	Priscilla Maloney/AFSCME	Testimony
	G	2	Douglas Unger/NSHE	Testimony
	H	1	Douglas Unger/NSHE	Table of Cost Estimates