

**MINUTES OF THE MEETING OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND
SENATE COMMITTEE ON FINANCE
SUBCOMMITTEES ON K-12/HIGHER EDUCATION/CIP**

**Eighty-First Session
April 29, 2021**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on K-12/Higher Education/CIP was called to order by Chair Maggie Carlton at 8:04 a.m. on Thursday, April 29, 2021, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada, and Online. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Sandra Jauregui, Vice Chair
Assemblywoman Teresa Benitez-Thompson
Assemblyman Jason Frierson
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblyman Glen Leavitt
Assemblyman Tom Roberts

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator Nicole J. Cannizzaro
Senator Ben Kieckhefer
Senator Julia Ratti
Senator Heidi Seevers Gansert

SUBCOMMITTEE MEMBERS ABSENT:

None



GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Brody Leiser, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Mary O'Hair, Committee Manager
Carmen Neveau, Committee Secretary
Bet Torres, Committee Assistant

OTHERS PRESENT:

None

Chair Carlton:

The first budget closing for today will be the Department of Administration, State Public Works Division, Buildings and Grounds.

FINANCE AND ADMINISTRATION

DEPARTMENT OF ADMINISTRATION

ADMINISTRATION - SPWD - BUILDINGS & GROUNDS (710-1349)

BUDGET PAGE ADMIN-166

Brody Leiser, Principal Deputy Fiscal Analyst:

Today, I will be presenting the Department of Administration, State Public Works Division (SPWD) budgets for closing consideration. Two of these budget accounts were heard on February 11, 2021, and the remaining three budget accounts are Fiscal Analysis Division staff recommended closings. As shown in the closing document titled "K-12/Higher Education/CIP Joint Subcommittee Closing List #4," dated April 29, 2021 [[Exhibit C](#)], budget account (BA) 1349 is the SPWD's Buildings and Grounds budget [page 3]. This budget provides maintenance and housekeeping for state-owned buildings, and administrative oversight of the Marlette Lake water system, as well as funding for the capitol police. This budget is funded through rent that is charged to state agencies occupying state-owned building space.

There is one Major Closing Issue in BA 1349 that funds building maintenance projects. The Governor recommends \$1.9 million from reserve rental revenues to fund building renovation projects in the 2021-2023 biennium. There is a table that summarizes the recommended

projects [page 5, [Exhibit C](#)]. This is a typical decision unit that is brought forward each biennium. These projects are usually smaller in scale, and do not meet the thresholds that would otherwise warrant inclusion in the Governor's recommended Capital Improvement Program (CIP).

The table [page 5] includes a summary of the recommended projects from each fiscal year identifying both the building and a description of the work. I would note that the fourth line of the table is for buildings and grounds facilities. That was summarized based on information provided in the budgeting system and the SPWD provided detailed information to support this summary line. The funding for those recommendations includes buildings throughout the state, including work at the Governor's mansion, several Department of Motor Vehicle (DMV) facilities, the Bryan Building, the Laxalt Building, and facilities occupied by the Buildings and Grounds Division.

Does the Subcommittee wish to recommend funding to address deferred maintenance and building renovation needs of state-owned facilities with reserved rent revenue of \$1.8 million over the 2021-2023 biennium?

Chair Carlton:

Are there any questions on BA 1349 from Subcommittee members?

Assemblyman Leavitt:

Is this item usually paid from rent reserves?

Brody Leiser:

Yes, maintenance projects that come forward in this budget are usually funded through rental revenues.

Chair Carlton:

Are there any other questions? [There were none.] I will accept a motion on BA 1349.

SENATOR DONDERO LOOP MOVED TO RECOMMEND FUNDING TO ADDRESS DEFERRED MAINTENANCE AND BUILDING RENOVATION NEEDS OF STATE-OWNED FACILITIES WITH RESERVED RENT REVENUE OF \$1.8 MILLION OVER THE 2021-2023 BIENNIUM.

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Chair Carlton:

Are there any questions or comments from Subcommittee members? [There were none.]

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

Chair Carlton:

Please proceed with Other Closing Items for BA 1349, Mr. Leiser.

Brody Leiser:

There are several technical adjustments for the Other Closing Items for BA 1349, as reflected in items 4 through 6 [page 6, [Exhibit C](#)]. These adjustments align software license fees, as well as remove costs from vehicles that have already been excessed or, in the case of item 5, vehicles that would be excessed if that decision unit was approved. In addition, we received two budget amendments from the Office of Finance, Office of the Governor.

Other Closing Item 7, budget amendment A215631349, applies to a new Department of Motor Vehicles facility on Double Diamond Parkway in Reno. The rent revenue associated with that facility was not included in the budget as recommended by the Governor, and this budget amendment addresses the anticipated shortfall. The amendment adds the facility to the rent schedule along with associated rental revenue.

Budget amendment A215681349 from Other Closing Item 8 was submitted to eliminate rental revenue associated with the Governor's recommendation to relocate the Department of Taxation and the Cannabis Compliance Board from the Grant Sawyer State Office Building to a nonstate-owned facility. I would note that the Department of Taxation relocation is recommended through a one-shot appropriation introduced in [Senate Bill 415](#). This amendment would be contingent upon passage of [S.B. 415](#).

Fiscal Analysis Division staff recommends that Other Closing Items 1 through 3 be closed as recommended by the Governor, Other Closing Items 4 through 6 be closed with the technical adjustments noted, Other Closing Item 7 be closed as amended by the Governor, and Other Closing Item 8 be closed as amended by the Governor contingent on passage of [S.B. 415](#), with authority for Fiscal Analysis Division staff to make other technical adjustments for other closing items, as necessary.

Chair Carlton:

Are there any questions? [There were none.] I will accept a motion on other closing items in BA 1349.

SENATOR DONDERO LOOP MOVED THAT OTHER CLOSING ITEMS 1 THROUGH 3 BE CLOSED AS RECOMMENDED BY THE GOVERNOR, OTHER CLOSING ITEMS 4 THROUGH 6 BE CLOSED WITH TECHNICAL ADJUSTMENTS AS NOTED, OTHER CLOSING ITEM 7 BE CLOSED AS AMENDED BY THE GOVERNOR, OTHER CLOSING ITEM 8 BE CLOSED AS AMENDED BY THE GOVERNOR AND CONTINGENT UPON PASSAGE OF SENATE BILL 415, WITH AUTHORITY FOR STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS, AS NECESSARY.

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Chair Carlton:

Are there any questions or comments from Subcommittee members? [There were none.]

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

Chair Carlton:

Please proceed with BA 1562, Mr. Leiser.

**FINANCE AND ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - SPWD - ENGINEERING & PLANNING (101-1562)
BUDGET PAGE ADMIN-157**

Brody Leiser, Principal Deputy Fiscal Analyst:

The Department of Administration, State Public Works Division (SPWD) budget account (BA) 1562, Engineering and Planning, begins on page 9 of the closing document titled "K-12/Higher Education/CIP Joint Subcommittee Closing List #4," dated April 29, 2021 [[Exhibit C](#)]. This budget account includes funding for staff who are responsible for construction management functions of the agency as funded through assessments included in the Capital Improvement Program (CIP).

There is One Major Closing Issue that was recommended by the Governor—the elimination of a project manager position and a building construction inspector position. These two positions were initially recommended as an efficiency measure and the recommendation was included in the budget prior to finalization of the Governor's recommended 2021 CIP. Staffing levels in this budget are determined by estimated hours needed to complete the existing capital improvement program projects and the recommended CIP for the upcoming biennium. During the budget hearing on February 11, 2021, the agency indicated that they anticipated a recommendation would be forthcoming to eliminate decision unit enhancement (E) 600 because of the identified state affordability for general obligation bonds and

subsequently the level of funding and the number of projects included in the Governor's recommended CIP. However, there was discussion during the budget hearing about the agency's existing vacancies. Currently, there are 10 vacant project manager positions and 7 vacant building construction inspector positions. The agency testified that it had halted recruiting and hiring efforts because of the COVID-19 pandemic and the subsequent hiring freeze, as well as in recognition of project cancellations and scope reductions approved during the 31st Special Session.

The Office of Finance, Office of the Governor, submitted Budget Amendment A215941562 to eliminate decision unit E-600 and restore funding for the project manager and building construction inspector positions that were recommended for elimination. There was recognition of challenges the agency experienced in hiring staff authorized in the 2019-2021 budget; however, the amendment did not add any additional positions beyond those two position restorations and the agency indicated that with these two position restorations, there would be sufficient staffing levels to implement the 2021 CIP as recommended by the Governor.

Does the Subcommittee wish to recommend approval of Budget Amendment A215941562 to eliminate decision unit E-600 and retain Inspection Fee revenue of \$490,491 over the 2021-2023 biennium to fund one unclassified project manager position and one building construction inspector position?

Chair Carlton:

Are there any questions? [There were none.] I will accept a motion on BA 1562.

SENATOR DONDERO LOOP MOVED TO APPROVE BUDGET AMENDMENT A215941562 TO ELIMINATE DECISION UNIT E-600 AND RETAIN INSPECTION FEE REVENUE OF \$490,491 OVER THE 2021-2023 BIENNIUM TO FUND ONE UNCLASSIFIED PROJECT MANAGER POSITION AND ONE BUILDING CONSTRUCTION INSPECTOR POSITION.

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Chair Carlton:

Are there any questions or comments from Subcommittee members? [There were none.]

THE MOTION CARRIED.

Chair Carlton:

Please proceed with the other budgets.

Brody Leiser:

There are three Other Closing Items and Fiscal Analysis Division staff recommends that these items be closed as recommended by the Governor, with authority for Fiscal staff to make technical adjustments, as necessary.

Chair Carlton:

Are there any questions on the other closing items for BA 1562? [There were none.] I will accept a motion.

SENATOR DONDERO LOOP MOVED TO APPROVE OTHER CLOSING ITEMS 1 THROUGH 3 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS, AS NECESSARY.

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Chair Carlton:

Are there any questions or comments from Subcommittee members? [There were none.]

THE MOTION CARRIED.

Chair Carlton:

Please proceed with the other budgets.

Brody Leiser:

I will cover the three remaining budget accounts and then pause for questions and a single motion at the end for all three budgets.

**FINANCE AND ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - SPWD - ADMINISTRATION (101-1540)
BUDGET PAGE ADMIN-153**

Brody Leiser, Principal Deputy Fiscal Analyst:

The Department of Administration, State Public Works Division (SPWD) budget account (BA) 1540, Administration, begins on page 13 of the closing document titled "K-12/Higher Education/CIP Joint Subcommittee Closing List #4," dated April 29, 2021 [[Exhibit C](#)]. This budget provides oversight of the operational activities of the Division and is funded through an allocation of costs to other budgets in the Division. On page 14 [[Exhibit C](#)] are the Other Closing Items with one technical adjustment to remove the Attorney General cost allocation plan. In conversations with the Office of Finance, Office of the Governor, I would note that the SPWD has a dedicated Deputy Attorney General that supports the Division and that

position is funded through an expenditure category. An adjustment is noted to remove the Attorney General cost allocation to avoid a duplication of cost. I will pause for questions.

Chair Carlton:

Are there any questions from Subcommittee members on BA 1540, SPWD Administration?
[There were none.]

**FINANCE AND ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - SPWD - FACILITY COND & ANALYSIS (101-1560)
BUDGET PAGE ADMIN-162**

Brody Leiser, Principal Deputy Fiscal Analyst:

The Department of Administration, State Public Works Division (SPWD) budget account (BA) 1560, Facility Condition and Analysis, begins of page 15 of the closing document titled "K-12/Higher Education/CIP Joint Subcommittee Closing List #4," dated April 29, 2021 [[Exhibit C](#)]. This budget is responsible for inspecting and evaluating the maintenance needs of state-owned buildings. On page 16 [[Exhibit C](#)], there are two Other Closing Items and I would note that there is one technical adjustment to align software license fees in BA 1560. I will pause for questions.

Chair Carlton:

Are there any questions from Subcommittee members on BA 1560, SPWD Facility Condition and Analysis? [There were none.]

**FINANCE AND ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - SPWD - MARLETTE LAKE (712-1366)
BUDGET PAGE ADMIN-173**

Brody Leiser, Principal Deputy Fiscal Analyst:

The Department of Administration, State Public Works Division (SPWD) budget account (BA) 1366, Marlette Lake, begins of page 17 of the closing document titled "K-12/Higher Education/CIP Joint Subcommittee Closing List #4," dated April 29, 2021 [[Exhibit C](#)]. The Marlette Lake water system is administered by the SPWD. This budget account is funded through water sales to the system's customers; currently Carson City and Storey County. There are three Other Closing Items [page 18] for this budget account that all appear reasonable to Fiscal Analysis Division staff. I will pause for questions.

Chair Carlton:

Are there any questions from Subcommittee members on BA 1366, Marlette Lake? [There were none.]

Brody Leiser:

The consideration for BA 1540, BA 1560, and BA1366 can be found on page 19 [\[Exhibit C\]](#). Fiscal staff recommends that the following budgets be closed as recommended by the Governor, with authority for Fiscal staff to make technical adjustments as necessary: BA 1540, SPWD Administration, including a technical adjustment to remove the budgeted Attorney General cost allocation plan expenditures; BA 1560, SPWD Facility Condition and Analysis, including a technical adjustment to align software license expenditures; and BA 1366, the SPWD Marlette Lake water system budget.

Chair Carlton:

Are there any questions from Subcommittee members on these three budget accounts? [There were none.] I will accept a motion.

SENATOR DONDERO LOOP MOVED TO APPROVE BA 1540, SPWD ADMINISTRATION, INCLUDING A TECHNICAL ADJUSTMENT TO REMOVE THE BUDGETED ATTORNEY GENERAL COST ALLOCATION PLAN EXPENDITURES, BA 1560, SPWD FACILITY CONDITION AND ANALYSIS, INCLUDING A TECHNICAL ADJUSTMENT TO ALIGN SOFTWARE LICENSE EXPENDITURES, AND BA 1366, THE SPWD MARLETTE LAKE WATER SYSTEM BUDGET, WITH AUTHORITY FOR FISCAL ANALYSIS STAFF TO MAKE TECHNICAL ADJUSTMENTS, AS NECESSARY.

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Chair Carlton:

Are there any questions or comments from Subcommittee members? [There were none.]

THE MOTION CARRIED.

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Chair Carlton:

I believe we have addressed our budget closings for today. I will open the meeting for public comment. [There was none.] This meeting is adjourned [at 8:27 a.m.].

RESPECTFULLY SUBMITTED:

Carmen M. Neveau
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

Senator Marilyn Dondero Loop, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a closing document titled "K-12/Higher Education/CIP Joint Subcommittee Closing List #4," dated April 29, 2021, prepared by Fiscal Analysis Division, Legislative Counsel Bureau, and presented by Brody Leiser, Principal Deputy Fiscal Analyst.