

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Eighty-Second Session
May 22, 2023**

The Committee on Ways and Means was called to order by Chair Daniele Monroe-Moreno at 8:09 a.m. on Monday, May 22, 2023, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. 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/82nd2023.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Daniele Monroe-Moreno, Chair
Assemblywoman Shea Backus, Vice Chair
Assemblywoman Natha C. Anderson
Assemblywoman Tracy Brown-May
Assemblywoman Jill Dickman
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblywoman Sandra Jauregui
Assemblywoman Heidi Kasama
Assemblyman Cameron (C.H.) Miller
Assemblyman P.K. O'Neill
Assemblywoman Sarah Peters
Assemblyman Howard Watts
Assemblyman Steve Yeager

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Brenda Erdoes, Director
Sarah Coffman, Assembly Fiscal Analyst
Brody Leiser, Assembly Chief Principal Deputy Fiscal Analyst
Adam Drost, Principal Program Analyst
John Kucera, Principal Program Analyst
Jaimarie Mangoba, Principal Program Analyst
Stephanie Day, Principal Program Analyst
Julie Waller, Principal Program Analyst
Kimbra Ellsworth, Senior Program Analyst
James Malone, Senior Program Analyst
Morgan Barlow, Program Analyst
Lilliana Camacho-Polkow, Program Analyst
Tiffany Greenameyer, Program Analyst
Yuriy Ikovlev, Program Analyst
Nicolette Johnston, Program Analyst
Daniel Miller, Program Analyst
Nancy Morris, Program Analyst
Colby Nichols, Program Analyst
Madison Ryan, Program Analyst
Tyler Boyce, Committee Secretary
Janet Osalvo, Committee Assistant

OTHERS PRESENT:

Megan Peterson, Deputy Superintendent, Student Investment Division, Department of Education
Paul Shubert, Bureau Chief, Bureau of Health Care Quality and Compliance, Division of Public and Behavioral Health, Department of Health and Human Services
Jimmy Lau, representing CareRev
Christopher P. DeRicco, Chairman, Board of Parole Commissioners
Andrew Clinger, Chief Financial Officer, Nevada System of Higher Education
Carter Bundy, representing American Federation of State, County and Municipal Employees International
Tessyn Opferman, representing American Federation of State, County and Municipal Employees Retirees
Kent M. Ervin, Ph.D., State President, Nevada Faculty Alliance
Daniel Gordon, representing Nevada Police Union
Tina Leiss, Executive Officer, Public Employees' Retirement System of Nevada

Chair Monroe-Moreno:

[Roll was called, and Committee rules and protocol were discussed.] I will start this meeting by letting Committee members know we will be recessing several times and reconvening later today. It is that time of session. We will start with Assembly Bill 458.

Assembly Bill 458: Revises provisions relating to the financial support of public schools. (BDR 34-1080)

Megan Peterson, Deputy Superintendent, Student Investment Division, Department of Education:

Assembly Bill 458 was created to address cash flow issues that we often encounter during the second year of the biennium with the Pupil-Centered Funding Plan. This is the result of revenue collection timing, and A.B. 458 authorizes the Superintendent to request a temporary advance from the Education Stabilization Account when expenditure obligations exceed revenues. The request would be made to the Director of the Office of Finance who, upon approval, will notify the State Controller and the Legislative Counsel Bureau of the transfer. The funds are to be repaid by August 31 of each year in the fiscal year the funds are requested.

Chair Monroe-Moreno:

We have heard discussions about this during other hearings earlier in this session. Are there any questions from Committee members? [There were none.] Is there anyone who would like to testify in support of A.B. 458? [There was no one.] Is there anyone who would like to provide testimony in opposition to this bill? [There was no one.] Is there anyone who would like to testify in neutral on this bill? [There was no one.] Would the bill presenter like to provide closing remarks? [She did not.] We will close the hearing on A.B. 458.

We will open the hearing on the next bill.

Assembly Bill 460: Revises provisions relating to nursing pools. (BDR 40-1070)

Paul Shubert, Bureau Chief, Bureau of Health Care Quality and Compliance, Division of Public and Behavioral Health, Department of Health and Human Services:

Assembly Bill 460 is a bill to reduce the licensure of nursing pools from those who already receive verification of nurses in health care facilities.

Chair Monroe-Moreno:

We received a conceptual amendment this morning [[Exhibit C](#)]. Are you aware of that amendment, and is it a friendly amendment?

Paul Shubert:

We are familiar with the amendment; it is friendly to the bill, and we would like the amendment to be considered as well.

Chair Monroe-Moreno:

Could you share with us how that amendment would affect fiscal aspects for your agency? With the amendment, will your agency bring in less dollars or have more of a negative effect because you will not be collecting fees on those entities or people?

Paul Shubert:

The amendment clarifies the fiscal impact that the bill was intended to provide. It does reduce some licensure fees the agency would receive for facilities that would no longer require a license. The amendment clarifies that those facilities would necessarily be recruiting nurses or handling nurses who would go to licensed facilities; facilities that already verify requirements for a nurse to work in that facility. It does not change the fiscal impact.

Chair Monroe-Moreno:

Are there any questions from Committee members?

Assemblywoman Kasama:

Could you give me an overview of current procedures and what this bill will do to change those procedures?

Paul Shubert:

Currently, the nursing pool licensure that we have requires licensure of entities that provide services independently to persons in their own home and licensure of entities that recruit nurses to be part of a pool for use in licensed facilities. What we want to do is remove the type of facilities that recruit nurses to be part of a pool for those licensed facilities and keep the requirement for nursing pools that are doing independent work exclusive of a licensed facility.

Assemblywoman Kasama:

To clarify, if you are a skilled nursing facility that houses people you will not need this, but if you have home health care nurses who work in private residences, those companies will still have to be licensed. Is that correct?

Paul Shubert:

The intent is that we would no longer license nursing pools that recruit nurses for a skilled nursing facility, hospital, or other type of licensed entities. That skilled nursing facility will continue to be licensed, but the nursing pool would not need a license if all they are doing is recruiting nurses for use in those facilities.

Chair Monroe-Moreno:

I will remind members that this is a budget implementation bill that relates to the Health Care Facilities Regulation budget—Budget Account 3216. The money committees approved this during our hearing with the full Committee. Are there any other questions from Committee members? [There were none.]

We will move to testimony in support of A.B. 460. Is there anyone who would like to testify in support of A.B. 460? [There was no one.] Is there anyone who would like to testify in opposition to this bill? [There was no one.] Is there anyone who would like to testify in neutral on A.B. 460?

Jimmy Lau, representing CareRev:

CareRev is the entity that submitted the proposed amendment. We would like to thank the agency for working with us to clarify the exemption for this type of business.

Chair Monroe-Moreno:

Thank you for your testimony. Is there anyone else who would like to testify in neutral on A.B. 460? [There was no one.] With that, we will close the hearing on A.B. 460, and we will open the hearing for the next bill.

Assembly Bill 462: Revises provisions governing the State Board of Parole Commissioners. (BDR 16-1073)

Christopher P. DeRicco, Chairman, Board of Parole Commissioners:

Assembly Bill 462 amends *Nevada Revised Statutes* (NRS) Chapter 213 and allows the Chair of the State Board of Parole Commissioners to appoint an Executive Director. This bill includes the delegation of certain powers and duties to the Executive Director, moves supervision of the Executive Secretary from the Board to the Executive Director, and makes conforming changes to indicate the proper placement in NRS Chapter 213. Funds for the Executive Director position were approved in our budget that closed on May 1, 2023, contingent on passage of A.B. 462. There are no amendments to this bill.

Chair Monroe-Moreno:

Committee members will see that there are no fiscal notes included with this bill. However, decision unit enhancement (E) 380 in the Parole Board's budget—budget account 3800—included a cost to hire a new Executive Director position that was approved by the money committees on May 1, 2023. This piece of legislation is necessary to implement the budget as we closed it.

Are there any questions from Committee members? [There were none.] We will move to testimony in support of A.B. 462. Is there anyone who wishes to provide testimony in support of A.B. 462? [There was no one.] Is there anyone who would like to provide testimony in opposition to this bill? [There was no one.] Is there anyone who would like to provide testimony in neutral on A.B. 462? [There was no one.]

We will close the hearing on A.B. 462, and we will open the hearing on the next bill.

Assembly Bill 485: Makes an appropriation to the Legislative Fund for capital improvement projects for facilities and information technology services projects. (BDR S-1141)

Brenda Erdoes, Director:

Everyone should have a proposed amendment to Assembly Bill 485 [Exhibit D]. This amendment reduces the amount of the appropriation. The bill will fund annual dues for organizations of \$975,000, a van estimated at \$75,000, and information technology (IT) services projects.

The first IT project is funding for an upgrade to a control room for the Broadcasting and Production Services (BPS) unit, estimated at \$1,534,840. This project will provide upgraded equipment to update the system that allows us to video conference. The BPS unit has had to cobble things together for the past few years, and we did not know all the services that unit would be providing until right before session.

The second IT project is hardware and server infrastructure replacement funding of \$513,637, to update our laptops and allow better connectivity to the website for our applications.

The third IT project is a recommendation for an appropriation of \$734,362 for audio, video, and telecommunication systems upgrades, including phones.

The fourth and final IT project is an imminent domain migration that, among other things, will allow us to change our email addresses. This will shorten our email address extension from @lcb.state.nv.us, which will conform to other email addresses and work more efficiently.

Chair Monroe-Moreno:

As A.B. 485 was introduced, it appropriated \$25,587,290, which was how it appeared in the Governor's recommended budget. However, with the amendment you have before you, there is a significant reduction, so the revised appropriation is \$3,974,486. Are there any questions from Committee members on the bill or the amendment? [There were none.]

Is there anyone who would like to testify in support of A.B. 485? [There was no one.] Is there anyone who would like to testify in opposition to this bill? [There was no one.] Is there anyone who would like to testify in neutral on A.B. 485? [There was no one.]

I will close the hearing on A.B. 485, and we will open the hearing on the next bill.

Assembly Bill 498: Revises provisions relating to the Public Employees' Retirement System. (BDR 23-1200)

Chair Monroe-Moreno:

Our Fiscal Analysis Division staff will present Assembly Bill 498.

Sarah Coffman, Assembly Fiscal Analyst:

The Legislative Counsel Bureau is a nonpartisan agency. We do not support or oppose any piece of legislation, policy, or viewpoint. Rather, we provide the Legislature and its members with objective advice and analysis on fiscal issues, including explanations for proposed legislation. I will walk you through A.B. 498 and answer any questions you may have regarding this piece of legislation.

On February 13, 2023, the Joint Assembly Committee on Ways and Means and the Senate Committee on Finance reviewed the Public Employees' Retirement System (PERS) budget. During that meeting, PERS staff testified that the PERS rates were scheduled to increase for employer-paid plans by 3.75 percent for regular members and 6 percent for police and fire members, as well as increase for employee-employer paid plans by 2 percent for regular members and 3 percent for police and fire members. During that meeting, Committee members directed PERS to provide options to mitigate the increase in retirement contribution rates for state employees. The PERS staff met with Fiscal Analysis Division staff and provided options to increase the state's contribution rates to cover employee retirement while reducing employee's contribution rates. According to PERS, most public pension plans either set a maximum statutory rate or percentage that employees pay, or require employees to pay at least one-half of normal benefit costs of the contribution rates. A change from an equal split of the entire contribution rate to employees only paying half of the normal rate would shift the volatility of contribution rates associated with payment of the unfunded accrued actuarial liability to the state.

For the Committee's edification, the actuarially determined contribution rates for regular fund and the police and fire fund are made up of three components. The first component is the normal payment—the present value of pension plan benefits expenses. The next component is the unfunded actuarial accrued liability amortization payment—the excess of accrued liability over values of assets. The third component is the administrative expenses.

In fiscal year (FY) 2022, for example, the normal cost for a regular member on the employee-employer pay plan was 20.18 percent of the contribution rate, the unfunded actuarial accrued liability amortization payment was 18.58 percent, and the administrative costs were 0.2 percent.

During the March 30, 2023, work session for state employees' benefits, the money committees recommended drafting a bill to adjust the percentages of contributions made to PERS on behalf of state employees from its current statutory provision of 50 percent to a total statutory contribution rate, less one half of the normal costs. As such, A.B. 495 reflects the legislation requested by the Committee.

During the work session, Fiscal staff provided the Committees with preliminary estimates on what this change would cost. At the time the estimate was made, that funding estimate consisted of State General Fund appropriations of \$145.7 million, State Highway Fund appropriations of \$43.8 million, and other funds of \$84.6 million over the 2023-2025 biennium. Since all budgets have been closed, Fiscal staff was able to recalculate the cost to cover the noted half of normal costs. Factoring in decisions made by the money committees in developing the legislatively approved budget, it is estimated that State General Fund appropriations of \$165.3 million, State Highway Funds of \$40 million, and other funds of \$74.8 million would be required to implement this bill.

I would note that there is an approximately \$19.7 million difference in the State General Fund amount that was originally estimated for the Committee. The increase of \$19.7 million is primarily attributed to the addition of certain professional employees of the Nevada System of Higher Education (NSHE) who participate in PERS as well as increasing the percentage of costs supported with State General Fund appropriations from 80 percent to 100 percent for both the Legislative Counsel Bureau as well as the Judicial Branch.

The Committee may recall from the work session, it was indicated that some fee-funded agencies or agencies that did not have access to State General Funds or State Highway Funds might have difficulty covering costs associated with the proposed contribution change. Fiscal staff performed a calculation to estimate how much may be needed to ensure that all accounts that rely on a reserve had funds set aside over the biennium to ensure those accounts maintained a 30-day reserve. The estimated cost was approximately \$12.9 million over the biennium. In addition, Fiscal staff conducted a review of all budgets that did not have State General Fund appropriations, State Highway Fund appropriations, or reserve to absorb the costs. Fiscal staff estimates the need to cover those budgets would be \$12.5 million over the 2023-2025 biennium.

If the Committee wishes to cover the cost of these types of budgets, the proposal would require a total of \$190.7 million in State General Fund appropriations over the 2023-2025 biennium, as well as State Highway Fund appropriations of \$40 million. The NSHE submitted an unsolicited fiscal note of \$42.1 million in each year of the 2023-2025 biennium related to the bill as introduced. Under existing law, the Board of Regents is required to provide a retirement program separate from PERS for professional staff, and the contributions of that alternative retirement plan must be not less than the contributions authorized by the employees of PERS. There are professional employees who were originally in PERS and transferred to NSHE but who remain in PERS.

A mock-up amendment has been provided to the Committee [[Exhibit E](#)]. [Assembly Bill 498](#) was not intended to modify contributions related to NSHE's retirement plan alternative and therefore there is a revision that is provided with the mock-up. I will now walk Committee members through [A.B. 498](#), as recommended in the amendment.

Beginning on page 2, sections 3 and 4 provide definitions for normal costs and participating state agencies. Normal costs are the portion of the present value of projected benefits that are attributed to the current year of service as determined by the actuary of the system. Participating state agencies include public employers that participate in the system including all agencies, bureaus, boards, commissions, departments, divisions, officers, or other units of the Executive Branch of state government, as well as including the Legislative Branch and the Judicial Branch.

Section 5 makes an exception to how employee retirement contributions are calculated for employees and participating state agencies. Section 5, subsection 3 provides that employees of participating state agencies would contribute one-half of the normal costs that is actuarially determined. Subsection 3 also provides a mechanism to adjust the contribution

rates if the actuarially determined rate is one-quarter of a percent lower or 1 percent higher than the existing contribution rate. For example, if an existing contribution rate is 10 percent and the actuarially determined rate is more than 10.25 percent, the rate would be increased. Whereas if the existing contribution rate is 10 percent and the actuarially determined rate was less than 9 percent, then the rate will be lowered.

Section 6 makes conforming changes to require, for the purposes of adjustment of salary increases and cost of living increases or of salary reductions, that the division of total contribution be determined in the same manner as provided for in determining the employee and employers' contribution rates [page 4].

Section 7 provides that employers of participating state agencies would contribute total contributions of a participating agency less half the normal cost [page 6]. This section also provides a mechanism to adjust the contribution rate of an employer of an actuarially determined rate if the actuarially determined rate is one-quarter of 1 percent lower, or 1 percent higher, than the existing contribution rate. For example, if the contribution rate is 25 percent and the actuarially determined rate is more than 25.25 percent, the rate would be increased. Whereas, if the existing employer contribution was 25 percent and the actuarially determined rate was less than 24 percent, the rate will be lowered. I would note that there would be a mechanism to round this to the nearest one-quarter of 1 percent for both the employee and the employer contribution calculation mechanisms.

Lastly, section 8 provides the adjustment included in the mock-up and sets the contribution rate for NSHE's retirement plan alternative at 7.5 percent, which mirrors the rate provided in The Executive Budget and decouples the correlation between this retirement and the PERS retirement [page 7].

Chair Monroe-Moreno:

In section 8, I think you said it is 7.5 percent, but it would be at 17.5 percent, is that correct?

Sarah Coffman:

You are correct. That is 17.5 percent.

Chair Monroe-Moreno:

Are there any questions from Committee members?

Assemblywoman Dickman:

Can you explain how this amendment will affect the State General Fund and the State Highway Fund?

Sarah Coffman:

There would be no fiscal impact to either fund because of the decoupling of NSHE's retirement contributions to their alternative retirement account from PERS contributions. With respect to the budget amendment and the estimated cost if it were implemented, the Committee would need to augment this bill by \$190.7 million over the 2023-2025 biennium in State General Fund appropriations and \$40 million in State Highway Fund appropriations.

Assemblyman Hafen:

You mentioned that other funds would be needed. Do we know what those figures look like and if they will need a one-shot appropriation?

Sarah Coffman:

Those amounts include provisions for fee-funded agencies that have a reserve and those agencies that do not have a State General Fund or State Highway Fund appropriation, or a reserve. Those numbers, inclusive of the \$190.7 million, for reserve fee-funded agencies is \$12.9 million over the 2023-2025 biennium and for those budgets that do not have State General Fund appropriations, State Highway Fund appropriations, or reserves is estimated at \$12.5 million over the 2023-2025 biennium.

Assemblyman Hafen:

The amendment addresses NSHE going from 10 percent to 17.5 percent, and there was an unsolicited fiscal note from NSHE. Was that fiscal note based on 10 percent or 17.5 percent?

Sarah Coffman:

The fiscal note provided by NSHE was based on contributions that would be changed in the bill as originated. Under the original bill, NSHE's retirement plan alternative was affected, which is coupled with the percentage. For example, if the state's contribution was changed from 50-50 shared percent to half of normal, that would then require the state to provide a 25 percent contribution rate to NSHE's retirement plan alternative. With the amendment, the percentage is brought back to a 50-50 share for NSHE's retirement plan alternative—reflective of the 17.5 percent for both the state and the employee or the staff member who is contributing to that retirement plan alternative.

Chair Monroe-Moreno:

I would like to invite an NSHE representative to the table.

Andrew Clinger, Chief Financial Officer, Nevada System of Higher Education:

The fiscal note originally put on this bill assumed that the rates for not only our PERS employees, but those employees who are in what we call the retirement plan alternative, would match PERS. That assumption resulted in a \$42 million fiscal note. With this amendment, the fiscal impact to NSHE for our PERS employees is reduced to \$11.4 million, and if I understand Ms. Coffman's testimony correctly, that \$11.4 million is part of the \$190.7 million.

Sarah Coffman:

That is correct.

Chair Monroe-Moreno:

How does the amendment impact those in the retirement plan alternative system?

Andrew Clinger:

Based on this change, those numbers match what was in the Governor's recommended budget. Because the fiscal impact for that change was built into the Governor's budget already, there would be no additional fiscal impact.

Assemblyman Hafen:

The \$190.7 million is over the 2023-2025 biennium. You referenced \$11.4 million per year or \$22.8 million over the biennium. I am hearing that the \$22.8 million is already included in the \$190.7 million; is that correct?

Sarah Coffman:

Yes, that is correct.

Assemblywoman Kasama:

With this change, we are having employees contribute half of the normal half, so if we were to go back two years to the previous biennium, it was a 50-50 split between employees and the state. If employees are contributing half of the 50 percent, or 25 percent, the state is now picking up three-quarters. Is that correct?

Sarah Coffman:

That is correct. Employees will contribute approximately 10 percent versus the state's 25 percent contributions.

Assemblywoman Kasama:

The total cost would be broken down, so employees pay about one-quarter, and the state pays about three-quarters. Is that correct?

Sarah Coffman:

Correct, and that would round out to the roughly 33.5 percent contribution.

Assemblywoman Kasama:

That is shifting costs to agencies, the state, and taxpayers?

Sarah Coffman:

That is correct.

Chair Monroe-Moreno:

Are there any other questions from Committee members? [There were none.] We have had long discussions about compensation for our employees, and one thing that came up in almost every hearing during presentations is why we cannot recruit and retain employees. An issue that keeps arising is payments for the retirement system that state employees must pay as opposed to those that we are competing with at the local municipalities. I would like to thank our Fiscal staff and PERS representatives for working to come up with an alternative to make the state more competitive so we can hold on to employees and maybe even gain a few new ones.

Is there anyone who wishes to speak in support of A.B. 498?

Carter Bundy, representing American Federation of State, County and Municipal Employees International:

Throughout this session, you have heard from different agencies and departments as well as from workers about dramatic staffing shortages and vacancies that have crippled the state's ability to deliver services that Nevada citizens deserve and need. State employee salaries have consistently lagged behind city and county counterparts in addition to those of other states and the private sector. This means that the state is effectively serving as a training ground for other employers in both the public and private sector. One of the major reasons for this is the cost of PERS. We know it is a good retirement system; we want it to be fully funded. We are grateful that PERS has done a good job of letting you know what the numbers are, but we also know that requires input from the state and from employees.

One thing I would note—this bill is not reducing contributions to a quarter. It is reducing contributions to half of the normal cost and the overall total cost is 35 percent. It is 10 percent out of 35 percent, not 10 percent out of 40 percent—but the general concept that it would be half of the normal costs, which is essentially going to a 50-50 split on their retirement and not paying for legacy costs is what this bill does. We encourage your support for A.B. 498.

Tessyn Opferman, representing American Federation of State, County and Municipal Employees Retirees:

Though we represent retirees, we are impacted by the vacancy crisis that is faced by the state. This body has done incredible work this session trying to raise take home pay and address that employee crisis. We feel this measure goes along with those efforts and this measure will help bring state employee pay in line with cities and counties, making these jobs a little more competitive. I do not want to steal Mr. Ervin's thunder, but I encourage you to look at the letter he submitted. There is a graph that shows employee contributions in comparison to other states. I will let him speak about that more, but I think the graph is very helpful. This will bring those contributions closer in line with what contributions look like in other states. We support A.B. 498.

Kent M. Ervin, Ph.D., State President, Nevada Faculty Alliance:

I would like to say ditto to what Mr. Bundy and Ms. Opferman have offered on A.B. 498. This bill is good policy, and our written submission lists the reasons for our support based on A.B. 498 as introduced [[Exhibit F](#)]. At the Nevada System of Higher Education (NSHE), 15 to 20 percent of faculty are in PERS because they were members of PERS in prior employment and are required to stay in PERS. The other approximately 85 percent of faculty are required to be in the NSHE retirement plan alternative; a mandatory 401(a) plan. Per the amendment, the NSHE plan is treated differently from the past policy of tying contributions to PERS. We still support A.B. 498 with the amendment, assuming it is fairly funded as described.

On behalf of NSHE members, I need to put consequences on the record. Consider two faculty members in identical positions—one member in PERS, and one member who is not in PERS. As of July 1, before any cost-of-living adjustments, the one in PERS will receive a generous 5.5 percent boost in take home pay, constant guaranteed retirement benefits, and a 9.5 percent increase in total compensation and benefits paid by the state. The member not in PERS but in the NSHE plan will receive a 2 percent decrease in take home pay because of the PERS increase, benefits that are not guaranteed and dependent on future market returns including treasury securities that could go into default, and only a 2 percent increase in total compensation and benefits paid by the state. These faculty members had no option to choose PERS versus the alternative.

Finally, it is essential that the shift in retirement contributions be fully funded by the Legislature. Nonstate budgets cannot immediately absorb such a large change in PERS contributions on July 1. If full funding is not possible for immediate implementation of A.B. 498, an option would be to delay it for a year and use the difference for bridge funding for nonstate-funded budgets until the revenue streams can be adjusted.

Daniel Gordon, representing Nevada Police Union:

The Nevada Police Union supports A.B. 498, which seeks to revise provisions relating to the contribution rates of our Public Employees Retirement System. Employee contribution rates to PERS have long strained state police pay, specifically to new employees who may experience as much as 25 percent of their take home pay being directed to PERS. Furthermore, state police and fire workers pay significantly more in contributions than do other nonsworn state employees. While local municipal and county police forces are paying their officers more, they are also paying their employees' PERS contribution share to give each officer more take home pay. The state needs to invest in their state police to stop the mass exodus of state police leaving state service to join local jurisdictions for more money.

As many of you heard, based on a lack of staffing, the Department of Public Safety has decided to end the northern Nevada graveyard shift, leaving all roads in northern Nevada uncovered between the hours of 2 a.m. and 5 a.m. One of the primary functions of the state is to keep its residents and visitors safe. A great place to start is to fix the pay inequity between state and local police. We support A.B. 498.

Chair Monroe-Moreno:

Is there anyone else who would like to testify in support of A.B. 498? [There was no one.]
Is there anyone who would like to testify in opposition to this bill? [There was no one.] Is
there anyone who would like to testify in neutral on A.B. 498?

Tina Leiss, Executive Officer, Public Employees' Retirement System of Nevada:

I am the Executive Officer of the Public Employees' Retirement System. The Retirement Board has taken the position of neutral on this bill for which PERS will receive the same contributions and will continue to provide the same benefits.

Chair Monroe-Moreno:

Is there anyone else who wishes to provide testimony in neutral on A.B. 498? [There was no one.] We will close the hearing on A.B. 498 and we will move to the last item on our agenda for this morning.

Is there anyone who wishes to provide public comment? [There was no public comment.]

The meeting was recessed [at 9:02 a.m.], and the meeting was reconvened [at 4:50 p.m.].

Chair Monroe-Moreno:

[Roll was called.] We have five bill draft requests (BDRs), and two of those five will be bills that are starting in the Senate. These are part of our budget bills, and you will get a brief overview tonight. We will start with BDR 34-1202.

BDR 34-1202—Establishes provisions related to capital improvement projects for school districts. (Later introduced as [Assembly Bill 519](#).)

Chair Monroe-Moreno:

Bill Draft Request (BDR) 34-1202 establishes provisions governing capital projects of school districts. Are there any questions on the BDR introduction? [There were none.] I will accept a motion.

ASSEMBLYWOMAN BACKUS MOVED TO INTRODUCE BILL DRAFT
REQUEST 34-1202.

ASSEMBLYMAN WATTS SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED UNANIMOUSLY.

We will move to the next bill draft request.

Fiscal Analysis Division staff will provide a quick overview of the Authorizations Act bill draft request.

BDR S-1207—Authorizes expenditures by agencies of the State Government for the 2023-2025 biennium. (Later introduced as [Senate Bill 504](#).)

Sarah Coffman, Assembly Fiscal Analyst:

The next presentation is related to the Authorizations Act. We will have our staff provide the Committee with a general overview. Please note—this is not a bill draft request (BDR) introduction in the Assembly Committee on Ways and Means—that will happen in Senate Finance. There will be no vote taken once the presentation is done. Our staff is here to answer any questions and once Fiscal staff is done presenting, they are going to Senate Finance where this will be introduced as a BDR like the BDR that was just approved for introduction.

Kimbra Ellsworth, Senior Program Analyst:

I am presenting Bill Draft Request S-1207 for the 2023 Authorizations Act. This bill reflects decisions of the money committees. Section 1 of the Authorizations Act authorizes expenditure of sums not appropriated from the State General Fund or State Highway Fund by agency for fiscal year (FY) 2024 and FY 2025. The Authorizations Act represents authority for agencies to collect and expend monies including federal funds, gifts, grants, interagency transfers, service fees, and other funds.

Additionally, due to specific statutory language for these agencies, the Act includes authority for the Gaming Control Board and the Gaming Commission to expend State General Funds over the 2023-2025 biennium. Similarly, the bill includes authority for the Department of Transportation (NDOT) to expend State Highway Funds over the 2023-2025 biennium. The NDOT administration total includes all funding—the State Highway Fund appropriation plus all authorizations. The gaming accounts authorizations are in section 1 and their appropriations are in sections 3 and 4 of the bill.

I will note there are four education accounts excluded from the Authorizations Act as these are in the K-12 Education Funding bill. These are the Education Stabilization Account, the Pupil-Centered Funding Plan Account, the Teach Nevada Scholarship Program, and the Account for State Special Education Services.

Section 2 is carryover language from the 2021-2023 biennium. Under the Master Settlement Agreement for tobacco settlement funds, compliance and enforcement functions and audit functions are required. These disbursements are made before any other disbursements of the tobacco funds, and any balance not spent by the Office of the Attorney General and the Department of Taxation, will revert with 40 percent going to the Millennium Scholarship Trust Fund and 60 percent going to the Fund for a Healthy Nevada. Any unspent Healthy Nevada Fund monies from the section 1 authorization will revert to the Healthy Nevada Fund.

Section 3 is also carryover language. This section contains State General Fund appropriations for the Gaming Control Board, and section 4 contains State General Fund appropriations for the Gaming Commission.

Section 5 is also carryover language from the 2021-2023 biennium. All authorizations included in sections 1 through 4 of this Act except for the Legislative Branch, Judicial Branch, the Public Employees' Retirement System (PERS), and the Tahoe Regional Planning Agency (TRPA) must be expended in accordance with the State Budget Act. This means that the Legislative Counsel Bureau (LCB), Judicial, PERS, and TRPA do not have to go through the Interim Finance Committee (IFC) for work program changes.

Section 6 is more carryover language from the 2021-2023 biennium. The Chief of the Budget Division, Office of Finance, Office of the Governor may augment or reduce any authorization through the work program process except for LCB budgets or for section 7 violations. The LCB Director may, with approval of the Legislative Commission, augment the authorization for the Legislative Fund.

Section 7 includes carryover language from the 2021-2023 biennium and new language was added. The State General Fund or State Highway Fund appropriations must be decreased to the extent that other revenue sources exceed their authorizations except for several sections specified in the first paragraph.

These sections include section 8—the Nevada System of Higher Education (NSHE) and use of tuition and registration fees; section 9, subsection 3—the Office of the State Public Defender for additional contributions from counties; sections 11, 13, and 14—related to the Division of Forestry for use of funds for emergency response, vehicle repair, and for the incident business unit, and the special reserve to carry those funds forward; section 15—Western Interstate Commission for Higher Education and their health care access program slots; section 17—Division of Child and Family Services, specifically Clark County and Washoe County child welfare; section 18—relates to the NSHE carry forward funds; section 26—Division of Child and Family Services and victims of crime; and section 27—Administrative Office of the Courts. Sections 26 and 27 are new.

Section 7, subsection 1, paragraph (b) is new and adds that, upon recommendation of the Governor, the IFC may grant a request for an exemption from the requirements of this subsection for all or a portion of the excess money. Subsection 2 is also new and adds that the IFC shall consider, among other things, the reason provided for exemption including the current need for excess money, and the intent of the Legislature in approving the budget for the current biennium.

Section 8 is carryover language from the 2021-2023 biennium relating to NSHE, allowing NSHE to expend fees and tuition from registration of resident or nonresident students in designated amounts. Subsection 2 allows NSHE to expend any additional registration fees and nonresident tuition fees beyond budgeted enrollments and requires NSHE to report to the IFC every six months regarding additional fees and expenditures. Subsection 3 requires that any increases in non-State General Fund revenues cannot reduce State General Fund appropriations. This is one of the section 7 exemptions that I mentioned earlier.

Section 9 is also carryover language from the 2021-2023 biennium. Subsection 1 specifies the allocation of county assessments for services of the Public Defender with specific dollar amounts for each fiscal year. Subsection 2 allows any salary benefits or cost of living adjustment increases for employees of the Office of the Public Defender to be assessed and collected from counties for their pro rata share. Subsection 3 allows the Public Defender to accept any additional contributions from counties with IFC approval to augment their services. This is part of the section 7 exemption I mentioned previously.

Section 10 is carryover language from the 2021-2023 biennium. The tax on motor vehicle fuel used in watercraft for recreational purposes shall be allocated equally between the Department of Wildlife and the Division of State Parks—the Department of Wildlife regulates boating and fishing, and the Division of State Parks has water recreation opportunities in the state.

Section 11 is carryover language from the 2021-2023 biennium. This allows money authorized for the Division of Forestry's Forestry Conservation Camps and Forestry Fire Suppression budgets to be used for costs of repair and maintenance of firefighting and emergency response vehicles to be expended for that purpose. The Forestry Fire Suppression account receives and sends fire billings that cover the cost of personnel and equipment in response to fires and the Forestry Administration and Conservation Camps Budgets receive a portion of those payments to cover the cost of vehicle repairs. This is one of the section 7 exemptions.

Section 12 is new language that includes a requirement for at least 50 percent of Coronavirus fiscal recovery funds balanced forward from FY 2023, authorized for expenditure in FY 2024 and FY 2025, to be advanced from the COVID-19 Relief Programs budget for expenditure to the respective state agency or organization for which the allocation has been approved.

Section 13 is carryover language from the 2021-2023 biennium. This allows money authorized for the Division of Forestry and the Forestry Fire Suppression budgets for support of the incident business unit to be expended for that purpose.

Section 14, also carryover language from the 2021-2023 biennium, authorizes special reserves in the Forestry Fire Suppression budget for support of the incident business unit and up to \$425,000 to be used for repair and maintenance of firefighting and emergency response vehicles. This is included in the section 7 exemptions.

Section 15 is carryover language from the 2021-2023 biennium for the Western Interstate Commission for Higher Education. The loan and stipend budget may balance forward to a subsequent fiscal year for expenditure on health care access program slots with any unobligated loans, stipends, or interest repayment revenues received after May 15 of each fiscal year. This budget is funded with loan repayments and State General Fund appropriations and was added for cash flow purposes. This is included in the section 7 exemptions.

Section 16 is again carryover language from the 2021-2023 biennium and authorizes the Office of the Military to carry forward any unexpended balance in the Emergency Operations Center account. The Military charges each agency that uses the Emergency Operations Center for rent of the facility, and this balance can be carried forward under this section.

Section 17 is carryover language from the 2021-2023 biennium, and authorizes the Division of Child and Family Services, Department of Health and Human Services, and Clark County and Washoe County, to utilize any additional money received to augment child welfare services with the approval of the IFC. This is included in the section 7 exemptions.

Section 18 is carryover language from the last biennium. This authorizes the NSHE to carry forward any unexpended money authorized for expenditure in section 8, including registration fees and nonresident tuition, to the next fiscal year. This is included in section 7 exemptions.

Section 19 is carryover language. This waives the IFC approval requirement for any work program revision request associated with bond repayment costs of bonds from the State Treasurer's Municipal Bond Bank Revenue or Municipal Bond Bank Debt Services budgets.

Section 20 is also carryover language from the 2021-2023 biennium. This requires revenue from the sale of any retired vehicle purchased with State General Funds to be deposited in the State General Fund.

Section 21 is carryover language that requires the Public Employees' Benefits Program to comply with work program provisions of *Nevada Revised Statutes* 353.220 when projecting funding available in excess of projected expenditures and requires the program to request approval of the IFC upon recommendation of the Governor to expend or otherwise obligate reserves.

Section 22 is new language. This authorizes the use of interest earnings on amounts in the Consolidated Bond Interest and Redemption Fund to be transferred to the Nevada Statewide Infrastructure Bank budget account for personnel and operating expenditures.

Section 23 is carryover language from the 2021-2023 biennium. This requires Nevada Medicaid and the Nevada Check Up Program to use authorized funds to continue the current service delivery model for prescription drugs.

Section 24 is new language. This authorizes the Department of Transportation to use specified amounts from the State Highway Fund for continuing costs of the replacement of the Nevada Shared Radio System. In section 29, you will see that this amount is authorized only if the associated one-shot bill is not approved for that Shared Radio System funding.

Section 25 is also a new section. This requires any fee revenues balanced forward to be expended before any new revenues and State General Fund appropriations may be expended for the Department of Public Safety's Central Repository for Nevada Records of Criminal History.

Section 26 is also new. This authorizes the Division of Child and Family Services to accept additional money to support the Victims of Crime budget account. This is included in the section 7 exemptions.

Section 27 is also a new section. This authorizes the Administrative Office of the Courts to use any money from a settlement agreement related to ongoing litigation pertaining to the implementation of a statewide trial court case management system for implementation of the statewide trial court case management system. This is the last section included in the section 7 exemptions.

Section 28 is carryover language from the 2021-2023 biennium. This adds that if the name or duties of an officer or agency have been changed or transferred pursuant to another act, then any reference to that officer or agency shall be deemed to refer to the officer or agency, the name or duties of which have been changed or transferred by the other act.

Section 29 contains effective dates for the bill. Sections 1 to 27, except for section 24, are effective on July 1, 2023, and section 24 is effective on July 1, 2023, only if Assembly Bill 477—one-shot funding for the Shared Radio System—is not passed and approved. Sections 28 and 29 are effective upon passage and approval.

Chair Monroe-Moreno:

Any there any questions from Committee members on the Authorizations Act presentation?
[There were none.]

The meeting was recessed [at 5:09 p.m.], and the meeting was reconvened [at 5:13 p.m.].

We will now discuss another bill draft request.

BDR S-1208— Ensures sufficient funding for K-12 public education for the 2023-2025 biennium. (Later introduced as [Senate Bill 503](#).)

Adam Drost, Principal Fiscal Analyst:

Madison Ryan, Lilliana Camacho-Polkow, and I comprise the K-12 team for the Fiscal Analysis Division. We will walk through Bill Draft Request (BDR) S-1208 which ensures sufficient funding for K-12 public education for the 2023-2025 biennium. This will become what is known as the K-12 Education Funding Bill; one of the major budget bills. This bill reflects closing decisions of the money committees related to the K-12 budgets which are not included in the Appropriations Act or the Authorizations Act.

Section 1 addresses total public support for school districts, charter schools, and university schools for profoundly gifted pupils—the Davidson Academy on the University of Nevada, Reno, campus—which for fiscal year (FY) 2024 is an estimated average of \$12,863 per pupil. Section 2 includes total public support for school districts, charter schools, and university schools for profoundly gifted pupils, which for FY 2025 is an estimated average of \$13,368 per pupil.

I would note the total public support includes all money appropriated directly for support of public schools in the state including the statewide base per-pupil funding amount, the adjusted base per-pupil funding, the additional weighted funding, all money appropriated for specific program or purpose in support of public schools, and all other money projected to be received for support of public schools from taxes, fees, and other revenue authorized by state law. This excludes any money provided by the federal government directly to a public school or school district, or otherwise provided on a one-time basis in response to an emergency. That also refers to the Department's COVID-19 funding budget, which is one-time funding.

The table and bar chart [\[Exhibit G\]](#) includes a comparison of the funding approved by the 2021 Legislature for the 2021-2023 biennium, the Governor's recommended funding for the 2023-2025 biennium, and funding approved by the money committees for the 2023-2025 biennium. The bar chart shows funding, on a per-pupil basis based on projected enrollment, with blue indicating the Pupil-Centered Funding Plan adjusted base funding; gray indicating Pupil-Centered Funding Plan tier funding including food service, transportation, and local special education funding; yellow indicating the Pupil-Centered Funding Plan weights for English learners, at-risk, and gifted and talented pupils; and red indicating state categorical programs including state special education funding. Lastly, purple indicates federal funding that is distributed to school districts and charter schools.

Lilliana Camacho-Polkow, Program Analyst:

Section 3, subsection 1 includes State General Fund appropriations for the Pupil-Centered Funding Plan account of \$1.1 billion in FY 2024 and \$1.5 billion in FY 2025.

Subsection 2 is a legislative declaration that the amount appropriated is sufficient to fund the operation of K-12 education. Subsections 3 and 4 are standard language requiring State General Fund appropriations to be subject to requirements of the State Budget Act and allows State General Fund appropriations to be transferred between fiscal years with approval of the Governor upon recommendation from the Director of the Governor's Office of Finance but without Interim Finance Committee approval.

Section 4, subsection 1 indicates authorization of \$4.4 billion in FY 2024 and subsection 2 includes authorization of \$4.3 billion in FY 2025. These amounts reflect funding provided by non-General Fund sources including property tax, local school support tax, governmental services tax, and room tax revenue. Subsection 3 is standard language requiring

authorizations to be subject to the requirements of the State Budget Act. The total amount of funding provided in section 3 of State General Fund appropriations and section 4 of authorizations is \$5.5 billion in FY 2024 and \$5.7 billion in FY 2025.

Section 5 addresses funding from the Pupil-Centered Funding Plan in FY 2024 based on funding tiers established in *Nevada Revised Statutes* (NRS) Chapter 387. Subsection 1 provides transfers of funding to each school district for food services totaling \$1.6 million and transportation costs of \$193.2 million.

Section 5, subsection 2 provides transfers of local funding for special education costs for each school district and all charter schools totaling \$483.8 million in FY 2024. Subsection 3 provides a statewide base per-pupil funding amount of \$8,966 in FY 2024.

Section 5, subsection 4 provides adjusted base per-pupil funding amounts in FY 2024 for each school district. These amounts include statewide base per-pupil funding as well as the Nevada Cost of Education Index and attendance area adjustments for each school district on the Pupil-Centered Funding Plan or the calculated per-pupil amount for those school districts receiving the FY 2020 baseline amount.

Section 5, subsection 5 provides a statewide base per-pupil funding amount of \$8,966 that would be provided to pupils enrolled full-time in a program of distance education in FY 2024 for each charter school or university school for profoundly gifted pupils. Virtual schools only receive the statewide base per pupil funding amount, per NRS 387.1214.

Subsection 5 also provides the individual adjusted base per-pupil amounts that would be provided to charter schools operating in each county, excluding attendance area adjustments—the statewide base per-pupil amount times the Nevada Cost of Education Index for each county. The money committees approved using a Nevada Cost of Education Index of 1.0 for all counties, so the statewide base per-pupil amount is reflected for each county.

Section 5, subsection 6 provides the final adjusted base per-pupil funding that would be provided for each charter school currently operating in the six counties that have charter schools, inclusive of attendance area adjustments for those charter schools. As illustrated, these amounts vary based on the adjusted base amount as well as on attendance area adjustments calculated for each area.

Section 5, subsection 7 provides calculated weights for English learners of 0.45, at-risk pupils of 0.35, and gifted and talented pupils of 0.12. Subsection 8 provides weighted funding that would be provided to individual school districts, charter schools combined, and university schools for profoundly gifted pupils in FY 2024. Total funding for English learners is \$212.5 million, total funding for at-risk students is \$198.7 million, and total funding for gifted and talented students is \$8 million.

Section 5, subsection 9 details school districts that would receive FY 2020 baseline amounts under the Pupil-Centered Funding Plan in FY 2024 including Esmeralda, Eureka, and Storey County school districts. This subsection further clarifies that the school districts may reapportion base and weight funding to provide a reasonably equal education opportunity for its pupils.

Section 6 is similar to section 5 and begins funding the Pupil-Centered Funding Plan in FY 2025 based on funding tiers established in NRS Chapter 387. Subsection 1 provides the transfer of funding to each school district for food services for a total of \$1.6 million and transportation costs for a total of \$193.2 million.

Section 6, subsection 2 provides the transfers of local funding for special education costs for each school district and all charter schools totaling \$483.9 million in FY 2025. Subsection 3 provides a statewide base per-pupil funding amount of \$9,414 in FY 2025.

Section 6, subsection 4 provides the adjusted base per-pupil funding amount in FY 2025 for each school district. Amounts include the base per-pupil funding as well as Nevada Cost of Education Index and attendance area adjustments for each school district on the Pupil-Centered Funding Plan or the calculated per-pupil amounts for those school districts receiving the FY 2020 baseline amount.

Section 6, subsection 5 provides a statewide base per-pupil funding amount of \$9,414 that would be provided to pupils enrolled full-time in a program of distance education in FY 2025 for each charter school or university school for profoundly gifted pupils. Virtual charter schools only receive the statewide base per-pupil funding amount per NRS Chapter 387.1214.

Subsection 5 also provides the individual adjusted base per-pupil amounts that would be provided to charter schools operating in each county, excluding attendance area adjustments—the statewide base per-pupil amount times the Nevada Cost of Education Index for each county. The money committees approved using a Nevada Cost of Education Index of 1.0 for all counties, so the statewide base per-pupil amount is reflected for each county.

Section 6, subsection 6 provides the final adjusted base per-pupil funding that would be provided for each charter school currently operating in the six counties that have charter schools, inclusive of the attendance area adjustments for those charter schools. As illustrated, these amounts vary based on the adjusted base amount as well as the attendance area adjustments calculated for each area.

Section 6, subsection 7 provides calculated weights for English learners of 0.45, for at-risk pupils of 0.35, and for gifted and talented pupils of 0.12. Subsection 8 provides weighted funding that would be provided in FY 2025 to individual school districts, charter schools combined, and university schools for profoundly gifted pupils. Total funding for English learners is \$223.2 million, total funding for at-risk students is \$208.6 million, and total funding for gifted and talented students is \$8.4 million.

Section 6, subsection 9 details school districts that would receive FY 2020 baseline amounts under the Pupil-Centered Funding Plan in FY 2025 including Esmeralda, Eureka, and Storey Counties. This subsection further clarifies that school districts may reapportion base and weight funding to provide a reasonably equal educational opportunity for its pupils.

Madison Ryan, Program Analyst:

I will cover the remaining sections of the BDR; section 7 through section 17.

Section 7, subsection 1 provides State General Fund appropriations of \$245.7 million in FY 2024 and \$252.8 million in FY 2025 for the Account for State Special Education Services. Subsection 2 provides authorizations of \$2 million in each year of the 2023-2025 biennium in the Account for State Special Education Services, and this is balance forward funding used to fund extraordinary special education expenditures.

Subsections 3 and 4 provide for transfers of \$244.2 million in FY 2024 and \$251.3 million in FY 2025 for state special education funding provided to school districts, charter schools, and university schools for profoundly gifted pupils largely based on special education enrollment as a multiplier. As a reminder, state special education funding is limited to no more than 13 percent of total enrollment for each school district and charter school.

Subsections 5 and 6 provide transfers of \$1.5 million in both FY 2024 and FY 2025 for state special education funding provided to school districts and charter schools with special education enrollment that exceeds the 13 percent funding cap.

Subsections 7 and 8 provides the transfer of \$2.0 million that is used to fund extraordinary special education expenditures not ordinarily present in typical special education service and delivery systems at public schools.

Subsection 9 requires remaining State General Fund appropriations to revert at the end of each fiscal year.

Section 8, subsection 1 provides State General Fund appropriations of \$44.3 million in both FY 2024 and FY 2025 for the Other State Education Programs account.

Subsection 2 is standard language requiring General Fund appropriations to be subject to the requirements of the State Budget Act.

Subsection 3 provides transfers of \$19.3 million in both FY 2024 and FY 2025 from the Other State Education Programs account for the adult high school diploma program.

Subsection 4 includes an annual reporting requirement for the Adult High School Diploma program.

Subsection 5 requires any remaining funding from FY 2024 for the Adult High School diploma program to be balanced forward and added to the FY 2025 funding. It also requires any remaining funding at the end of FY 2025 to revert to the State General Fund.

Subsection 6 provides that money appropriated as outlined in this section is available for both FY 2024 and FY 2025 and may be transferred from year to year with Interim Finance Committee (IFC) approval.

Subsection 6, paragraph (a) provides transfers of \$3.9 million in both FY 2024 and FY 2025 from the Other State Education Programs account for the Jobs for Nevada's Graduates Program. Paragraph (b) provides transfers of \$300,000 in both FY 2024 and FY 2025 from the Other State Education Programs account to the Department of Education for transfer to the Leadership Institute of Nevada for implementation and operation of education leadership training programs. Expenditure of these amounts is contingent on a 1-to-1 match from sources other than the state appropriation.

Subsection 7 specifies that of the total transferred in each fiscal year for the Jobs for Nevada's Graduates Program, \$314,293 is contingent on a 1-to-1 match from non-State General Fund sources.

Subsection 8 includes an annual reporting requirement to the IFC for the Education Leadership Training program of Nevada.

Subsection 9 requires the remaining State General Fund appropriations for the Jobs for Nevada's Graduates Program and the Leadership Institute of Nevada to revert to the State General Fund at the end of FY 2025.

Subsections 10 and 11 provide the transfer of \$13.5 million in both FY 2024 and FY 2025 from the Other State Education Programs account for the award of grants for the career and technical education program. Any unused funding must revert to the State General Fund at the end of each fiscal year.

Subsections 12 and 13 provide the transfer of \$462,725 in both FY 2024 and FY 2025 from the Other State Education Programs account for the award of grants to support public broadcasting in the state. Any unused funding must revert to the State General Fund at the end of each fiscal year.

Subsections 14 and 15 provide that \$6.8 million in both FY 2024 and FY 2025 from the Other State Education Programs account be used by the Department of Education for the Incentivizing Pathways to Teaching grant program, and any unused funding must revert to the State General Fund at the end of FY 2025.

Section 9, subsection 1 provides State General Fund appropriations of \$7.7 million in both FY 2024 and FY 2025 for the Professional Development Programs account. Subsection 2 is standard language requiring State General Fund appropriations to be subject to the requirements of the State Budget Act.

Section 10, subsections 1 and 2 provide the transfer of \$7.6 million in both FY 2024 and FY 2025 from the Professional Development Programs account to the Department of Education for transfer to school districts that serve as fiscal agents. As identified in this subsection, the following transfers would occur in both FY 2024 and FY 2025:

- To the Clark County School District—\$4 million
- To the Elko County School District—\$1.3 million
- To the Washoe County School District—\$2.3 million

Subsection 3 requires any remaining FY 2024 funding for the Professional Development Programs to be balanced forward and added to the FY 2025 funding. It also requires any remaining funding at the end of FY 2025 to revert to the State General Fund.

Section 11, subsections 1 and 2 provide transfers of \$100,000 in both FY 2024 and FY 2025 from the Professional Development Programs account to the Department of Education for transfer to the Statewide Council for the Coordination of the Regional Training Programs to provide additional training opportunities for education administrators in Nevada. Subsection 3 requires any remaining funding from FY 2024 for the Council to be balanced forward and added to FY 2025 funding, and also requires any remaining funding at the end of FY 2025 to revert to the State General Fund.

Section 12, subsection 1 provides State General Fund appropriations of \$560,886 in both FY 2024 and FY 2025 for the 1/5 Retirement Credit Purchase Program account. Subsection 2 allows the funding to be transferred between fiscal years with IFC approval.

Section 13, subsection 1 provides State General Fund appropriations of \$2.4 million in both FY 2024 and FY 2025 for the Teach Nevada Scholarship Program account. Subsection 2 is standard language requiring the State General Fund appropriations to be subject to the requirements of the State Budget Act. Subsections 3 and 4 provide authorizations of \$3.8 million in FY 2024 and \$4 million in FY 2025—mostly balance forward funding—in the Teach Nevada Scholarship Program account.

Section 14, subsection 1 provides State General Fund appropriations of \$3.2 million in both FY 2024 and FY 2025 to the IFC for the Teach Nevada Scholarship Program. Subsection 2 allows the IFC to allocate funding to the Department of Education from the funding identified in section 14, subsection 1, from the IFC Contingency Account to increase funding for the Teach Nevada Scholarship Program, upon presentation of a status report on the Teach Nevada Scholarship Program by the Department of Education. Subsection 3 requires the remaining State General Fund appropriations to revert at the end of each fiscal year.

Section 15, subsection 1 provides authorizations of \$851.7 million in FY 2024 in the Education Stabilization Account and subsection 2 provides authorizations of \$878.9 million in FY 2025 in the Education Stabilization Account.

Section 16 amends NRS 387.1211 to define an at-risk pupil as a pupil who is within the quintile of pupils determined to most need additional services and assistance to graduate based on one or more measures prescribed by the State Board, which may include, without limitation, consideration of whether a pupil is economically disadvantaged, is at-risk of dropping out of high school, or fails to meet minimum standards of academic proficiency.

Section 17 specifies that this act will become effective on July 1, 2023.

Chair Monroe-Moreno:

This bill is a Senate Bill, so we will not be taking a vote to introduce this bill draft request. Are there any questions on the presentation for BDR S-1208? [There were none.]

The next three BDR introductions will require a vote. We will move to BDR S-1210.

The meeting was recessed [at 5:38 p.m.], and the meeting was reconvened [at 5:41 p.m.].

BDR S-1210—Makes various changes regarding state financial administration and makes appropriations for the support of the civil government of the State. (Later introduced as [Assembly Bill 520](#).)

John Kucera, Principal Program Analyst:

I am joined by Morgan Barlow, Tiffany Greenameyer, and Stephanie Day, who were all instrumental in the drafting of the 2023 Appropriations Act [Bill Draft Request S-1210].

The 2023 Appropriations Act implements budget decisions made by the money committees for State General Fund and State Highway Fund budgets as well as back language to implement money committee decisions related to appropriated funding. Sections 1 through 33 include State General Fund appropriations for the operation of state government totaling \$3.454 billion in fiscal year (FY) 2024 and \$3.588 billion in FY 2025—or \$7.042 billion over the 2023-2025 biennium. This is an increase of approximately \$1.026 billion when compared to State General Fund appropriations approved by the 2021 Legislature for the 2021-2023 biennium.

Section 34 includes State Highway Fund appropriations totaling \$167.5 million in FY 2024, and \$168.6 million in FY 2025—or \$336.1 million over the 2023-2025 biennium. This is an increase of approximately \$30.8 million from the previous biennium. Budgets excluded from the Appropriations Act include six K-12 budgets included in the Education Funding Bill, State General Fund authorizations for the Gaming Control Board and Gaming Commission and State Highway Fund authorizations for the Department of Transportation in the Authorization Act, and both Highway Fund and General Fund salary adjustment funds appropriated to the Board of Examiners in the Pay Bill. Fiscal staff note that there are State

General Fund appropriations in the back language of this act totaling \$14.9 million in FY 2023, \$13.5 million in FY 2024, and \$6.9 million contingent upon the outcome of related legislation.

Section 35 includes continuing language, noting appropriations must be expended in accordance with *Nevada Revised Statutes* 353.150 through 353.246 inclusive, also known as the State Budget Act. This section further notes that funds are appropriated to separate fiscal years and transfers between categories will be made in accordance with the State Budget Act with approval of the Interim Finance Committee (IFC) upon recommendation of the Governor. This section excludes entities that are exempt from the State Budget Act, including the Legislative Fund, the Supreme Court, and the Tahoe Regional Planning Agency.

Sections 36 through 45 allow for availability of State General Fund appropriations between fiscal years. There are 24 budgets enumerated that can transfer appropriations between fiscal years based on IFC action. The Victims of Crime and Public Option budgets were added to this section, and the other 22 budgets are being carried over.

Section 37 is carryover language that allows for the transfer of appropriations related to deferred maintenance or extraordinary maintenance between fiscal years of the 2023-2025 biennium in the same budget. Section 38, also carryover language, allows \$25,000 appropriated to the Governor's Office of Finance Special Appropriation budget to support Civil Air Patrol operations over the 2023-2025 biennium. Section 39 is carryover language that allows for \$1 million in State General Fund appropriations each year of the 2023-2025 biennium to be available for expenditure in either year of the biennium related to broadband improvement for schools in the Office of Science Innovation and Technology in the Office of the Governor.

Section 40 is carryover language which allows \$8.5 million in State General Funds appropriated to the Office of Science, Innovation and Technology (OSIT) to support graduate medical education. This section notes that funds are available in both fiscal years of the biennium. Fiscal staff notes that this section was appropriated to the Special Appropriations budget in the Governor's Office of Finance and is now directly appropriated to the OSIT. Section 41 is new language which allows for \$3.1 million in each year of the 2023-2025 biennium to support Secretary of State credit card processing fees and is available in either year of the biennium.

Section 42 includes revised language relating to the Supreme Court and allows for the transfer of operating funds between fiscal years for certain Supreme Court budgets. It notes supplemental or contingency account requests shall not be made from the Judicial Branch Salaries budget. The sum of \$650,000 will be appropriated in each fiscal year and be available in either year to support the implementation of a new statewide digital evidence management system, as approved by the Legislature. The remaining portions of \$1.4 million in FY 2024 to build a hybrid training facility at the Supreme Court Law Library in the

Carson City Supreme Court building must be transferred to the Supreme Court budget, and unused portions of the FY 2024 appropriation to support Multi-County Integrated Justice Information System projects must be transferred to the Administrative Office of the Courts.

Section 43 is existing language which allows for \$179,680 in State General Fund appropriations in the 2023-2025 biennium to be available in either year for support of the Conservation and Natural Resources administration contract services to update the conservation credit system manual and Nevada scientific methods document as well as the habitat quantification tool.

Section 44 is new language which allows for \$840,284 in FY 2024 and \$63,000 in FY 2025 for the State Department of Conservation and Natural Resources, Division of State Lands budget to replace the Division's land management system and for this funding to be available in either year of the biennium. Section 45 is carryforward language which allows for \$2 million in each year of the 2023-2025 biennium to be available in either year of the biennium to support Department of Motor Vehicles credit card processing fees.

Sections 46 through 49 include exceptions to standard reversion requirements. Section 46 is carryover language that provides that any remaining balance of the initial \$1 million appropriation made in 2015 to support sagebrush improvement projects does not revert to the State General Fund. Section 47 is carryover language noting appropriations in the Knowledge Account and the Account for the Nevada Main Street Program in the Governor's Office of Economic Development must be carried forward and do not revert to the State General Fund. Section 48 is carryforward language requiring appropriations for the Nevada System of Higher Education (NSHE) Trust Account for the Education of Dependent Children to not revert to the State General Fund. Section 49 is continuing language for the NSHE Special Projects budget account which allows funding to be carried forward for up to two fiscal years dedicated to research projects before it must be reverted to the State General Fund.

Sections 50 through 62 allow for the transfer of appropriated funds between or among budget accounts. Section 50 is continuing language allowing for the transfer of appropriations related to salaries between budgets in the same department or division. Section 51 is carryforward language stipulating the amounts appropriated to the Legislative Fund are available for either fiscal year and may be transferred among legislative budgets. Section 52 is continuing language which allows the Division of Welfare and Supportive Services to transfer appropriations among its budgets.

Section 53 is continuing language allowing transfers between the Nevada Medicaid and Nevada Check Up Program budgets in the Division of Health Care Financing and Policy. Section 54 is continuing language allowing for the transfer of State General Fund appropriations among the three Division of Child and Family Services budgets in the Department of Health and Human Services. These three budgets are for juvenile justice.

Section 55 is continuing language which allows for transfers between the two Division of Child and Family Services mental health budgets. These two budgets are the Northern and Southern Child and Adolescent Services budgets.

Section 56 is new language allowing transfers among the Division of Public and Behavioral Health. These are their three behavioral health budgets which include Northern and Southern Adult Mental Health Services as well as Lakes Crossing Center. Section 57 includes carryforward language relating to the Upper Payment Limit budget account which allows for transfer of savings realized in the Department of Health and Human Services budgets to fund the state share of the Private Hospital Collaborative Supplemental Payment Program and to fund reversions to both the State General Fund and the Fund for a Healthy Nevada. Section 58 is continuing language allowing transfers among regional center budgets in the Aging and Disability Services Division, Department of Health and Human Services budgets.

Section 59 is continuing language which allows for the transfer from either the Nevada Medicaid or the Nevada Check Up budgets to the Medicaid Administration budget in the Division of Health Care Financing and Policy to support related administrative activities. Section 60 is continuing language which allows for the transfer of funds among the NSHE budgets. Section 61 is continuing language which allows for the transfer of the NSHE Performance Funding Pool budget between the appropriate budgets and allows for funding to be balanced forward for one fiscal year to meet performance measures. If the performance measures have not been met in that subsequent fiscal year, funds may be used to support need-based scholarship programs. Section 62 is continuing language which allows for the transfer of funds among the Department of Corrections budgets.

Sections 63 through 70 include restrictions or qualifications related to appropriated funding reflecting the intent of the money committees. Section 63 is new language related to appropriated funding for the Public Employees' Benefits Program and requires funds to be expended to support additional health savings account or health reimbursement arrangement contributions of between \$300 and \$500, depending on the participant's status.

Section 64 is carryover language which expresses the intent of the Legislature to continue the current service delivery model related to prescription drugs for the Nevada Medicaid and Nevada Check Up programs over the 2023-2025 biennium.

Section 65 is carryover language which specifies that appropriations made to certain Health Care Financing and Policy budgets and Welfare and Supportive Services budgets are limits, and supplemental appropriations shall not be requested except under certain circumstances including changes to federal reimbursements or program structure.

Section 66 is carryover language which specifies that appropriations made to Washoe County and Clark County Child Welfare budgets excepting support for the Adoption Subsidy Program are limits and these budgets shall not request supplemental appropriations.

Sections 67 and 68 reflect language as approved by the money committees, which establishes a minimum wage for direct care workers of personal care services agencies equaling not less than \$16 per hour of the \$25 per hour increased rate received for Medicaid providers as well as Aging and Disability Service Division providers. This language is effective January 1, 2024, when rate increases are effective for the Aging and Disability Services Division and effective upon notification to the Director of the Legislative Counsel Bureau from the Director of the Department of Health and Human Services that Medicaid rate increases received federal approval, but not earlier than January 1, 2024.

Section 69, as approved by the money committees, specifies that the Director of the Department of Health and Human Services shall reimburse providers of applied behavior analysis services that align with approved Nevada Medicaid and Nevada Check Up budgets, notwithstanding statutory provisions that require rates to align with the median rates of comparable states. As discussed and approved by the Committees, this language allows the Department to pay rates that are greater than comparable rates.

Section 70 is carryover language that requires the Nevada System of Higher Education to comply with any gubernatorial requests to set aside funds. Sections 71 and 72 relate to allowable State General Fund advances. Section 71 allows for a State General Fund advance to the State Department of Conservation and Natural Resources in the event of delayed receipts related to forest fire suppression. Section 72 is carryover language that allows for an increased \$50,000—when compared to prior Appropriations Act—in State General Fund advances to the Office of Military in the event the Nevada National Guard is ordered into active duty.

Sections 73 through 78 relate to restricted Interim Finance Committee contingency allocations. Section 73 includes \$50,000 in FY 2024 for additional contractual support for allocation to the State Department of Agriculture. Section 74 includes \$2.4 million in FY 2025 for allocation to the Aging and Disability Services Division of the Department of Health and Human Services for community-based care, staffing, and associated expenditures. Section 75 includes \$2.4 million in FY 2025 in State General Fund appropriations for allocations to the Adult Protective Services Program of the Aging and Disability Services Division, Department of Health and Human Services, for staffing and associated expenditures. Section 76 includes \$1.5 million in State General Fund appropriations in FY 2025 for allocation to the Aging and Disability Services Division, Long-term Care Ombudsman program for staffing and associated expenditures. Section 77 includes State General Fund appropriations of \$638,472 in FY 2024 and \$586,956 in FY 2025 to support staffing and associated expenditures at the Desert Willow Treatment Center in the Division of Child and Family Services, Department of Health and Human Services. Lastly, section 78 is \$1.7 million in FY 2025 related to the Tonopah Conservation Camp for allocation to the Department of Corrections.

Sections 79 through 85 relate to State General Fund appropriations or extensions of State General Fund appropriations from the 2021-2023 biennium. Section 79 is a carryover section including an appropriation of \$181,158 in State General Fund dollars over the

2023-2025 biennium to support the Legislators' Retirement System. Section 80 is standard language that includes \$14.9 million in State General Fund appropriations to support the cost of the 82nd Legislative Session. Section 81 is new language that provides for a \$2 million State General Fund appropriation in each year of the 2023-2025 biennium to provide active and retired state employees with life insurance. Section 82 is new and contingent language upon enabling legislation providing \$6.9 million in State General Fund appropriations to support the continued replacement of the Nevada Shared Radio System.

Section 83 extends the reversion date of a \$2.2 million appropriation made to the Department of Corrections to support the Offender Management System as approved in section 1 of Assembly Bill 462 of the 81st Session. This date is extended to June 30, 2025.

Section 84 similarly extends the reversion date of a \$1.4 million appropriation made to the Department of Corrections to support the reintegration of the Offender Sentenced Management System into the Nevada Offender Tracking Information System as approved in section 2 of Assembly Bill 462 of the 81st Session. This also includes an extension to June 30, 2025.

Section 85 similarly extends the reversion date of a \$1.1 million State General Fund appropriation made to the Office of Federal Assistance, Office of the Governor, for personnel and operating costs and the cost to upgrade the grant management system, which was approved in section 29.63 of Assembly Bill 445 of the 81st Session.

Sections 86 to 93 are generally included in the Appropriations Act. Section 86 stipulates, aside from noted exceptions, a standard reversion date for unspent State General Fund appropriations. Section 87 requires the State Controller to process claims and specifies the last day for claims to be processed in each fiscal year. Section 88 directs the State Controller to establish funding as directed in this Act. Section 89 directs the State Controller to pay salaries for certain elected officials in biweekly installments. Section 90 specifies permissible actions if the State General Fund balance is reduced below \$150 million during the interim.

Section 91 is carryover language relating to payments made to the federal government under the Federal Cash Management Improvement Act of 1990. Section 92 accounts for changes in the names of state officers or agencies. Lastly, section 93 addresses effective dates for all prior sections of this bill.

Chair Monroe-Moreno:

Are there any questions from Committee members on this presentation?

Assemblyman O'Neill:

There are several allocations for the Silver State Modernization Approach for Resources and Technology in the 21st Century (SMART 21). I thought we were going to a different program. Can you provide more information on this?

John Kucera:

Amounts appropriated to the SMART 21 budget include all the individual appropriations and other authorizations made and approved by the money committees. The SMART 21 name is a legacy component of the project.

Assemblyman O'Neill:

This is not the original SMART 21 program. The project is now known as Core.NV. Is that correct?

John Kucera:

That is correct.

Chair Monroe-Moreno:

Are there any other questions from Committee members? [There were none.] I will accept a motion.

ASSEMBLYWOMAN BACKUS MADE A MOTION FOR COMMITTEE
INTRODUCTION OF BILL DRAFT REQUEST S-1210.

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED UNANIMOUSLY.

We will now move on to the next BDR.

BDR S-1211—Authorizes and provides funding for certain projects of capital improvement.
(Later introduced as [Assembly Bill 521](#).)

Chair Monroe-Moreno:

Bill Draft Request (BDR) S-1211 authorizes and provides funding for certain projects of capital improvement. Fiscal staff will walk us through the BDR.

Julie Waller, Principal Program Analyst:

It is our pleasure to present BDR S-1211—the Capital Improvement Program (CIP) for the 2023-2025 biennium. With me, I have Nicolette Johnston and Colby Nichols.

I would note that the money committees closed the 2023 Capital Improvement Program budgets on May 10, 2023, and I will provide a summary of the legislation by section. This bill will require a two-thirds vote for the reauthorization of the property tax that services the debt for the CIP in section 19. I would note that several projects have multiple funding sources and will be listed in multiple sections of this bill. Projects are grouped by agency under each different funding source.

Section 1 appropriates \$422.2 million of State General Fund appropriations to support 66 projects in the 2023 CIP for various agencies identified under this section. Please note that the third project in this section is project 23-C36—\$74.5 million for improvements for buildings to be purchased in Las Vegas. The next project is 23-C37—building purchase and improvements in Carson City for \$22.3 million.

Other notable projects include project 23-M04—\$21.4 million for replacement doors, locks, and security systems at the Southern Desert Correctional Center and project 23-M02—\$37.8 million for deferred maintenance for the Department of Health and Human Services.

There are three projects for the Nevada System of Higher Education. Two of these projects are deferred maintenance projects; 23-M01 and 23-M51, totaling \$62 million. Project 23-M37 is a \$5.4 million project for a chilled water central plant renovation at the Desert Research Institute. Project 23-P01 is for an advanced planning headquarters building in Carson City—\$11.8 million of State General Fund appropriations. Project 23-P04 is \$15.5 million of State General Fund appropriations for advanced planning for the North Las Vegas State Veterans Home.

Section 2 limits expenditure authority through June 30, 2027, and establishes the reversion of any remaining funds for projects identified in section 1. The CIP projects typically have a four-year period for which funds may be expended, as specified in this section. Similar language can be found in sections 4, 7, and 9 to address the reversion of various sources of funds to support the 2023 CIP.

Section 3 appropriates \$11.5 million of State Highway Funds to support four Department of Administration projects, one Department of Public Safety project, and one Department of Motor Vehicles (DMV) statewide paving project in the 2023 CIP as identified under this section.

Section 5 restricts the transfer of funds from State Highway Fund projects for projects identified in section 3 until contract payments are required.

Section 6 authorizes \$533.7 million in general obligation bonds for projects identified in this section. This section reallocates \$5 million of bonds issued under CIP legislation from 2019 for projects under this section. This will allow bond proceeds already issued to be spent before proceeds of any new bonds issued pursuant to this section. Significant projects included in this section include project 23-C30—\$158.5 million for construction of an administration building on the Kincaid building site, project 23-C35—\$213.9 million for purchase of buildings for state offices in Las Vegas, project 23-C33—\$17 million for the Southern Nevada Small Arms Range for the Nevada Army National Guard, and project 23-C06—bond proceeds of \$35.8 million for a remodel and addition of the Southern Nevada State Veterans Home. This project is funded with federal funds later in the BDR.

Section 7 is reversion language related to bond proceeds and section 8 authorizes \$111.3 million in general obligation bonds for five DMV projects, including project 23-C02—\$105.9 million for a new DMV Silverado Ranch Facility in Las Vegas. This section also establishes that the required annual debt service payment for these projects will be from the State Highway Fund.

Section 10 specifies that the State Board of Finance will issue general obligation bonds for the 2023 CIP when it deems appropriate. Subsection 2 allows the State Controller to advance State General Fund money if bonds have not yet been sold to finance projects approved in the 2023 CIP. Subsection 3 allows the State Controller to advance State Highway Fund money if bonds have not yet been sold to finance projects approved to be funded with State Highway Funds.

Section 11 authorizes \$102.4 million from funding sources other than the State General Fund or the State Highway Fund for projects identified in this section. This includes authority for federal funds, agency funds, and proceeds from bonds issued under the Conservation Bond Program. There are seven projects funded with federal funds totaling \$69.9 million, four projects funded with agency funds for a total of \$5.5 million, and two projects funded with proceeds from the Conservation Bond Program for a total of \$27 million. Subsection 2 requires the State Public Works Division to not execute a contract for construction of a project approved in the CIP that includes authorized nonstate receipts until the Division has determined that nonstate funding authorized has been awarded or is available for expenditure.

Section 12 requires that if the Department of Veterans Services receives a grant from the U.S. Department of Veterans Services for CIP project 23-P04—the advanced planning of the North Las Vegas State Veterans home—the Department shall immediately deposit that money received to the State General Fund.

Section 13 requires the State Public Works Division to use only qualified personnel in the execution of the 2023 CIP. Section 14 requires state and local government entities to cooperate with the State Public Works Division to carry out the provisions of the CIP. Section 15 approves \$3 million in bonds for the Cultural Centers and Historic Preservation Grant Program. Subsection 2 of section 15 clarifies that "proceeds" means the amounts received from the sale of bonds as well as any accrued interest.

Section 16 approves \$13 million in bonds for the Lake Tahoe Basin Environmental Improvement Program with authorized uses of proceeds provided in Assembly Bill 424. Section 17 approves \$43.3 million in bonds for conservation programs authorized under Assembly Bill 84 of the 80th Session inclusive of \$27 million to support two CIP projects for the Division of Museums and History.

Section 18 specifies that bonds issued under sections 16 and 17 are exempt from the constitutional debt limit. Section 19 approves ad valorem taxes for general obligation debt service and the Question 1 (Q-1) bond program—the Conservation Bond Program

established under A.B. 84 of the 80th Session. For the state's general obligation debt, 16.18 cents on every \$100 of assessed valuation will be used to support existing general obligation debt for the state for prior bond issuances and for bonds sold for the 2023 CIP. For the Q-1 program and the Conservation Bond Program established under A.B. 84 of the 80th Session, \$0.82 for every \$100 of assessed valuation will be used to support bonds sold for the Q-1 program and that will be sold for the Conservation Bond Program established under A.B. 84 of the 80th Session. The overall rate of 17 cents per \$100 of assessed valuation remains the same as approved for the 2021-2023 biennium.

Section 20 requires the State Treasurer to estimate sufficient funding and determine whether that amount exists in the Consolidated Bond Interest and Redemption Fund to pay the principal and interest on past CIP bond issuances as well as current issuances. If there is not enough money in the Consolidated Bond Interest and Redemption Fund, the State Treasurer can request the State Controller to reserve money in the State General Fund to pay those debts.

I will mention that under section 21, the State Board of Finance, in its capacity as the State General Obligation Bond Commission, shall pay expenses related to issuance of general obligation bonds approved by the 82nd Session of the Nevada Legislature from proceeds of those bonds.

Under section 22, \$174.5 million in each year of the 2023-2025 biennium not appropriated from the State General Fund or the State Highway Fund, is authorized from the Consolidated Bond Interest and Redemption Fund. Subsection 2 indicates that approval of the Interim Finance Committee is not required for any work program revisions for the Bond Interest and Redemption Account in the Consolidated Bond Interest and Redemption Fund for bond repayment costs approved by the Nevada Legislature.

Section 23 states that with approval of the Interim Finance Committee, the State Public Works Division, Department Administration, and the Nevada System of Higher Education (NSHE) may transfer appropriate allocated and authorized money from one project to another under the same agency or in NSHE respectively, for those projects listed in the so named sections of this act.

Section 24 stipulates that money collected pursuant to the annual tax on slot machines is authorized in the amount of \$3 million for project 23-M01—deferred maintenance for NSHE. Subsection 2 requires that any remaining balance of this funding must not be committed for expenditure after June 30, 2027.

Section 25 includes project extensions and subsection 2 provides reversionary language for projects in this section to allow that funding authorized for these projects be extended to June 30, 2025. These are projects from the 2019 CIP for which the Committee approved a two-year extension.

Section 26, subsection 1 requires any unexpended funding be reverted for projects not listed in subsection 2. Paragraph (b) authorizes funds to be transferred for projects listed and described in The Executive Budget—bond reallocation funds of \$5 million.

Section 27 is a project extension for a 2021 CIP project and that extends reversionary language to June 30, 2027. This would have otherwise expired on June 30, 2025. Section 28 appropriates State General Funds in the amount of \$114.2 million to the Legislative Fund for capital improvement projects for facilities.

Section 29 states that the State Board of Finance shall issue general obligation bonds of not more than \$100 million for capital improvement projects for the Legislative Counsel Bureau. Subsection 2 includes language requiring that all state and local government agencies should cooperate with the Legislative Counsel Bureau to expedite completion of capital improvement projects. Section 3 is reversionary language for any unexpended bond proceeds from the \$100 million that shall revert to the Consolidated Bond Interest and Redemption Fund on or before September 17, 2027.

Section 30 authorizes the State Board of Finance to issue bonds when it deems appropriate based on the completion schedule for capital projects for the Legislative Counsel Bureau. Subsection 2 allows the State Controller to advance State General Funds upon the request of the Director, Legislative Counsel Bureau, until the date the bonds are sold to facilitate the start of capital improvement projects. Subsection 3 requires the Director, Legislative Counsel Bureau, to provide written notification to the State Controller, the State Treasurer, and the Fiscal Analysis Division's Senate and Assembly Fiscal Analysts, upon approval of any advance from the State General Fund to the Legislative Fund. The Director, Legislative Counsel Bureau, must provide a reconciliation to the Legislative Commission and the Senate and Assembly Fiscal Analysts of any advances authorized from the State General Fund, as well as any repayment to the State General Fund for that advance.

Sections 31 and 32 provide clarifying language related to land owned by the Legislative Counsel Bureau, or the Legislature, in the Capitol Mall as well as the Legislature's parking garage. Section 32 further indicates that as soon as practicable after approval of this Act, the State Land Registrar shall quitclaim to the Nevada Legislature, land in Carson City, as described in subsection 1, and parcels for the buildings in Las Vegas, as described in subsection 2, as well as parcels of land for parking. Section 33 is the effective date—upon passage and approval. That concludes the overview of this BDR.

Chair Monroe-Moreno:

Are there any questions on BDR S-1211? [There were none.] I will accept a motion.

ASSEMBLYWOMAN BACKUS MOVED FOR COMMITTEE
INTRODUCTION OF BILL DRAFT REQUEST S-1211.

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED UNANIMOUSLY.

We will now move to the final BDR.

BDR S-1212—Revises provisions relating to the compensation of state employees. (Later introduced as [Assembly Bill 522](#).)

Chair Monroe-Moreno:

Bill Draft Request (BDR) S-1212 revises provisions relating to compensation of state employees. Fiscal staff will walk us through this BDR.

James Malone, Senior Program Analyst:

Jaimarie Mangoba and I will be providing an overview of BDR S-1212. This BDR revises provisions relating to the compensation of state employees, commonly referred to as the Pay Bill.

Section 1 sets forth the maximum annual salary amounts for employees in the unclassified service of the state. These amounts include a 1 percent salary increase approved for fiscal year (FY) 2023 but do not include any salary increase that may be approved for the 2023-2025 biennium. Unclassified positions are listed by agency except for certain medical personnel in unclassified positions available to multiple agencies in subsection 41.

Section 2 is standard language carried over from prior pay bills. Subsections 1 and 2 allows the Division of Human Resource Management, Department of Administration, to review duties and responsibilities of a position that may have been omitted from the bill to establish the salary of that position and allows for corrections to the bill for any errors determined by the Fiscal Analysis Division with the approval of the Interim Finance Committee. Subsections 3 through 6 include standard provisions regarding persons filling or vacating unclassified positions and allows a position to maintain its salary if their current salary is higher than the salary provided in section 1.

Sections 3 through 12 provide salary increases for certain personnel. Section 3 provides that unclassified positions in section 1 will receive a 12 percent increase in FY 2024 and a 4 percent salary increase in FY 2025. Section 4 appropriates State General Funds of \$7.8 million in FY 2024 and \$10.9 million in FY 2025, and State Highway Funds of \$385,236 in FY 2024 and \$532,870 in FY 2025 for this purpose.

Section 5 and section 6 provide various salary increases for classified and nonclassified positions in the Executive Branch and the Commission on Judicial Discipline and provide a State General Fund appropriation of \$74.4 million in FY 2024 and \$104.7 million in FY 2025, and State Highway Fund appropriations of \$14 million in FY 2024 and \$19.7 million in FY 2025.

Subsections 2 of sections 5 and 6 specify that for personnel whose classifications have been determined not to be within a bargaining unit, there will be salary increases of 12 percent in FY 2024 and 4 percent in FY 2025. Subsections 3 are for personnel whose classifications have been determined to be in the following bargaining units:

- Labor, maintenance, custodial, and institutional employees.
- Professional employees who provide health care.
- Employees other than professional employees who provide health care.
- Category I peace officers.
- Category III peace officers.

These positions will receive a salary increase of 13 percent in FY 2024 and 4 percent in FY 2025.

Subsections 4 in sections 5 and 6 are for personnel whose classifications have been determined to be in the following bargaining units:

- Administrative and clerical employees.
- Technical aides to professional employees.
- Professional employees who do not provide health care.
- Supervisory employees from all occupational groups.

These positions will receive salary increases of 12 percent in FY 2024 and 4 percent in FY 2025.

Subsections 5 of sections 5 and 6 are for personnel whose classifications have been determined to be in the following bargaining units:

- Category II peace officers.
- Firefighters.

These positions will receive salary increases of 10 percent in FY 2024 and 4 percent in FY 2025.

Subsections 6 of sections 5 and 6 provide a mechanism for any remaining balance of the appropriated funds to carry forward from FY 2024 to FY 2025 without approval of the Interim Finance Committee (IFC) and the ability for appropriated funds to be transferred from FY 2025 to FY 2024 with approval of the IFC.

Section 7, subsections 1 through 5 provide various salary increases for classified positions for the Nevada System of Higher Education (NSHE). Salary increases for classified personnel aligned with salary increases for bargaining units discussed in sections 5 and 6, and provide State General Fund appropriations of \$10.1 million in FY 2024 and \$14.2 million in FY 2025.

Section 7, subsection 6 provides salary increases not to exceed 12 percent in FY 2024 and 4 percent in FY 2025 for professional employees in NSHE and State General Fund appropriations of \$49.6 million in FY 2024 and \$68 million in FY 2025 for that purpose. Section 7, subsection 7 includes carryover language from the 2021 Pay Bill that specifies that salary increases for NSHE are based on a proportion of appropriations from the State General Fund to total revenue in each state-supported budget of NSHE.

Section 7, subsection 8 provides authority for the Board of Examiners to disperse funds to NSHE and restricts the usage of those funds to salary increases provided in section 7. Section 7, subsection 9 allows for any remaining balance of appropriated funds to balance forward from FY 2024 to FY 2025.

Regarding section 8, Fiscal staff performed an analysis of budgets in The Executive Budget that rely on reserves to fund salary increases provided in sections 3 and 5 of this Act. An estimated \$26.1 million over the 2023-2025 biennium may be required to keep reserve levels at a 30-day target. Therefore, section 8 makes a \$26.1 million appropriation in FY 2024, with the ability to balance forward remaining funds into FY 2025, for budgets in The Executive Budget that have authorized reserves or retained earnings to assist in the event they are unable to cover salary increases with current revenues or reserves.

Similarly, in section 9, Fiscal staff performed an analysis for budget accounts that do not receive State General Fund or State Highway Fund appropriations and do not carry a reserve. Fiscal staff estimates that \$25.9 million may be required over the biennium to supplement these budgets for salary increases if other funding sources cannot cover the increase. Accordingly, section 9 makes a \$25.9 million State General Fund appropriation with authority to balance remaining funds to FY 2025 for this purpose. To clarify, that appropriation would be made in FY 2024.

Section 10 provides salary increases of 12 percent in FY 2024 and 4 percent in FY 2025 for the Tahoe Regional Planning Agency and State General Fund appropriations of \$313,571 in FY 2024 and \$430,638 in FY 2025 for that purpose. Section 11 provides salary increases of 12 percent in FY 2024 and 4 percent in FY 2025 for personnel of the Legislative Counsel Bureau and the Interim Legislative Operations, and State General Fund appropriations of \$5.9 million in FY 2024 and \$8.6 million in FY 2025 for that purpose. Section 12 provides salary increases of 12 percent in FY 2024 and 4 percent in FY 2025 for personnel of the Judicial Branch, and State General Fund appropriations of \$2.5 million in FY 2024 and \$3.6 million in FY 2025 for that purpose.

Sections 13 through 20 follow a similar structure to the salary increases provided in sections 3 through 12, as funds are broken out by certain departments and agencies. The two primary differences are that sections 13 through 20 provide an additional salary increase of 7 percent in FY 2025 for certain departments and an additional salary increase not to exceed 7 percent for NSHE professionals. This will be effective on July 1, 2023, only if Assembly Bill 498 of this session is not enacted by the Legislature or approved by the Governor. Assembly

Bill 498 provides a cap on an employee's contribution to the Public Employees' Retirement System to half of normal costs.

The following provides the appropriations for each section:

- Section 13 provides a State General Fund appropriation of \$5.2 million and a State Highway Fund appropriation of \$272,801 for unclassified positions in FY 2025.
- Section 14 provides a State General Fund appropriation of \$49 million and a State Highway Fund appropriation of \$9.3 million for classified and nonclassified positions for certain Executive Branch departments and the Commission on Judicial Discipline.
- Section 15 provides a State General Fund appropriation of \$6.7 million in FY 2025 for classified personnel in NSHE and a State General Fund appropriation of \$32.4 million in FY 2025 for professional personnel in NSHE.
- Section 16 provides a State General Fund appropriation of \$204,867 in FY 2025 to the Tahoe Regional Planning Agency.
- Section 17 provides a State General Fund appropriation of \$3.8 million in FY 2025 to the Legislative Fund.
- Section 18 provides a State General Fund appropriation of \$1.6 million in FY 2025 to the Judicial Department.
- Section 19 provides a State General Fund appropriation of \$7.3 million in FY 2025 for budget accounts in The Executive Budget that have authorized reserves or retained earnings that may need assistance with the salary increase.
- Section 20 provides a State General Fund appropriation of \$7.2 million for budget accounts that do not have State General Fund or State Highway Fund appropriations or an authorized reserve that may need assistance with salary increases.

Jaimarie Mangoba will continue the presentation from here.

Jaimarie Mangoba, Principal Program Analyst:

Sections 21 through 25 relate to the 1-to-3 grade pay increases approved by the Committee on May 1, 2023. Section 21 appropriates \$852,632 in FY 2024 and \$858,313 in FY 2025 from the State General Fund to the State Board of Examiners and appropriates State Highway Funds of \$331,030 in FY 2024 and \$341,623 in FY 2025 to the Board of Examiners to effect a one-grade pay increase in the pay plan for certain employees in classified service.

Section 22 appropriates \$18.4 million in FY 2024 and \$18.9 million in FY 2025 from the State General Fund to the State Board of Examiners to effect a two-grade pay increase in the pay plan for certain employees in classified service. Subsection 2 provides State Highway

Fund appropriations of \$4.3 million in FY 2024 and \$4.4 million in FY 2025 to the State Board of Examiners for the same purpose.

Section 23 appropriates \$724,991 in FY 2024 and \$738,876 in FY 2025 in State General Fund to the State Board of Examiners to effect a three-grade pay increase in the pay plan for certain employees in classified service.

Section 24 authorizes the Division of Human Resource Management to make corrections in the event that a position classification was inadvertently omitted, or the incorrect pay grade increase was provided related to the 1-to-3 grade pay increases with a requirement to submit a report to the IFC.

Section 25 is standard reversion language for funding provided to continue the 1-to-3 grade pay increases.

Sections 26 through 30 relate to bonuses. Section 26 appropriates \$20.7 million in each year of the 2023-2025 biennium from the State General Fund to the Office of Finance, Office of the Governor, for payment of retention incentives, more commonly known as bonuses, of \$250 per quarter for employees in the state classified, unclassified, and nonclassified service except for positions that are temporary, intermittent, or seasonal, or positions for which there is a critical labor shortage.

Section 27 appropriates \$488,000 for bonuses in each year of the of the 2023-2025 biennium from the State General Fund to the Legislative Fund for employees in the Legislative Branch, except for Legislative Session positions or positions that are otherwise temporary, intermittent, or seasonal. Section 28 appropriates \$84,000 in each year of the 2023-2025 biennium from the State General Fund to the Public Employees' Retirement System (PERS) for payment of bonuses for employees of PERS except for positions that are temporary, intermittent, or seasonal or positions for which there is a critical labor shortage. Section 29 appropriates \$3.5 million in each year of the 2023-2025 biennium from the State General Fund to NSHE for bonuses for professional positions at NSHE. Section 30 appropriates \$192,000 in FY 2024 and \$200,000 in FY 2025 from the State General Fund to the Judicial Department, for staff salary bonuses.

Section 31 amends *Nevada Revised Statute* (NRS) 218F.510 to reclassify the ex officio Legislative Fiscal Officer from the Chief of the Administrative Division to the Chief Financial Officer, commensurate with duties of the position.

Section 32 amends NRS Chapter 284 to add a new section that includes a plan to encourage continuity of service, commonly known as longevity. This would provide employees, including professional employees of NSHE, who have 8 years of continuous state service with semiannual payments of \$100 with an annual increase of \$25 in the semiannual payment for each year of an employee's 9th through 14th years of continuous service, an annual

increase of \$50 for each year of the employee's 15th through 24th years of continuous service, and an annual increase of \$75 for each additional year of continuous service after 24 years, up to a maximum payment of 30 years of continuous state service.

Section 33 amends NRS Chapter 284.3775. I would note that this is existing language in statute and the only change being made is the addition of the word "longevity."

Section 34 amends the statute related to salaries of certain positions in PERS. This is cleanup language related to section 44 which I will discuss later. Section 35 is similar language to the previous section I mentioned and is also related to section 44. This is specific for the Executive Officer of the Public Employees' Benefit Program.

Section 36 relates to funding for longevity. Subsection 1 appropriates \$2.6 million in FY 2024 and \$3.0 million in FY 2025 from the State General Fund to the State Board of Examiners for longevity payments for classified, unclassified, and nonclassified employees in the state. Subsection 2 appropriates \$1.3 million in FY 2024 and \$1.5 million in FY 2025 from the State Highway Fund to the State Board of Examiners for longevity payments, and subsection 3 appropriates \$2.6 million in FY 2024 and \$2.9 million in FY 2025 from the State General Fund to the State Board of Examiners for longevity payments for classified and professional employees of NSHE. Subsection 4 appropriates \$692,361 in FY 2024 from the State General Fund to the state Board of Examiners for eligible employees whose positions are funded from budget accounts that have authorized reserves and retained earnings.

Subsection 5 appropriates \$687,311 in FY 2024 from the State General Fund to the State Board of Examiners for employees whose positions are funded from budget accounts that do not have authorized reserves or retained earnings, and which do not receive any appropriations from the State General Fund or the State Highway Fund. Subsection 6 appropriates \$87,808 in FY 2024 and \$98,711 in FY 2025 from the State General Fund to the Judicial Department's Staff Salaries budget account. Subsection 7 appropriates \$154,248 in FY 2024 and \$173,606 in FY 2025 from the State General Fund to the Legislative Fund. Subsections 8 and 9 are standard reversion language.

Section 37 is standard language that governs the distribution of monies by the State Board of Examiners.

Section 38 is standard reversion language requiring the funds to revert to the State General Fund at the end of FY 2025. Section 39 is also standard language that governs the distribution of monies by the State Board of Examiners related to the additional 7 percent salary increase. This was carved from previous sections because this is contingent upon A.B. 498. Section 40, like section 39, is standard reversion language for the additional 7 percent salary increase in FY 2025.

Section 41 is carryover language from the 2021 Pay Bill related to plans for on-call pay for the Department of Health and Human Services and the Department of Corrections for physician or pharmacist positions. Section 42 is carryover language from the 2021 Pay Bill

related to plans for credential pay for the Gaming Control Board. Section 43 is standard language to align position name changes enacted by the Legislature this session through other bills with position names in the Pay Bill. Section 44, as indicated previously in sections 34 and 35, repeals NRS 281.123, which requires the salary of a person employed by the state not to exceed 95 percent of the salary of the Governor. Section 45 provides the effective dates of certain sections in this bill.

That concludes my presentation of the Pay Bill.

Chair Monroe-Moreno:

Are there any questions from Committee members on this presentation? [There were none.] I will accept a motion.

ASSEMBLYWOMAN BACKUS MOVED FOR COMMITTEE
INTRODUCTION OF BILL DRAFT REQUEST S-1212.

ASSEMBLYMAN WATTS SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED UNANIMOUSLY.

To our staff members, thank you. There are a few pieces of paper, but this took many, many late hours and early mornings and weekends, texts, calls, and work. Thank you for getting us to this point. That brings us to the end of this agenda. We will now open the meeting for public comment. Is there anyone wishing to provide public comment? [Public comment was heard.]

This meeting is adjourned [at 6:57 p.m.].

RESPECTFULLY SUBMITTED:

Tyler Boyce
Recording Secretary

RESPECTFULLY SUBMITTED:

Carmen M. Neveau
Transcribing Secretary

APPROVED BY:

Assemblywoman Daniele Monroe-Moreno, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a conceptual amendment to [Assembly Bill 460](#), submitted by Chris Ferrari, representing Ferrari Reeder Public Affairs.

[Exhibit D](#) is a proposed mock-up amendment to [Assembly Bill 485](#), dated May 20, 2023, prepared by the Legal Division, and presented by Brenda Erdoes, Director.

[Exhibit E](#) is a proposed mock-up amendment to [Assembly Bill 498](#), dated May 18, 2023, prepared by the Legal Division, and presented by Sarah Coffman, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit F](#) is a letter submitted by Kent M. Ervin, Ph.D., State President, Nevada Faculty Alliance, in support of [Assembly Bill 498](#).

[Exhibit G](#) is a chart on K-12 funding, prepared and submitted by the Fiscal Analysis Division, Legislative Counsel Bureau, and presented by Adam Drost, Principal Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.