

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

**Eighty-First Session
March 4, 2021**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on General Government was called to order by Chair Sarah Peters at 8:02 a.m. on Thursday, March 4, 2021, 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 Sarah Peters, Chair
Assemblywoman Sandra Jauregui, Vice Chair
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblyman Glen Leavitt
Assemblywoman Brittney Miller

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Chris Brooks, Chair
Senator Moises Denis
Senator Pete Goicoechea

SUBCOMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Brody Leiser, Principal Deputy Fiscal Analyst
Mary O'Hair, Committee Manager
Anna Freeman, Committee Secretary

Minutes ID: 401



Bet Torres, Committee Assistant

OTHERS PRESENT:

Joey Orduna Hastings, Chief Executive Officer, National Council of Juvenile and Family Court Judges

Egan Walker, District Court Judge, representing the National Council of Juvenile and Family Court Judges Board of Directors

Trudy Dulong, Director of Finance, National Council of Juvenile and Family Court Judges

Benes Aldana, President and Chief Executive Officer, National Judicial College

Michelle Morgando, Senior Appeals Officer, Hearings and Appeals Division, Department of Administration

JoVon Sotak, Interim Administrator, Nevada State Library, Archives, and Public Records Division, Department of Administration

Matthew Tuma, Administrator, Administrative Services Division, Department of Administration

Kevin Doty, Administrator, Purchasing Division, Department of Administration

Jason Mills, private citizen, Las Vegas, Nevada

Chair Peters:

[Meeting called to order. Roll was called. Committee rules and protocol were explained.] We will proceed with the first budget presentation [Juvenile & Family Court Judges].

FINANCE & ADMINISTRATION

DEPARTMENT OF ADMINISTRATION

ADMINISTRATION - JUVENILE & FAMILY COURT JUDGES (101-1302)

BUDGET PAGE ADMIN-9

Joey Orduna Hastings, Chief Executive Officer, National Council of Juvenile and Family Court Judges:

Our hashtag is #everycourteverychild [page 1, [Exhibit C](#)]. We work with all participants in our court system and allied agencies. We lead through our values of compassion, leadership, education, and community [page 2]. I like to describe the work of the National Council of Juvenile and Family Court Judges (NCJFCJ) as a spectrum of services in that we not only provide education for court professionals but we also provide research, policy, and hands-on consultation. It may take the form of court observation, case file review, surveys, and evaluations. Our mission and vision are ambitious and have been around for approximately 84 years.

The NCJFCJ is the oldest and one of the largest judicial membership organizations in the country [page 3]. We work domestically and internationally and serve approximately 30,000

professionals across the country. During 2020, similar to many nonprofits, we had to adapt to a virtual setting. Despite the pandemic, we were able to train approximately 10,000 judges and court professionals and fulfill approximately 900 requests for technical assistance: publications, research, strategic planning, and other forms of tailored services. We are a leader in continuing education. We have an independent research arm in Pittsburgh, Pennsylvania. Our main office is in Reno, Nevada, and we are an affiliate of the University of Nevada, Reno (UNR). Most of our offerings are free to the public and judges. Due to the grants that we have secured, we are able to provide most of our work for free for entities that need to access our education.

Page 4 shows an overview of the types of work and projects that the NCJFCJ offers. We work in all aspects of juvenile and family law, including domestic violence and domestic relations. We also do a lot of work related to community; one of the tenants of the NCJFCJ's work is that we believe that judges are valued community members and conveners. We encourage our judges, through our trainings and membership, to get into the community, work with local schools, and work with housing authorities and other branches of government to achieve much of the work we are trying to do on behalf of children and families and change the trajectory of children, families, and survivors of violence. We have many publications related to these topics available on our website.

We have had decades of partnerships and memberships in the state of Nevada [page 5]. May marks our 84th year. We are pleased to participate with our colleagues at the National Judicial College and the University of Nevada, Reno, judicial studies program, which offers a PhD program for judges at UNR. We have approximately 72 employees and we are proud that, despite losing significant money during 2020, we were able to keep all of our employees, and the council continued to do the work on behalf of children, families, and survivors. We do a lot of work here in Nevada, in both the urban and rural areas, and we support many Nevada-led efforts. For example, many people think that the NCJFCJ just serves judges. We are a multidisciplinary organization. At our core, we are a judicial membership organization, but we support all aspects of the system. We train teachers, police officers, counselors, and attorneys. Most recently, we did a human trafficking training for REMSA [Regional Emergency Medical Services Authority] here in Washoe County to help their team better understand and identify aspects of human trafficking that may not be visible, and to ask questions and inquire further to help people who may be being trafficked. That is an example of an allied agency that we help in the juvenile and family court arena. We have approximately 100 members here in Nevada, including several on the Board of Directors from Las Vegas and Reno.

The council also offers two national conferences per year. We are pleased to bring those home to Nevada. We held our National Juvenile Justice Conference in southern Nevada in 2019 and we had all intentions of providing our July 2020 annual conference here in Reno, Nevada. However, it was held virtually due to the pandemic. We were able to bring back

our 85th annual conference to the Reno area for 2022. We are committed to bringing much of our work home.

We also rely on several judicial faculty. Last year, virtually, we offered the first of its kind juvenile justice institute for Nevadans, by Nevadans. We used many judicial experts. That training is available for free, online, for all Nevadans, including probation officers and judges. That was a successful venture. We are also pleased to let you know that, with the funding that the Nevada Legislature and the Governor support, the NCJFCJ was able to secure a record number of grants this year. We reinvested approximately \$12 million in the Nevada economy through our grants and employment, and by bringing those judges and others to Reno, when we are able to be in person for training. The council today is hoping, and respectfully requesting, to be restored back to its budget of \$125,000 per year, for a total of \$250,000 for the biennium. Given the pandemic and the budget issues that Nevada is facing, we are not requesting more funding at this time, just to be restored back to the original funding.

Egan Walker, District Court Judge, representing the National Council of Juvenile and Family Court Judges Board of Directors:

I have the privilege of serving in Department 7 of the 2nd Judicial District Court. I am one of your Nevada judges. I do not pretend to speak for judges in Nevada, but I ask you to hear the collective voices of judges in Nevada regarding why this issue matters. Both the request by the NCJFCJ and the request by the National Judicial College have real implications for all of you, and for me. This is an example from a courtroom in which I work, and it happens in courtrooms in Nevada every day, across the state. I was faced with a challenging case involving the resentencing of a gentleman who had committed three murders. The second of those three occurred here in Nevada. He was suspected of at least two other murders in other jurisdictions. Consistent with their duty, the jury returned a verdict of death in his case. In the process of sentencing here in Nevada, I signed his death warrant. It was my signature that ordered the Director of the Nevada Department of Corrections to put him to death. That event is important for this reason: the man whose death I ordered, is a former foster child and was involved in the child delinquency system.

The same week that I signed that man's death warrant, I dealt in court with the following facts. I was presented with a 15-year-old girl who was being sexually trafficked out of Nevada, out of our jurisdiction, and had been recovered from her traffickers for the fourth time in two years. She had been trafficked to San Francisco, Miami, and in and around Nevada. I was in court with experienced probation officers, experienced social workers, experienced lawyers, and this young girl, who all looked at me. They said that we need a solution for this girl. Judge, you have to fix this. Judge, you have to make a decision that will save her life. I am here to tell you that I am educated as a nurse, my undergraduate degree is a Bachelor of Science in nursing. I went to law school. I have received hundreds of hours of training in general judicial concepts, but the only place that trained me to help prevent that girl from being on the path of the man whose death warrant I signed is the

NCJFCJ. I was not trained in law school to deal with the trauma of children. I was not trained in law school to understand best practices for dealing with delinquent and dependent children. I was not trained in law school for how to conduct a death penalty. The only place I get that specialized training, and the only reason I can, in any way, hope to answer the question of what that child needs, is the training that I have received through the NCJFCJ and the National Judicial College.

I offer a request, ladies and gentlemen, as a boots-on-the-ground judge whose privilege, pleasure, and job are to serve all of you and the citizens of the state; please help educate us judges. The only place we can get the specialized training we need is the NCJFCJ and the National Judicial College. It is a great privilege to have that epicenter in this community. Thank you for your time.

Chair Peters:

We have questions related to decision unit enhancement (E) 225 for the NCJFCJ program.

Assemblywoman Miller:

If the recommended funding is received, how much federal and grant revenue does the NCJFCJ anticipate it will generate as a result of the restoration in General Fund appropriations?

Joey Orduna Hastings:

In the last four years, the NCJFCJ has achieved milestones in grant awards. This year, we are at \$15.6 million going into 2021, the highest in the history of the NCJFCJ. The dollars with which Nevada supports us make it possible for us to leverage; to spend time learning, writing proposals, and meeting with federal funders to achieve those grant awards. The economic benefit that we bring back to Nevada is approximately \$12 million. We bring those dollars back to Nevada through employment, grants, and bringing judge students and others to the Nevada community and to our conferences. We have been able to maximize these dollars extensively.

Trudy Dulong, Director of Finance, National Council of Juvenile and Family Court Judges:

Grant dollars cannot be used to submit grant proposals. That is against grant guidelines, so we rely on outside funding to employ people to write the proposals. With increased state funding, we have seen an upward trajectory every year in the amount of grants that we have been awarded. Every cent helps, I cannot emphasize that enough. The percentage of proposals that we have been awarded from those which we have applied has also increased in the last five years. We used to receive approximately one-third of the grants for which we applied. Now we are receiving approximately 60 percent because we can put the effort into writing good proposals and making the connections needed to secure those funds.

Assemblywoman Miller:

Could you describe the effect on the council if the recommended restoration of funding were not approved?

Joey Orduna Hastings:

It would affect us greatly. Those funds allow us to write grants. If we do not have the funding to write grants, that hampers our ability to broaden the scope of work and the services we can provide for the public. The beauty of having these grants is the ability to provide these services at a larger scale, for free, so that people in any area of the country can access these resources and not have to worry about finding their own money to pay for these services. Lack of this funding would decrease our ability to provide services on a broad scale.

Egan Walker:

That 15-year-old girl is in a specialized program called Project ONE. These unrestricted funds allow me to make a technical request to the council to show me the evidence for the decisions I am making for a child's life that will have good outcomes for that child. In fact, that happened with this child. I was able to get real-time research through the council to confirm decisions I was making to try to improve her trajectory.

Chair Peters:

What your program does is important for the state. The amount of grant dollars that you have been able to bring in with the funding you have received is fantastic and impressive.

Assemblywoman Gorelow:

I was going over some of the history of past appropriations. There was a decrease in funding starting in the 2009-2011 biennium, getting as low as approximately \$87,000 in the 2015-2017 biennium, and then coming back up to \$250,000. Could you give us a background of what happened with this decrease in funds?

Joey Orduna Hastings:

That predates me and my finance director, Trudy Dulong, but our understanding is that those decreases came because of the recession and the decrease in the ability of the Legislature to provide funds. It was not due to services or performance but rather an inability to allocate those dollars without taking away from other priority areas. In the last five years, we have been able to increase that funding. The restoration to \$125,000 per year will bring us back to pre-2009 funding.

Chair Peters:

Are there any other questions from the Subcommittee? [There were none.] We will move on to the National Judicial College.

Benes Aldana, President and Chief Executive Officer, National Judicial College:

You have a copy of our presentation [[Exhibit D](#)] as well as our narrative budget request [[Exhibit E](#)] so I will provide short remarks today. Thank you for the opportunity to provide testimony of behalf of the National Judicial College (NJC) in support of budget account 101-1302. I am pleased to join you remotely to say a few words in support of state funding for the NJC. The first words are going to be "Thank you." Thank you for the state's generous support of the NJC, which has extended over many decades.

Since 1964, the NJC has been a crown jewel on the campus of the University of Nevada, Reno, and the gold standard in judicial education. The categories of judges we serve decide more than 95 percent of the cases in this country. Each year, we educate judges from all 50 states and several foreign countries, but Nevada is our home.

We educate more judges from Nevada than from any other state. Approximately 2,400 Nevada judges have studied with us since 2010. Last month, in response to a request from newly elected judges in Clark County, we added an extra session of our Taking the Bench course and enrolled 16 Nevada judges. Many received scholarship assistance.

Nevadans continue to be well represented on our governing board. Former governor and senator, Richard Bryan, and NV Energy President, Doug Cannon, recently rotated off our board of trustees. Attorney General Aaron Ford and NV Energy Vice President and General Counsel, Brandon Barkhuff, have been nominated to replace them and are awaiting formal approval from members of our corporation at their next meeting.

According to an assessment conducted in 2020 by the Center for Regional Studies at UNR's College of Business, the NJC provides \$8.7 million annually to Nevada's economy and contributes \$3.3 million each year to the state's labor income alone. We are seeking support for the current budget recommendation, a renewal of your most recent, pandemic-reduced, appropriation to us of \$455,000. You can easily do the math on the return on investment, and our written materials explain how we would use the money. I doubt any nonprofit will be coming before you this year to boast of its prosperous 2020. In our case, we were reminded of that famous opening line in A Tale of Two Cities: "It was the best of times, it was the worst of times..."

We typically have between 8,000 and 10,000 enrollments per year. Last year, thanks largely to the popularity of two emergency-response webinar series we created—one on judging during a pandemic, the other on racial justice—we cleared more than 23,000 enrollments. That was more than double our record for a year. That was the best of times.

The worst of times is not hard to guess. Enrollment in our in-person courses, our major revenue source, fell from approximately 6,800 in 2019 to less than 1,000 in 2020. One of our founders, the American Bar Association, which is dealing with its own serious financial issues, reduced its annual appropriation to us from \$50,000 to zero. Our total revenue fell

from approximately \$6 million in 2019 to \$4.3 million in 2020. Despite loans from the Paycheck Protection Program, we had to make the difficult decision to reduce our payroll expenses through staff reductions.

Like all of you, we look forward to better times ahead. We plan to resume in-person classes beginning in August. Many of those will be held in Reno. I know our local hotels and restaurants are eager to welcome back hundreds of judges from out of state.

Your support helped bring the National Judicial College to Nevada, and it has sustained our internationally recognized organization ever since. Thank you for the pride and confidence you have shown in us. We are equally proud to call Nevada home.

Chair Peters:

Could you tell us how many judges, and in what jurisdictions, participate in the Dividing the Waters program annually? In addition to Nevada judges, from what other states are judges participating?

Benes Aldana:

The Dividing the Waters program [page 25, [Exhibit D](#)] is mainly for western judges who adjudicate water law issues. In the last biennium, we had 11 Nevada judges participate. We do not have information in terms of breakdown by district, but we would be happy to submit that as a follow-up.

Assemblywoman Gorelow:

How would the Dividing the Waters program be impacted if the recommended restoration of funding were not approved?

Benes Aldana:

If it were not approved, we would probably have limited programs in terms of focusing on water law. Water law is becoming a more important issue as Nevada courts continue to deal with these issues. We want to expand that program but, without that funding, we would have limited programming.

Senator Goicoechea:

I believe we need to restore this funding, but I am concerned. Chief Justice Hardesty is looking at other ways to bring more expertise into the courts as it pertains to water law. I would hope that you would be able to incorporate some of that training with those individuals as well.

Benes Aldana:

I have a meeting with Chief Justice Hardesty to discuss providing any support that he needs to expand programming or to explore the creation of water courts in Nevada.

Chair Peters:

Are there any other questions from the Subcommittee? [There were none.] We will move on to budget account 1015.

**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - HEARINGS AND APPEALS DIVISION (101-1015)
BUDGET PAGE ADMIN-82**

**Michelle Morgando, Senior Appeals Officer, Hearings and Appeals Division,
Department of Administration:**

The Hearing and Appeals Division, Department of Administration is grateful for the opportunity to present our Governor's recommended budget for the 2021-2023 biennium. The Division employs 46 full-time employees [page 2, [Exhibit F](#)]; thirty-six are in our Las Vegas office and ten are in Carson City. We have three types of officers that help us establish and create the Division's priorities.

We provide fair and independent resolution hearings and adjudications in a timely and efficient manner while providing due process to all our injured workers, employers, insurers, and others subject to our jurisdiction [page 3]. Our first level of hearing is before a hearings officer. These are informal hearings designed to assist parties in resolving issues. Most of these cases are for Workers' Compensation and the Victims of Crime Program.

The appeals officers are the final administrative hearing level for Workers' Compensation, Division of Industrial Relations, Victims of Crime Program, state Medicaid, and Purchasing Division appeals. These proceedings are formal. They are recorded. Testimony is given under oath. Witnesses testify and evidence is admitted into the record. This is a final decision that is subject to judicial review. The appeals officers are appointed by the Governor to two-year terms and are full-time state employees.

The division also utilized special appeals officers [page 4]. They are also appointed by the Governor for two-year terms, but they are independent contractors. They hear our non-workers' compensation agency cases, pursuant to interlocal agreements. The agencies that we currently hear cases for are the Department of Employment, Training and Rehabilitation; Division of Human Resource Management; Mortgage Lending Division; Department of Education; Department of Transportation; State Board of Cosmetology; and the State Fire Marshal.

The Las Vegas office has nine appeals officers, five hearing officers, and four special appeals officers. The Carson City office has two appeals officers, two hearings officers, and three special appeals officers.

Decision unit enhancement (E) 225 is recommended to fund the expansion and renovation of the Las Vegas office to increase available courtroom space for the appeals officers [page 5]. Our proposal is to move the hearings office into the vacant space downstairs. Then the space that is vacated by the hearing office will be renovated to provide three new courtrooms, including an ADA [Americans with Disabilities Act] accessible courtroom. The current nine appeals officers and four special appeals officers in Las Vegas only have six dedicated courtrooms to operate in. Three of the appeals officers and all the special appeals officers must try to schedule their cases within the assigned six courtrooms.

Two of the appeals officers who do not have courtrooms will now have dedicated courtrooms. The senior appeals officer and the special appeals officers will share the remaining new courtroom.

We hear cases in two manners. Statutorily mandated cases before the appeals officer are contested workers' compensation matters; the Victims of Crime Program (VOC); cases within the purchasing division, usually bid appeals; and the Division of Industrial Relations, which handles uninsured employer matters and fines and penalties. The table on page 6 shows the increase in cases since fiscal year (FY) 2012. Fiscal year 2020 is an anomaly due to the pandemic. Because there were many individuals who were not employed during much of FY 2020, there were fewer workplace injuries, fewer claims, and fewer appeals associated with those claims.

The chart on page 7 details the non-workers' compensation agency cases. These are heard by the interlocal agreements. We recently signed an interlocal agreement with the Board of Cosmetology, but we have not yet had any cases from that agency. We were in talks, prior to the pandemic, with the Cannabis Compliance Board, to be a secondary appeal mechanism, and we hope to resume talks with them soon. You can see, from FY 2012 through FY 2021, the cases have been increasing, particularly for DHRM [Department of Human Resources Management] and the state Medicaid program.

The graph on page 8 summarizes the average number of cases assigned in a fiscal year to a single appeals officer. We saw quite an increase from FY 2017 to FY 2018 and FY 2019. As I said before, FY 2020 is a bit of an anomaly, but we do expect, as people go back to work, that those amounts will go up. In FY 2021, as of the end of January, each appeals officer carried an average open caseload of 917 open cases.

Page 9 shows decision unit enhancement (E) 225 which reflects the amounts of our budget enhancements over and above the base budget to fund the expansion and renovation of our location. In FY 2022, it is \$212,594 in operating expenses, \$59,904 for equipment, and \$13,672 for information services. In FY 2023, it is \$207,047 in operating expenses.

Decision unit E-710 funds the replacement of computer hardware and related software pursuant to the EITS [Enterprise Information Technology Services] recommended

replacement schedule [page 10, [Exhibit F](#)]. For FY 2022, the amount recommended is \$19,464. For FY 2023, it is \$16,824.

Most of the funding for the Hearings and Appeals Division is through the Fund for Workers' Compensation and Safety within the Department of Industrial Relations. The statute that sets forth that fund states that all monies and securities in the fund must be used to defray all costs and expenses of administering the program of workers' compensation, including the payment of all salaries and expenses for our Division [page 11]. A question arose in developing this budget enhancement regarding the agencies for which we hear cases that are not workers' compensation cases. We are proposing to calculate a facility usage fee for all the agencies that use our courtroom, except for workers' compensation matters. We propose to calculate the fee based on the final price per square foot of the new courtroom that will be used by the special appeals officers. It will be calculated to an hourly rate. We currently bill through our interlocal agreements for scope of work, hourly charges for the senior appeals officer time, and staff time. Amendments to the agreements of the scope of work would be discussed with the affected agencies prior to implementation.

Assemblywoman Jauregui:

You showed the progression of cases from FY 2010 to current. The biggest jump seems to be from FY 2016 to FY 2019. Could you walk us through what caused the increase of caseloads?

Michelle Morgando:

We believe it was attributed to coming out of the recession and more people going back to work. Because new claims are a function of new workplace injuries, if people are not working, the injury rate decreases. Nevada injured workers have lifetime reopening rights so there are always cases that are in litigation.

Assemblywoman Jauregui:

Do you have a backlog of cases or are you current?

Michelle Morgando:

We are current in setting our cases. We have mandatory guidelines pursuant to statute for when we must set them. We do have cases where people want to wait until we reopen to the public to have their hearings. We currently conduct hearings virtually and by telephone. We are hoping, by the middle of March, to have a plan in place to gradually open again for in-person hearings.

Assemblywoman Jauregui:

Are many people choosing to wait until they can have their hearings in person? And, if there are, is that a concern?

Michelle Morgando:

I would not say it is a high percentage, but there are either injured workers or employers, with cases such as claim denials or termination of benefits for misconduct, where they feel it is important for the judge to see them in person.

Senator Brooks:

Could you explain how the timeframe in which cases are heard and closed would improve with the expansion of the courtrooms?

Michelle Morgando:

If we have three more available courtrooms, we would have at least five days per week, seven or eight hours per day, where the special appeals officers, the two other appeals officers who do not currently have courtrooms, and I will not be taking up time in the existing six courtrooms. We will be able to set cases much faster. The faster we can get a case on, the faster we can get it to resolution.

Senator Brooks:

Could you quantify that?

Michelle Morgando:

I tried to figure out if I could put it into some type of percentage reduction, but the cases are unique. Some take 15 minutes to hear, some take two weeks to hear. If each case took an hour to hear, I could provide a percentage. Because the cases are of such varying lengths of time, there is not a consistent number with which to work.

Senator Goicoechea:

The Governor is proposing a fee increase, yet you have not determined the hourly rate for the use of these facilities. When will you have that available?

Michelle Morgando:

We are hoping to finalize our lease negotiations shortly.

Chair Peters:

I would like to know what those fees will be and the effects they will have on your interlocal agreements. We would love to see those numbers when they become available.

Assemblywoman Gorelow:

Going back to the renovations to increase your courtroom space: do you have a timeline of how long you anticipate that to take?

Michelle Morgando:

We are hoping that once the budget closes we will be able to sign the lease and the lease will be approved by the Board of Examiners. Our target date is September 1, 2021, to start renovations. We anticipate it will take approximately five to six months.

Chair Peters:

Are there any other questions from the Subcommittee? [There were none.] We will proceed to budget account 1346.

**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - NSLA - MAIL SERVICES (713-1346)
BUDGET PAGE ADMIN-122**

JoVon Sotak, Interim Administrator, Nevada State Library, Archives, and Public Records Division, Department of Administration:

It is a pleasure to join you to present budget account 1346 for the Mail Services Program. In alignment with the Department's mission, the Nevada State Library, Archives, and Public Records Division's mission is to provide comprehensive government information services to state and local government and Nevada citizens through efficient library, archives and records management, and mail services programs [page 2, [Exhibit G](#)]. Mail services provides essential state mail services to participating state and local government agencies in the Carson City, Reno, and Las Vegas areas. Services include pickup, processing, and delivery of outgoing mail and overnight interoffice mail. The United States Postal Service processes and delivers all inbound mail to the agencies daily. Other services provided in the Carson City and Reno areas include folding, inserting, addressing, and bulk mailing. Prior to 2011, the Mail Services Program was part of the Buildings and Grounds Section. As part of the reorganizational efforts at that time, Buildings and Grounds was moved to the State Public Works Division and Mail Services was moved into the Nevada State Library, Archives, and Public Records (NSLAPR).

The Mail Services Program's \$14.3 million budget represents 51 percent of NSLAPR's budget and 38 percent of its staff. Consistent with the overall departmental approach, our budget recommendation for mail services is conservative. It represents a 2.2 percent decrease between FY 2021 and FY 2022. The base budget continues funding to operate this program and support 20 staff [page 3]. With a total biennial budget of \$14.3 million, the revenue for this division is from postage, interoffice mail stop fees, mail finishing services, and administrative charges. Postage represents 63 percent of all expenditures; this is a cost paid by customer agencies then passed through mail services. Personnel and mandatory reserves are the other top expenses.

Mail services is one of seven teams overseen by NSLAPR and the only team within this division that has a team lead with a pay grade less than 37 [page 4]. Other NSLAPR teams

have the support of an assistant administrator, which is a grade 41. The mail services team operates two mail facilities; one in Carson City and one in Las Vegas. This team works incredibly hard to ensure the mail never stops. The most senior staff on the mail services team include our program officer 2, who is a grade 33, and a program officer 1, who is a grade 31. Other staff include two supervisors and two technicians, one each in the north and the south. There are ten mail clerks in the north and four in the south.

Mail finishing services have significantly increased year over year. This team is on track to finish 8 million pieces of mail this year versus 5.6 million in FY 2019. This matters because these mail finishing services take more staff time and result in greater wear and tear on the machines. Current staff have more mail than they can process effectively while maintaining proper business operations and personnel protocols. Prior to COVID-19, staffing levels were insufficient to maintain the program. Staff breaks, annual leave, and training were frequently delayed due to insufficient staffing levels. This has compounded because mail volume has become extremely volatile since the beginning of the COVID-19 emergency. Some agencies, including the Department of Employment, Training and Rehabilitation and the Division of Welfare and Supportive Services require unprecedented support, while other agencies curtailed mail production due to telecommuting and other short-term operational changes. Mail services staff have logged more than 500 hours of overtime since the beginning of COVID-19, even with the support of three temporary workers. Personnel have been working hard and bearing the brunt of aging and poorly functioning mail processing equipment, relying on inefficient methods such as hand folding and inserting mail into envelopes just to ensure the mail goes out on time.

Decision unit enhancement (E) 225 has an accompanying BDR [bill draft request] that establishes mail services as a standalone division [page 5]. The business has operational oversight and resource management needs that require onsite leadership with an understanding of the mail industry. This person needs to be empowered to analyze and develop the current program and drive broad, programmatic change. The pandemic highlighted this opportunity. This team struggled to maintain services, supporting approximately 400 agencies and 280 mail stops. The number of mail stops is subject to change. During this session, you will see decision unit E-228, associated with budget account 1130, which eliminates the mail stop services for the State Controller based on the Governor's recommendation to eliminate the Controller's office at the Grant Sawyer Building.

Per the *Nevada Revised Statutes*, the qualifications for the administrator for NSLAPR includes a Master of Library Science degree or a certificate and five years of experience in library or archives administration. Historically, these qualifications have not benefitted the planning and operation of the mail services program. The program officer classification is limited to administering the program. There are many business needs, including analysis of management and administrative areas that are outside of this class specification. In addition to the analytical work that the business needs, a dedicated administrator would be able to develop program

policies and procedures and lead long-term business and operational planning efforts that would improve service levels. The cost on page 5 should be updated to reflect the Governor's recommended budget of \$90,876 in year 1 and \$120,212 in year 2 for a total of \$211,088. That includes personnel costs and a small amount of associated operating expenses.

In closing, senior leadership is critical to strategically plan for the rapidly changing needs of the agency that processes approximately 24 million pieces of mail each biennium and is truly essential for the continuity of government.

Senator Denis:

Could you give us some more specifics on the operational challenges in daily mail service that are prompting the recommendation to make mail services its own division. What operational changes are needed?

JoVon Sotak:

What happened during the COVID-19 crisis highlighted the need for operational improvement. Because of the mail volatility, some clients are sending through much more mail. The way the program was originally designed has not allowed for these fluctuations in services. Also, mail finishing services represent a large and growing portion of what our staff does. That requires much more staff time. The model and the needs have changed, but there has not been any business analysis around that. Some of the equipment being used is older and needs to be properly maintained. We have had several equipment failures that have derailed operations. The machines are receiving much more wear and tear because of the growth in the percentage of the mail now requiring finishing services rather than just postage.

Senator Denis:

The division administrator currently must have a master's in library science. Can you talk about some of the skills and abilities that are needed by the new administrator position that are different from what we currently have?

JoVon Sotak:

I am an interim administrator and I do not have a Master of Library Science degree. I can offer a unique perspective as someone who has stepped into this role for the last two months. I could spend all my time at mail services right now as an administrator. Some of the skills needed are a high degree of analytical skills, someone who knows the mail services business who can speak to proper equipment. I see it almost as more of a warehouse operation. There are different safety concerns. The position requires somebody with deep operational knowledge of business processes who can analyze the mail business to figure out what it needs. It is a much different operation. There are staff in multiple locations who have specific training needs, and there is a different set of regulations that goes along with that. I see it as a specialized business, and the current most senior person has been a program officer 2. The analytical and management pieces that the business needs are not currently being served.

Senator Denis:

You mentioned that you could spend all your time on the mail side. Does that mean there are things not getting done on the library side? Is that one of the reasons for splitting mail services to its own division?

JoVon Sotak:

I am spread thin. The Nevada State Library, Archives and Public Records Division has six teams across those two sides of the businesses. There is a staffing shortage. Usually we would have two assistant administrators within that organization to help the rest of the leaders. Things are still getting done at the library, but we do have quite a few vacancies. It also means that the specialized attention that mail services needs may not be available. I can help with personnel, fiscal, and all those things that an administrator does, but I lack the specialized mail services operational knowledge. There are many improvements needed in terms of daily operations and long-term planning. It is no secret that mail has changed significantly over the last few years. We have seen the United States Postal Service struggle with those same changes. We need to look at the business to figure out how we can better serve customers and how that will play into long-term planning for facilities as well as equipment and other operational improvements.

Senator Denis:

It sounds like someone who knows the business may be able to save money and avoid costly mistakes as we move forward.

Matthew Tuma, Administrator, Administrative Services Division, Department of Administration:

Yes. I would like to add that Nevada is currently the only state in the country with mail services under the library system. That leads to us asking to make mail services a standalone division within the Department.

Senator Denis:

Is the equipment going to need replacing soon?

JoVon Sotak:

We will be seeing that need soon but it is not anticipated in this budgetary cycle. We think that the correct first step for fiscal responsibility is to put someone in place to analyze what is needed. That is, in part, because mail equipment is rated for different volumes of mail. We want to ensure we get the right equipment for the volume of mail that we will have long-term. We need to know where the business is going to make a purchase that is fiscally prudent.

Chair Peters:

Are there any other questions from the Subcommittee? [There were none.] We will move on to our last budget account.

**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - PURCHASING (718-1358)
BUDGET PAGE ADMIN-133**

Kevin Doty, Administrator, Purchasing Division, Department of Administration:

We buy goods and services on behalf of the State. We have a straightforward budget; continued funding for 25 employees and two enhancements. Decision unit enhancement (E) 710 is a typical enhancement for replacement of computers in accordance with the EITS replacement schedule. Decision unit E-225 is dependent upon the Legislature passing what is currently known as BDR 27-1075, which is a modernization of our state procurement code. That would be savings resulting in no longer advertising in newspapers. That is one of two pieces of legislation recommended by the executive branch internal audit.

The other is Assembly Bill 28, which would restore the inverse preference that used to be in Nevada's law.

Assembly Bill 28: Imposes an inverse preference on certain bidders for state purchasing contracts. (BDR 27-238)

The goal is to advance Governor Sisolak's hope that we award more contracts to Nevada-based vendors.

Other than that, we have a capital improvement project for state purchasing. In addition to buying goods and services for the state, we have the obligation to take in surplus property from agencies and try to repurpose it so that we do not have to get rid of things or buy new things. Our Las Vegas warehouse is in bad shape and needs work, including a new roof.

Chair Peters:

What would the impact be if BDR 27-1075 were not implemented? What other outlets do you currently use to publish purchasing options? Is there a fee to access those?

Kevin Doty:

All our solicitations go out through our e-procurement system, NevadaEPro. At this time, I should thank the Nevada Legislature because, in 2017, the Legislature approved an administrative fee that we attached to certain contracts, and that has allowed us to pay for that e-procurement system which has enabled us to continue doing our business, even during the pandemic, because we are not doing things in person or needing people to come in in person. It has been a tremendous asset for us. Thank you to the Legislature for that. All our solicitations go out on that system. Our registered vendors receive an email when we are in the market for anything that they signed up for. We currently have 2,700 Nevada-based vendors registered in our system. The newspaper advertisement requirement goes back to an

older time when we did not have as many ways to reach vendors. In the 1990s, I served as general counsel for the Nevada Press Association, so I know what legals, as these are known in the newspaper business, mean to small newspapers. State purchasing does not advertise in small newspapers. Statutorily, we are required to advertise in the newspaper that gives us the biggest circulation for the amount we spend on the listing. This means all our advertising is done with the Las Vegas Review-Journal. That made sense with the kinds of things we are buying. If NDOT [Nevada Department of Transportation] has a road project near Eureka, maybe they would want to put an ad in the Eureka Sentinel; if the State Public Works Division has a building they are rehabilitating in Elko, it makes sense to put an ad in the Elko Daily Free Press; but the State Purchasing Division buys servers, computers, and specialized IT [information technology] software for education and health care applications. Even if people are looking at these little ads in the back of newspapers, the vendors we are targeting will not see them there. That is why this recommendation is in BDR 27-1075.

Chair Peters:

Is there a charge for service providers to sign up for those emails?

Kevin Doty:

No. There is no charge. We want as many vendors to sign up as possible. We have a vendor outreach person who tries to find vendors in Nevada, specifically. We want as many people signed up in our system as possible. If anyone knows any Nevada vendors who may be interested in doing business with the State of Nevada, please ask them to go to nevadaepro.com and sign up there to receive emails from us whenever we are looking for a good or service that they can provide.

Chair Peters:

I think that the prioritization of Nevada services and goods is important for us to consider, particularly as we recover from the pandemic. Are there any other questions from the Subcommittee? [There were none.] I will open the meeting for public comment.

Jason Mills, private citizen, Las Vegas, Nevada:

I am a workers' compensation attorney in the state of Nevada. I am here in my individual capacity as a partner of my law firm. I am here to speak regarding budget account 1015, the expansion of the workers' compensation courtrooms. I think this is a good and valuable expenditure of state resources. The courts have six appeals office courtrooms, yet they have nine appeals officers. The expansion of three additional courtrooms will certainly allow more time for claimants, such as my clients, to have hearings heard in a more expeditious manner. We believe that the expansion of the courtrooms and the facilities for the workers' compensation hearings will result in claimants being able to have their cases heard in a faster manner. We believe that, with 50 percent more courtrooms, more cases can get heard in a more expeditious manner, and the injured workers in the state of Nevada will be able to have their cases heard more rapidly. For that reason, as a member of the public and as a workers' compensation attorney who regularly appears before the hearing appeals office, I believe that

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this expenditure and the infrastructure being sought is a wise and valuable investment of state resources, and I think it is a valuable thing that the Subcommittee should consider. I thank you for your time today and for allowing me to give public comment.

Chair Peters:

Is there anyone else in the queue for public comment? [There were none.] Are there any additional comments from the Subcommittee? [There were none.] This meeting is adjourned [at 9:23 a.m.].

RESPECTFULLY SUBMITTED:

Anna Freeman
Committee Secretary

APPROVED BY:

Assemblywoman Sarah Peters, Chair

DATE: _____

Senator Chris Brooks, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a presentation entitled "National Council of Juvenile and Family Court Judges" submitted by Joey Orduna Hastings, Chief Executive Officer, National Council of Juvenile and Family Court Judges.

[Exhibit D](#) is a PowerPoint presentation entitled "The National Judicial College" submitted by Benes Aldana, President and Chief Executive Officer, National Judicial College.

[Exhibit E](#) is a document entitled "The National Judicial College 2021-2023 Biennial Budget Request to the State of Nevada" submitted by Benes Aldana, President and Chief Executive Officer, National Judicial College.

[Exhibit F](#) is a presentation entitled "Department of Administration Hearings and Appeals Division (BA 1015), 2021-2023 Governor Recommended Budget Overview Presentation, March 4, 2021" submitted by Michelle Morgando, Senior Appeals Officer, Hearings and Appeals Division, Department of Administration.

[Exhibit G](#) is a presentation entitled "Department of Administration, 2021-2023 Governor Recommended Budget Overview Presentation, Nevada State Library, Archives and Public Records Division (NSLAPR) Mail Services Program (BA 1346), March 4, 2021" submitted by JoVon Sotak, Interim Administrator, Nevada State Library, Archives, and Public Records Division, Department of Administration.