MINUTES OF THE JUNE 20, 2017
MEETING OF THE
INTERIM FINANCE COMMITTEE
Carson City, Nevada

Chair Joyce Woodhouse called a regular meeting of the Interim Finance Committee (IFC) to order at 9:37 a.m. on June 20, 2017, in Room 4100 of the Nevada Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer Office Building, 555 East Washington Avenue, Las Vegas, Nevada.

COMMITTEE MEMBERS PRESENT:
Senator Joyce Woodhouse, Chair
Assemblywoman Maggie Carlton, Vice Chair
Senator Moises Denis
Senator Aaron Ford
Senator Pete Goicoechea
Senator Becky Harris
Senator David Parks
Senator James Settelmeyer for Senator Kieckhefer
Assemblyman Paul Anderson
Assemblyman Nelson Araujo
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Irene Bustamante Adams
Assemblywoman Olivia Diaz
Assemblyman Chris Edwards
Assemblyman Jason Frierson
Assemblyman John Hambrick
Assemblywoman Daniele Monroe-Moreno for Assemblywoman Spiegel
Assemblyman Michael Sprinkle
Assemblywoman Heidi Swank
Assemblywoman Robin Titus

COMMITTEE MEMBERS EXCUSED:
Senator Ben Kieckhefer
Assemblyman James Oscarson
Assemblywoman Ellen Spiegel

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:
Rick Combs, Director, Legislative Counsel Bureau
Mark Krmpotic, Fiscal Analyst, Senate
Cindy Jones, Fiscal Analyst, Assembly
Sarah Coffman, Deputy Fiscal Analyst
Brenda Erdoes, Legislative Counsel
Eileen O'Grady, Chief Deputy Legislative Counsel
Cheryl Harvey, Fiscal Analysis Division Secretary
Carla Ulrych, Fiscal Analysis Division Secretary

EXHIBITS:
Exhibit A: Meeting Packet – Volume I
Exhibit B: Meeting Packet – Volume II
Exhibit C: Agenda Item K – Appointment of Members to the Committee on Industrial Programs – NRS 209.4817

A. ROLL CALL.

Rick Combs, Director, Legislative Counsel Bureau and Secretary, Interim Finance Committee, called the roll; all members were present, except Assemblyman Oscarson, Assemblywoman Spiegel and Senator Kieckhefer, who were excused. Assemblywoman Benitez-Thompson joined the meeting in progress.

B. PUBLIC COMMENT.

Marcus Valerio, Chief Administrative Officer, Catholic Charities of Southern Nevada (CCSN), said he was speaking on behalf of Deacon Tom Roberts, Chief Executive Officer, who was unable to attend due to a prescheduled CCSN event. On behalf of Deacon Tom and thousands of Nevada seniors, CCSN thanked Governor Sandoval and the Legislature for approving additional funding for the Meals on Wheels home-delivered meals program. Additionally, he said the reimbursement rate for home-delivered meals increased from $2.65 to $3.15, which was wonderful. Mr. Valerio said the new reimbursement rate increased the sustainability of CCSN's program, which served over 2,000 Meals on Wheels clients. He said the additional funding approved by the Legislature was only applicable for the current waitlist; therefore, CCSN was committed to providing as many meals as possible and reducing the waitlist as much as possible.

C. APPROVAL OF MINUTES OF THE DECEMBER 15, 2016, MEETING.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE MINUTES OF THE DECEMBER 15, 2016, MEETING.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY. (Assemblywoman Benitez-Thompson was not present for the vote.)

D. APPROVAL OF MINUTES OF THE JANUARY 26, 2017, MEETING.

SENATOR PARKS MOVED TO APPROVE THE MINUTES OF THE JANUARY 26, 2017, MEETING.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY. (Assemblywoman Benitez-Thompson was not present for the vote.)

E. APPROVAL OF GIFTS, GRANTS, WORK PROGRAM REVISIONS AND POSITION CHANGES IN ACCORDANCE WITH CHAPTER 353 OF NRS.

The Committee expressed interest in hearing testimony on the following items: Agenda Items E-1, Office of the Governor, State Energy Office; E-4, Office of the Treasurer; E-5, Office of the Treasurer; E-41, Department of Health and Human Services (DHHS), Division of Welfare and Supportive Services (DWSS); and E-42, DHHS, DWSS.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), noted that Agenda Items E-48, DHHS, Division of Child and Family Services; and E-75, Department of Public Safety, Fire Marshal, had been withdrawn.

Assemblywoman Bustamante Adams requested further testimony on Agenda Item L-4(b3), DHHS, Division of Health Care Financing and Policy.

> ASSEMBLYMAN FRIERSON MOVED TO APPROVE THE REMAINING WORK PROGRAM REVISIONS AND POSITION RECLASSIFICATIONS.
>
> SENATOR GOICOECHEA SECONDED THE MOTION.
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> THE MOTION PASSED UNANIMOUSLY. (Assemblywoman Benitez-Thompson was not present for the vote.)

1. **Office of the Governor - State Energy Office - Renewable Energy, Energy Efficiency and Energy Conservation Loan Program** - **FY 2018** - Transfer of $700,000 from the Reserve category to the Energy Loan category to provide a low interest loan for a solar project managed by Railroad Valley Farms. Requires Interim Finance approval since the amount transferred to the Energy Loan category exceeds $75,000. **Work Program #C39398. RELATES TO ITEM ~~F~~ *G.***

   Agenda Item E-1 and Agenda Item G were discussed together.

   Suzanne Linfante, Energy Program Manager, Office of Energy, Office of the Governor, said the agency was requesting approval of a loan request for a project in Nye County for off-grid solar pumps as part of the Renewable Energy, Energy Efficiency and Energy Conservation Loan Program. The amount requested by the borrower was $800,000, which was a portion of the total project cost of approximately $1.1 million. In total, three off-grid projects would generate 611 kilowatts (kW). Ms. Linfante said the borrower also requested a grant from the United States Department of Agriculture, which would help buy down a portion of the loan thereby reducing the amount of the loan requested from the Office of Energy. She said the borrower would also receive a tax credit and energy savings, which would help the borrower pay off the loan instead of using funds for diesel backup generation.

In answer to a question from Assemblywoman Bustamante Adams, Ms. Linfante said the borrower's primary business was hay production.

Assemblywoman Bustamante Adams said the renewable energy generation/savings in kW hours was listed as 738,781 (page 239, Exhibit B). She asked if that number reflected kW hour generation or savings. Ms. Linfante replied that the figure reflected kW hour conversion. She said the borrower initially indicated that kW hour generation would be included in the application; therefore, she thought the borrower anticipated generating 738,781 kW hours from the off-grid solar pump project.

Assemblywoman Bustamante Adams noted that the breakeven period of energy savings based on credible market-specific data was listed as 66 months (page 239, Exhibit B). She asked if that was the length of time it would take the borrower to begin paying back the loan.

Ms. Linfante said 66 months was the approximate length of time before the borrower would experience a savings. She said the anticipated timeframe to pay back the loan, as well as when savings would be realized was provided by the borrower in a separate, more detailed document. She was uncertain if that particular document was included in the backup documentation; therefore, she would provide a copy to the Committee.

Assemblywoman Bustamante Adams asked if the project included subcontractors, and if so, whether the subcontractors were Nevada-owned companies. Ms. Linfante replied that the borrower was not using any subcontractors. She said the borrower would be using a Southern California installer with knowledge of off-grid systems.

Senator Goicoechea noted the property was located at mile marker 24.5 of 375 and that Mt. Grant Electric would be the key management/contractor. He asked if the borrower would be net metering or dumping excess power to Mt. Grant Electric.

Ms. Linfante replied that the off-grid systems would not involve net metering or excess generation. She said the off-grid systems would have battery storage and the borrower would consume the power that was produced.

In response to a question from Senator Goicoechea, Ms. Linfante replied that the property had high-line power for other parts of the operation, but not to the pumps.

Senator Goicoechea thought NV Energy or Mt. Wheeler Power supplied electricity to the property depending on where the property was located in Railroad Valley. Ms. Linfante thought Mt. Wheeler Power serviced the area, but would confirm that information and provide it to the Committee.

In response to a question from Senator Goicoechea, Ms. Linfante replied that the pumps were connected to diesel generators only; there was no hard wire to the pumps.

Senator Goicoechea asked if the pumps were generating power or being turned with a turbine. Ms. Linfante said the pumps were currently being turned with generators; however, the pumps would eventually be turned with the power generated by the off-grid system and battery storage.

Senator Goicoechea said it was inefficient to use electric motors to turn pumps. He said diesel motors were typically the least expensive method to turn pumps. Ms. Linfante agreed and said the borrower was spending a significant amount of money each year on diesel generation; however, after the breakeven point, the borrower would save $90,000 annually.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO APPROVE AGENDA ITEM E-1 AND AGENDA ITEM G.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY. (Assemblywoman Benitez-Thompson was not present for the vote.)

2. **Office of the Attorney General** - **Forfeiture** - **FY 2017** - Transfer of $3,301 from the Reserve category to the Equitable Distribution Expenditure category to purchase training equipment and supplies used for law enforcement purposes. Requires Interim Finance approval since the cumulative amount transferred to the Equitable Distribution Expenditure category exceeds $75,000. **Work Program #C39318**

   Refer to motion for approval under Agenda Item E.

3. **Office of the Secretary of State** - **FY 2017** - Transfer of $120,000 from the Personnel Services category to the Operating category to cover projected credit card discount fees for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $75,000. **Work Program #C39341**

   Refer to motion for approval under Agenda Item E.

4. **Office of the Treasurer - College Savings Trust - Endowment Account – FY 2018** -Transfer of $112,011 from the Reserve category to the Transfer to BA 1081 Higher Education Administration category to fund the conversion of the Nevada Prepaid Tuition database and user interface to a cloud-based system. Requires Interim Finance approval since the amount added to the Transfer to BA 1081 Higher Education Administration category exceeds $75,000. **RELATES TO ITEM E 5. Work Program #C39354**

   This item was discussed in conjunction with Agenda Item E-5. Refer to testimony and motion to deny under Agenda Item E-5.

5. Office of the Treasurer - Higher Education Tuition Administration - <u>FY 2018</u> - Addition of $112,011 in Transfer from Treasurer to fund the conversion of the Nevada Prepaid Tuition database and user interface to a cloud-based system. Requires Interim Finance approval since the amount added to the Information Services category exceeds $75,000. **RELATES TO ITEM E 4. Work Program #C39338**

Agenda Items E-4 and E-5 were discussed together.

Tara Hagan, Chief Deputy Treasurer, Office of the Treasurer, said the agency was requesting authority in Category 26 for a new contract with Libera, Inc. to complete upgrades and enhancements for ongoing maintenance for Sys7, the Nevada Prepaid Tuition database, as well as enhancements to the user interface. The cost included $107,011 for implementation of the upgrades to the user interface and an additional $5,000 for travel, all of which would be funded by the Treasurer's Endowment Account.

Assemblywoman Carlton recalled that the agency submitted the same request as a budget amendment during the 2017 Legislative Session, but it was denied by the Governor's Finance Office.

Buddy Milazzo, Senior Deputy Treasurer, Office of the Treasurer, said that was correct. He explained that the contract had not been approved by the Board of Examiners at that time, but it had since been approved.

Assemblywoman Carlton said the Legislature spent a great deal of time addressing issues with the Office of the Treasurer during the 2017 Legislative Session. She had concerns with the agency's request and was unsure why the Office of the Treasurer remained persistent even after the request was denied. Assemblywoman Carlton stated that the Governor's Finance Office and the Legislature were not comfortable approving the agency's request during the 2017 Legislative Session, which ended just two weeks ago. She asked the reason for bringing the request before the Committee, and what the consequence would be if the request were deferred.

Mr. Milazzo replied that the Office of the Treasurer initially issued a request for proposal (RFP) in May 2016, which the agency thought would allow adequate time to include in the agency request budget. Unfortunately, the contract negotiations took longer than expected and greatly reduced the price. He said the agency tried to submit a budget amendment after the contract negotiations were complete; however, the Governor's Finance Office did not think the request qualified as an emergency and thought it could be handled by the IFC.

Ms. Hagan said the upgraded user interface would allow students and other contract holders to make changes to beneficiaries and other items, which would reduce automation and associated errors.

Assemblywoman Carlton recalled discussion during the Assembly Committee on Ways and Means regarding the upgrade and enhancements to the Nevada Prepaid Tuition database and user interface. She said the Assembly Committee on Ways and Means did not approve the request and the matter was not discussed in the Senate Committee on Finance. Assemblywoman Carlton said she was not inclined to approve the agency's work program request, because she thought it could wait until the next budget process and be handled in the appropriate manner, and Senator Woodhouse agreed.

Assemblyman Anderson also recalled discussion during the Assembly Committee on Ways and Means concerning the upgrade and enhancements to the Nevada Prepaid Tuition database and user interface. He said the agency was unable provide the actual cost of the project. He said he was amenable to processing the agency's work program request based on timing and the fact that the agency was able to provide the actual project cost.

Chair Woodhouse asked what the consequence would be if the agency's request was deferred until the 2019 Legislative Session.

Ms. Hagan replied that there was one vendor that bid on the project, Libera, Inc. She said the negotiations took an extensive amount of time, because the vendor and the Office of the Treasurer worked together to build an interface the vendor could resell to other prepaid tuition programs. She said the costs would increase three or fourfold if the request was not approved, because the agency would not have the advantage of the partnership with the current vendor.

Assemblyman Sprinkle asked if the agreement with the vendor was only applicable for a limited time. Ms. Hagan replied that the agency would miss the opportunity to partner with Libera, Inc. if the request was deferred.

Assemblyman Sprinkle asked if the vendor had specifically stated the partnership would be dissolved if the request were deferred until a later date. Ms. Hagan said the vendor had not been asked the question directly; however, she was certain the vendor would move on if the request was deferred.

> ASSEMBLYWOMAN CARLTON MOVED TO DENY AGENDA ITEMS E-4 AND E-5.
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> SENATOR PARKS SECONDED THE MOTION.
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> THE MOTION PASSED. (Senator Goicoechea, Senator Harris, Senator Settelmeyer, Assemblyman Anderson, Assemblyman Edwards and Assemblyman Hambrick opposed the motion. Assemblywoman Benitez-Thompson was not present for the vote.)

6. **Office of the Treasurer** - **Unclaimed Property** - **FY 2017** - Addition of $241,496 in Transfer from Abandoned Property revenue to cover increased costs for auditor reimbursements for verification of unclaimed property, securities custodial fees, and software annual license and use fees. Requires Interim Finance approval since the amount added to the Audit Services category exceeds $75,000. **Work Program #C39254**

   Refer to motion for approval under Agenda Item E.

7. **Department of Administration - Enterprise Information Technology Services - Application Support - FY 2017** - Addition of $90,000 in Reimbursement of Expenses to support an increase in Offender Tracking Information System programmer hours for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Contract Developers category exceeds $75,000. **RELATES TO ITEM E 73. Work Program #C39355**

   Refer to motion for approval under Agenda Item E.

8. **Department of Administration - Hearings and Appeals - FY 2017** - Transfer of $8,655 from the Personnel Services category to the Operating category to cover expenditures through the remainder of the fiscal year. Requires Interim Finance approval since the cumulative change to the Personnel Services category exceeds $75,000. **Work Program #C39305**

   Refer to motion for approval under Agenda Item E.

9. **Department of Administration - Victims of Crime - FY 2017** - Transfer of $74,737 from the Reserve category to the Operating category to cover an increase in contract costs for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Operating category exceeds $75,000. **Work Program #C39242**

   Refer to motion for approval under Agenda Item E.

10. **Department of Administration - Nevada State Library, Archives and Public Records - Mail Services Equipment - FY 2017** - Transfer of $42,500 from the Reserve category to the Equipment category to cover equipment and software upgrades required to comply with a United States Postal Service security platform change. Requires Interim Finance approval since the amount transferred to the Equipment category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39464**

    Refer to motion for approval under Agenda Item E.

11. **Department of Administration - Risk Management - Insurance and Loss Prevention - FY 2017** - Transfer of $193,788 from the Reserve category to the Auto Comprehensive/Collision Claims category and $298,274 from the Reserve category to the Property/Fidelity Claims category to cover projected claims costs for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Property/Fidelity Claims category exceeds $75,000. **Work Program #C39247**

    Refer to motion for approval under Agenda Item E.

12. **Department of Education - Distributive School Account - FY 2017** - Addition of $2,244,000 in Medical Marijuana Excise Tax funds, $16,366,000 in School Support Tax funds, $21,057,000 in Transfer from Education funds, $1,500,000 in Permanent School Fund revenues and transfer of $1,254,002 from the Reserve category to the Distributive Schools Account (DSA) Basic Aid to Schools category for the operation of school districts and charter schools. Requires Interim Finance approval since the amount added to the DSA Basic Aid to Schools category exceeds $75,000. **Work Program #C39429**

    Refer to motion for approval under Agenda Item E.

13. **Department of Education - State Supplemental School Support Account - FY 2017** - Addition of $20,908,000 in Assembly Bill 579 Transient Lodging Tax and $149,000 in Treasurer's Interest Distribution to transfer funds to the Distributive School Account for the operation of school districts and charter schools. Requires Interim Finance approval since the amount added to the Room Tax - Aid to Schools category exceeds $75,000. **Work Program #C39428**

    Refer to motion for approval under Agenda Item E.

14. **Department of Education - Student and School Support - FY 2017** - Addition of $365,376 in National Institute of Justice funding subgranted to the Pacific Institute for Research and Evaluation to conduct research on the effects of an anonymous tip line and multidisciplinary response team in schools across Nevada. Requires Interim Finance approval since the amount added to the Pacific Institute for Research category exceeds $75,000. **Work Program #C39158**

    Refer to motion for approval under Agenda Item E.

15. **Department of Taxation - FY 2017** - ~~Transfer~~ ***Addition*** of $30,734 ~~from the Lockbox category to the Cigarette Stamps category~~ ***in Admin Fee Cigarette Tax revenue*** to fund cigarette stamp purchases for the remainder of the fiscal year. Requires Interim Finance approval since the amount ~~transferred~~ ***added*** to the Cigarette Stamps category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39339. REVISED 6-2-17.**

    Refer to motion for approval under Agenda Item E.

16. **Department of Agriculture - Livestock Inspection - FY 2017** - Transfer of $25,773 from the Reserve category to the Operating category to cover costs associated with Manpower contract staff. Requires Interim Finance approval since the cumulative amount transferred to the Operating category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39356**

    Refer to motion for approval under Agenda Item E.

17. **Department of Agriculture - Commodity Food Program - FY 2017** - Transfer of $88,577 from the Reserve category to the Information Services category to continue maintenance and support of the food distribution system software for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds $75,000. **Work Program #C38890**

    Refer to motion for approval under Agenda Item E.

18. **Department of Agriculture - Commodity Food Program - FY 2017** - Transfer of $68,358 from the Reserve category to the Commodity Supplemental Food Program category to cover operating expenditures and subgrant payments for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Commodity Supplemental Food Program category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39393**

    Refer to motion for approval under Agenda Item E.

19. **Gaming Control Board - FY 2017** - Transfer of $90,000 from the Operating category to the Equipment category and $10,000 from the Operating category to the Information Services category to replace the telephone system. Requires Interim Finance approval since the amount transferred to the Equipment category exceeds $75,000. **Work Program #C39427**

    Refer to motion for approval under Agenda Item E.

20. **Department of Business and Industry - Insurance Division - Insurance Regulation - FY 2017** - Addition of $333,046 in Examination Fees and $169,104 in Captive Administration Fees to conduct additional examinations for health maintenance organizations and title exams. Requires Interim Finance approval since the amount added to the Insurance Company Exams category exceeds $75,000. **Work Program #C39004**

    Refer to motion for approval under Agenda Item E.

21. **Department of Business and Industry - Manufactured Housing - FY 2017** - Transfer of $113,097 from the Reserve category to the Information Services category to cover a revised cost allocation for a previously approved technology

investment request. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds $75,000. **RELATES TO ITEMS E 22, 23 and 24. Work Program #C39263.**

Refer to motion for approval under Agenda Item E.

22. **Department of Business and Industry - Manufactured Housing Division - Mobile Home Lot Rent Subsidy - FY 2017** - Transfer of $42,564 from the Information Services category to the Reserve category to cover a revised cost allocation for a previously approved technology investment request. Requires Interim Finance approval since the amount transferred from the Information Services category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEMS E 21, 23 and 24. Work Program #C39221**

    Refer to motion for approval under Agenda Item E.

23. **Department of Business and Industry - Manufactured Housing Division - Mobile Home Parks - FY 2017** - Transfer of $35,267 from the Information Services category to the Reserve category to cover a revised cost allocation for a previously approved technology investment request. Requires Interim Finance approval since the amount transferred from the Information Services category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEMS E 21, 22 and 24. Work Program #C39244**

    Refer to motion for approval under Agenda Item E.

24. **Department of Business and Industry - Manufactured Housing Division - Education and Recovery - FY 2017** - Transfer of $35,267 from the Information Services category to the Reserve category to cover a revised cost allocation for a previously approved technology investment request. Requires Interim Finance approval since the amount transferred from the Information Services category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEMS E 21, 22 and 23. Work Program #C39261**

    Refer to motion for approval under Agenda Item E.

25. **Department of Health and Human Services - Director's Office - Upper Payment Limit Holding Account - FY 2017** - Addition of $35,260 in Contract funds transferred from the Division of Public and Behavioral Health and transfer of $175,241 from the Reserve for Reversion to General Fund category to the Transfer to Other State Agency category to allow for private Upper Payment Limit supplemental payments to private hospitals. Requires Interim Finance approval since the amount transferred to the Transfer to Other State Agency category exceeds $75,000. **RELATES TO ITEM E 28. Work Program #C39378**

    Refer to motion for approval under Agenda Item E.

26. **Department of Health and Human Services - Director's Office - Indigent Hospital Care - FY 2017** - Addition of $3,134,072 in Real Property Tax funds, $14,041,342 in Unmet Freecare Obligation funds, $39,000 in County Reimbursement funds, and $150,984 in Treasurer's Interest Distribution funds to align revenues that transfer to the Intergovernmental Transfer Program account within the Division of Health Care Financing and Policy. Requires Interim Finance approval since the amount added to the Current Claims category exceeds $75,000. **RELATES TO ITEM E 28. Work Program #C39296**

    Refer to motion for approval under Agenda Item E.

27. **Department of Health and Human Services - Director's Office - Individuals with Disabilities Education Act (IDEA) Part C - FY 2017** - Transfer of $70,465 from the Early Intervention Services category to the IDEA Part C Administration category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the IDEA Part C Administration category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39269**

    Refer to motion for approval under Agenda Item E.

28. **Department of Health and Human Services - Health Care Financing and Policy - Intergovernmental Transfer Program - FY 2017** - Addition of $1,055,049 in Regional Transportation Commission Reimbursement funds, $2,728,179 in Receipts from County Graduate Medical Education funds, $1,275,923 in Receipts from County Outpatient Upper Payment Limit (UPL) funds, $416,558 in Managed Care Organizations Enhanced Rates funds, $717,798 in Treasurer's Interest Distribution funds, $210,501 in Private UPL funds transferred from the Director's Office of the Department of Health and Human Services (DHHS), $14,221,099 in 1.5 Cent Indigent Accident Fund/Free Care funds transferred from the Director's Office of DHHS and deletion of $55,934 in Receipts from Local Governments, $1,210,144 in County Reimbursement funds, and $5,489,075 in Receipts from County Inpatient UPL funds to continue funding the non-federal share of supplemental payments to Medicaid providers. Requires Interim Finance approval since the amount added to the Transfer to Medicaid category exceeds $75,000. **RELATES TO ITEMS E 25 and 26. Work Program #C39291**

    Refer to motion for approval under Agenda Item E.

29. **Department of Health and Human Services - Health Care Financing and Policy - Increased Quality of Nursing Care - FY 2017** - Addition of $3,469,859 in Long Term Care Provider Tax funds and $22,208 in Treasurer's Interest Distribution to provide the non-federal share of Nursing Facility Supplemental Payments. Requires Interim Finance approval since the amount added to the

Transfer to Medicaid category exceeds $75,000. **RELATES TO ITEM E 30. Work Program #C39262**

Refer to motion for approval under Agenda Item E.

30. **Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2017** - Addition of $6,370,921 in federal Title XIX grant funds and $3,469,859 in Long Term Care Provider Tax funds transferred from the Increased Quality of Nursing Care account to support the nursing facility supplemental payments. Requires Interim Finance approval since the amount added to the Offline category exceeds $75,000. **RELATES TO ITEM E 29. Work Program #C38901**

    Refer to motion for approval under Agenda Item E.

31. **Department of Health and Human Services - Public and Behavioral Health - Immunization Program - FY 2017** - Addition of $603,476 in federal Immunization and Vaccines for Children grant funds and transfer of $60 from the Nevada Check Up category to the Vaccines for Children category to support the immunization program and multiple immunization coalitions and health districts that conduct mandatory activities on behalf of the Nevada State Immunization Program and align grant authority. Requires Interim Finance approval since the amount added to the Vaccines for Children category exceeds $75,000. **Work Program #C39115**

    Refer to motion for approval under Agenda Item E.

32. **Department of Health and Human Services - Public and Behavioral Health - Immunization Program - <u>FY 2018</u>** - Addition of $261,587 in federal Adult Immunization Partnership and Improvement Project grant funds to improve adult vaccination rates in Nevada. Requires Interim Finance approval since the amount added to the Nevada Adult Immunization Partnership and Improvement Project category exceeds $75,000. **Work Program #C39195**

    Refer to motion for approval under Agenda Item E.

33. **Department of Health and Human Services - Public and Behavioral Health - Health Care Facilities Regulation - FY 2017** - Transfer of $75,417 from the Reserve category to the Transfer to Public Health Preparedness Program account (3218) category to fund unanticipated retirement costs for the Primary Care Workforce Development office. Requires Interim Finance approval since the amount transferred to the Transfer to 3218 category exceeds $75,000. **RELATES TO ITEM E 35. Work Program #C39197**

    Refer to motion for approval under Agenda Item E.

34. **Department of Health and Human Services - Public and Behavioral Health - Public Health Preparedness Program - FY 2017** - Addition of $48,466 in federal State Primary Care Offices grant funds to continue support activities related to health care shortage designation areas throughout the state. Requires Interim Finance approval since the amount added to the Primary Care Office category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39110**

    Refer to motion for approval under Agenda Item E.

35. **Department of Health and Human Services - Public and Behavioral Health - Public Health Preparedness Program - FY 2017** - Addition of $75,417 in Health Facility Fees transferred from the Health Care Facilities Regulation account to fund unanticipated retirement costs within the Primary Care Workforce Development office. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **RELATES TO ITEM E 33. Work Program #C39196**

    Refer to motion for approval under Agenda Item E.

36. **Department of Health and Human Services - Public and Behavioral Health - Maternal Child Health Services - FY 2017** - Addition of $35,501 in federal Universal Newborn Hearing Screening and Intervention grant funds to continue to provide hearing screenings and intervention services for newborns. Requires Interim Finance approval since the amount added to the Newborn Hearing Screening category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39212**

    Refer to motion for approval under Agenda Item E.

37. **Department of Health and Human Services - Public and Behavioral Health - Emergency Medical Services - FY 2017** - Transfer of $17,174 from the Personnel Services category to the Operating category and $3,252 from the Personnel Services category to the Division Cost Allocation category to fund increased certifications and licensing costs. Requires Interim Finance approval since the amount added to the Operating category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39155**

    Refer to motion for approval under Agenda Item E.

38. **Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Administration - FY 2017** - Transfer of $58,674 from the Operating category to the Information Services category to cover unanticipated increases in pharmaceutical dispensing and packing equipment leases. Requires Interim Finance approval since the amount transferred from the Operating category

exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39243**

Refer to motion for approval under Agenda Item E.

39. **Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - <u>FY 2018</u> -** Addition of $5,663,328 in federal Opioid Strategic Response funds to support programs for prevention and treatment of opioid use. Requires Interim Finance approval since the amount added to the Opioid Strategic Response category exceeds $75,000. **Work Program #C39371**

    Refer to motion for approval under Agenda Item E.

40. **Department of Health and Human Services - Public and Behavioral Health - Facility for the Mental Offender - FY 2017** - Transfer of $29,452 from the Personnel Services category to the Operating category to cover unanticipated sign language interpreter costs. Requires Interim Finance approval since the cumulative amount transferred to the Operating category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39203**

    Refer to motion for approval under Agenda Item E.

41. **Department of Health and Human Services - Welfare and Supportive Services - Child Support Enforcement Program** - **<u>FY 2018</u>** - Addition of $148,613 in federal Child Support Program funds, $5,064 in federal Incentive Revenue funds and transfer of $76,558 from the Reserve category to the Personnel Services category to add four new Family Services Specialist positions to assume ongoing child support case management responsibilities associated with the Douglas County District Attorney's Office withdrawal from the Child Support Enforcement Program. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **Work Program #C39148**

    This item was discussed in conjunction with Agenda Item E-42. Refer to testimony and motion to approve under Agenda Item E-42.

42. **Department of Health and Human Services - Welfare and Supportive Services - Child Support Enforcement Program - <u>FY 2019</u>** - Addition of $188,010 in federal Child Support Program funds, $5,064 in federal Incentive Revenue funds and transfer of $96,854 from the Reserve category to the Personnel Services category to add four new Family Services Specialist positions to assume ongoing child support case management responsibilities associated with the Douglas County District Attorney's Office withdrawal from the Child Support Enforcement Program. Requires Interim Finance approval since the amount

added to the Personnel Services category exceeds $75,000. **Work Program #C39460**

Agenda Items E-41 and E-42 were discussed together.

Nova Murray, Deputy Administrator, Division of Welfare and Supportive Services (DWSS), Department of Health and Human Services (DHHS), said she was responsible for the oversight of the Child Support Enforcement Program (CSEP). She said the CSEP promoted the wellbeing of children, strengthened families and reduced the demand on public treasuries by securing support from legally responsible parents. Work Programs C39148 and C39460 requested the addition of federal Child Support Enforcement funds to add four new Family Services Specialists (FSS) to assume ongoing child support case management responsibilities associated with the withdrawal of the Douglas County District Attorney's Office from the CSEP. Ms. Murray noted that the state absorbed 900 cases from Churchill County in 2009; 1,100 cases from Lyon County in 2010; and 740 cases from Elko County in 2011. The agency's request would add another 600 cases from Douglas County.

Senator Goicoechea said he was concerned that more and more counties were withdrawing from the CSEP. He thought approximately 64 to 68 percent of a county's program became federally funded by leaving the county program and going to the state program.

Ms. Murray replied that the CSEP was 66 percent federally funded statewide regardless of which entities supported it. If a county ran the program, it received federal funding and was responsible for the difference. She said the state program received federal funding and the state share of collections paid the state's portion.

Senator Goicoechea asked how the state program would be affected if counties continued to opt out. Ms. Murray replied that ten counties just signed four-year contracts with the CSEP; therefore, they were committed for the length of the contract. She said there were some instances where the state did not absorb the entire county program. Some counties elected to maintain certain cases and opt out of others, typically public assistance cases. Ms. Murray said the state was required by law to absorb the program if a county opted out of the program entirely, which had an impact on the state.

Senator Goicoechea asked what the consequences would be if Elko, Lyon and Churchill Counties decided to turn over additional cases to the state. Ms. Murray replied that Elko, Lyon and Churchill Counties were contracted with the state for the next four years. She said those counties turned over cases they did not want to handle, such as public assistance cases. She said it was common for counties to limit their program to non-public assistance cases, because public assistance cases were more difficult and harder to manage due to the lower income population.

Senator Goicoechea said it was concerning that the counties had the ability to opt out of certain cases.

In answer to a question from Senator Goicoechea, Ms. Murray replied that the counties under contract with the state included Washoe, Douglas, Churchill, Elko, Humboldt, Clark, Pershing, Lyon, Mineral and Nye.

Senator Goicoechea noted that Lander, Eureka and White Pine Counties, which were smaller counties with lower incomes, were not under contract with the state.

Ms. Murray said the state was required to carry the CSEP. The counties were helping the state by maintaining a portion of the cases; however, they were allowed to opt out of the program, and the state was required to accept the consequences.

Assemblyman Frierson noted that Washoe County was one of the top performing offices in collections and had a significantly higher cases-to-staff ratio. He asked why four positions were necessary when two additional positions would be comparable to the current staffing ratio.

Ms. Murray replied that the CSEP had reached its tipping point due to the number of cases absorbed since 2009. She said the counties that were performing well did not have administrative staff presenting cases in court; however, all of the state offices presented their own cases in court, which required staff to travel to Lyon and Douglas Counties and Carson City. She said the state offices located in Washoe and Elko Counties presented their own cases in court. Ms. Murray said the caseload for state offices would still be slightly higher by almost 20 cases overall compared to higher performing offices, even with the addition of four staff. She said the state as a whole was 54th in the nation in 2009 compared to the current ranking of 26th, which increased the state's performance bonus from $1.7 million to $3.5 million. The CSEP was permitted to use those funds to enhance the program and improve efficiencies. Ms. Murray said the CSEP proved to be successful in those efforts and wanted to remain on track.

Steve Fisher, Division Administrator, DWSS, DHHS, noted that almost 3,000 cases had been added to the CSEP caseload since 2009 without increasing the number of staff. Assemblyman Frierson said he appreciated that the program had not requested additional staff in spite of the increased caseload.

Assemblyman Frierson said he wanted to avoid setting a standard that other successful jurisdictions would emulate based on the staffing ratio. He asked if the required travel was unique to the state offices. He also asked if any jurisdiction staffed its own cases in court.

Ms. Murray replied that the state was the only jurisdiction that staffed cases in court. She said district attorneys handled court cases in all of the counties. She

said the current cases-to-staff ratio in Washoe County was about 295:1 compared to 326:1 at the state level. The ratio would decrease to 308:1 with the addition of four staff members, but the state would still have a higher ratio than Washoe County. Ms. Murray said the state also had to staff its own cases in court, and 82 percent of the state's cases were public assistance cases, which made it more difficult to administer the program. She said the state office in Clark County handled interstate public assistance cases and the office had a cases-to-staff ratio of 1,000:1.

Chair Woodhouse asked what the ratio was for Clark County. Ms. Murray replied that Clark County's ratio was approximately 476:1.

Assemblywoman Carlton said she understood the comments regarding the state's performance bonus, and it was important to ensure the state was successful; however, she thought it would be better to approve two positions initially and monitor the counties and the overall workflow of the CSEP. She thought four positions was too many at this time.

Chair Woodhouse agreed that four positions was a little ambitious. She thought it was important to monitor the CSEP, and she encouraged the agency to alert the Committee of any problems. She said it was important to maintain or improve the state's current ranking of 26th in the nation.

Assemblyman Frierson agreed it was important to maintain or improve as a state. He asked what percentage of other jurisdictions' caseloads involved public assistance cases. Ms. Murray replied that the state carried public assistance cases for all jurisdictions except Clark, Nye, Pershing and Mineral Counties. As for the percentage of their caseloads that were public assistance cases, she said she did not have the information available, but would provide it to the Committee.

Ms. Murray said Nevada was 23rd in the nation in 2016 and only recently fell to 26th, which was part of the reason the agency was requesting four additional staff. However, four FSS positions were currently handling the Douglas County program and the DWSS' request would maintain the status quo. She said the CSEP would be losing two employees overall if the committee's decision for two positions was implemented.

Senator Settelmeyer asked if two individuals would be terminated if the agency's full request was not approved. Ms. Murray said the agency would not terminate staff, it would just lose two positions statewide. She said the state had enough turnover to absorb the Douglas County staff if they wanted to come to the program.

Senator Settelmeyer thought it was concerning that the state's national ranking had fallen three points; therefore, he preferred to support the full allocation.

Assemblyman Edwards asked how many staff the program would need to increase the state's ranking to 10th or even 5th in the nation. Ms. Murray replied that the most recent data from 2009 indicated the caseload should be 259:1. She said staff would have to increase five or tenfold to reach that ratio. Ms. Murray said there was an office with a ratio of 1,000:1 and it was the worst performing office in the state. She said the agency would review the data and request additional staff during the 2019 Legislative Session in order to improve performance.

Assemblyman Edwards agreed with Senator Settelmeyer that four positions would barely help maintain the state's current ranking. He supported approval of all four positions.

Assemblywoman Carlton asked for the agency's current vacancy rate. She said it was unhelpful for the Committee to approve additional positions if vacancies could not be filled.

Mr. Fisher replied that the agency-wide vacancy rate was 6.4 percent. He was unsure of the CSEP's vacancy rate, but would provide the information to the Committee.

Assemblywoman Carlton said much of the state's performance was based on the largest county, which was Clark. It was her understanding that Clark County had one of the highest cases-to-staff ratios. Ms. Murray replied that Clark County had the second largest caseload behind the state office located in Clark County. She said the state office located in Clark County had a ratio of 1,000:1 compared to 476:1.

Assemblywoman Carlton said logically, it would be better to put more resources in Clark County to improve performance and the state's national ranking. Ms. Murray replied that the Clark County program was run by the county so caseload and staff were managed by the county.

Assemblywoman Carlton said, if there was going to be discussion about improving the state's performance and ranking, it was critical to provide the necessary resources in Clark County.

Assemblywoman Carlton thought authorizing two staff now and two more at a later date was reasonable. She wanted to ensure there were positions available for the remaining two staff members from the Douglas County program. She said it was important to inquire about current vacancy rates. Several pieces of legislation that died during the 2017 Legislative Session included positions; therefore, extra positions were available. Assemblywoman Carlton said, if the Committee was truly interested in making a difference, there should be a serious discussion about allocating more resources in Clark County in the future, not necessarily in two or three counties that were turning over the toughest cases for the state to manage.

Ms. Murray said the agency had the option to utilize staffing and allocate resources as necessary. She said, as time permitted, the Reno Program Area Office handled some of the Nevada Intergovernmental Initiating Office cases, which were interstate public assistance cases in Clark County. She said it was not necessary for a staff member to be physically located in Clark County due to the way the caseload was established. Ms. Murray said the Washoe County office could continue to absorb Clark County interstate cases if the program was authorized two additional positions.

Senator Settelmeyer said, if the Committee authorized only two of the four positions, the agency was likely to struggle to maintain its performance level; therefore, he said he preferred to authorize all four positions.

> SENATOR SETTELMEYER MOVED TO APPROVE AGENDA ITEMS E-41 AND E-42.
>
> ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

Assemblyman Frierson asked for clarification on the number of new positions being requested by the agency. Ms. Murray said the state was absorbing the entire Douglas County caseload, which was functioning with four FSS. She said the state would be acquiring those four positions with the caseload.

In response to a question from Assemblyman Frierson, Ms. Murray replied that without the four positions, the program would be absorbing 600 additional cases without the necessary staff. The program would not be able to maintain status quo due to those additional cases. She reiterated that Douglas County resigned from the program; therefore, the state would absorb both the caseload and its staff.

Senator Goicoechea asked if a county could opt out of its contract with the state at any time. Ms. Murray replied that the counties and the state negotiated contracts every four years. The counties had the option of turning over certain program pieces to the state or acquiring certain pieces. When the contract came up for renewal, Douglas County did not want to continue participating in the program due to budget constraints; therefore, the state was required to absorb the caseload and staff.

In response to a question from Senator Goicoechea, Ms. Murray replied that the counties could not make changes to their contracts during the contract period. She said the remaining counties were under contract with the state for four years beginning July 1, 2017.

> THE MOTION PASSED. (Senator Parks, Senator Woodhouse, Assemblywoman Carlton, Assemblywoman Diaz, Assemblyman Frierson and Assemblywoman Swank opposed the motion. Assemblywoman Benitez-Thompson was not present for the vote.)

43. **Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2017** - Addition of $29,999 in Casey Foundation Partnership funds to continue services statewide for children and families, building supportive communities, reforming public systems, gathering and evaluating data and promoting equity. Requires Interim Finance approval since the cumulative amount added to the Casey Family Programs category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39097**

    Refer to motion for approval under Agenda Item E.

44. **Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2017** - Transfer of $36,360 from the Reserve category to the Casey Family Programs category to continue services statewide for children and families, to build supportive communities, reform public systems, gather and evaluate data and promote equity. Requires Interim Finance approval since the cumulative amount transferred to the Casey Family Programs category exceeds $75,000. **Work Program #C39140**

    Refer to motion for approval under Agenda Item E.

45. **Department of Health and Human Services - Child and Family Services - Washoe County Child Welfare - FY 2017** - Addition of $4,507,849 in federal Title IV-E grant funds and $310,032 in Child Support Enforcement funds to support child welfare services. Requires Interim Finance approval since the amount added to the Child Welfare category exceeds $75,000. **Work Program #C38882**

    Refer to motion for approval under Agenda Item E.

46. **Department of Health and Human Services - Child and Family Services - Clark County Child Welfare - FY 2017** - Addition of $7,690,323 in federal Title IV-E grant funds to continue to provide support for foster care activities due to increased Title IV-E eligible reimbursements. Requires Interim Finance approval since the amount added to the Clark County Ongoing category exceeds $75,000. **Work Program #C38869**

    Refer to motion for approval under Agenda Item E.

47. **Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2018** - Transfer of $256,000 from the Personnel Services category to the Temporary Contract Staffing category to cover vacancies in hard to fill Social Worker III positions with non-state employees with similar required credentials as Social Workers or other support staff. Requires Interim Finance approval since the amount transferred to the Temporary Staffing category exceeds $75,000. **Work Program #C39399**

    Refer to motion for approval under Agenda Item E.

48. **Department of Health and Human Services - Child and Family Services - Caliente Youth Center - FY 2017** - Transfer of $245,176 from the Personnel Services category to the Lincoln County School District category to support a projected increase in contracted education expenses. Requires Interim Finance approval since the amount transferred to the Lincoln County School District category exceeds $75,000. **Work Program #C39010**

    This item was withdrawn.

49. **Department of Health and Human Services - Child and Family Services - Youth Parole Services - FY 2017** - Addition of $62,500 in federal Title IV-E grant funds to support implementation of a revenue maximization contract. Requires Interim Finance approval since the amount added to the Operating category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39191**

    Refer to motion for approval under Agenda Item E.

50. **Department of Corrections - Director's Office - FY 2017** - Deletion of $44,729 in Budgetary Transfers and transfer of $7,993 from the Inmate Drug Testing category to the In-State Travel category, $8,000 from the Inmate Drug Testing category to the Inmate Transportation category and $9,807 from the Video Conferencing category to the Training category to fund a projected shortfall within the department for the remainder of the state fiscal year. Requires Interim Finance approval since the amount deducted from the Inmate Drug Testing category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39297**

    Refer to motion for approval under Agenda Item E.

51. **Department of Corrections - Correctional Programs - FY 2017** - Deletion of $45,560 in Budgetary Transfers to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount deducted from the Personnel Services category exceeds $75,000. **Work Program #C39255**

    Refer to motion for approval under Agenda Item E.

52. **Department of Corrections - Ely State Prison - FY 2017** - Deletion of $21,848 in Budgetary Transfers and transfer of $14,493 from the Inmate Drivens category to the Maintenance of Buildings and Grounds category and $4,027 from the Inmate Drivens category to the Operating category to fund projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount deducted from the Utilities category exceeds $75,000. **Work Program #C39278**

    Refer to motion for approval under Agenda Item E.

53. **Department of Corrections - High Desert State Prison - FY 2017** - Deletion of $68,843 in Budgetary Transfers and transfer of $20,006 from the Uniform Allowance category to the Maintenance of Building and Grounds category and $12,975 from the Utilities category to the Operating category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Utilities category exceeds $75,000. **Work Program #C39295**

    Refer to motion for approval under Agenda Item E.

54. **Department of Corrections - Northern Nevada Correctional Center** - **FY 2017** - Deletion of $82,057 in Budgetary Transfers and transfer of $17,969 from the Inmate Drivens category to the Maintenance of Buildings and Grounds category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount deducted from the Utilities category exceeds $75,000. **Work Program #C39273**

    Refer to motion for approval under Agenda Item E.

55. **Department of Corrections - Southern Desert Correctional Center - FY 2017** - Deletion of $75,488 in Budgetary Transfers and transfer $45,748 from the Inmate Drivens category to the Personnel Services category and $8,764 from the Inmate Drivens category to the Operating category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Inmate Drivens category exceeds $75,000. **Work Program #C39280**

    Refer to motion for approval under Agenda Item E.

56. **Department of Corrections - Lovelock Correctional Center - FY 2017** - Deletion of $5,380 in Budgetary Transfers to fund projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative change to the Utilities category exceeds $75,000. **Work Program #C39231**

    Refer to motion for approval under Agenda Item E.

57. **Department of Corrections - Warm Springs Correctional Center - FY 2017** - Deletion of $47,596 in Budgetary Transfers to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Utilities category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39268**

    Refer to motion for approval under Agenda Item E.

58. **Department of Corrections - Florence McClure Women's Correctional Center - FY 2017** - Addition of $384,090 in Budgetary Transfers and transfer of $4,452 from the Operating category to the Utilities category and $4,359 from the Agency Issued Uniforms category to the Utilities category to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **Work Program #C39233**

    Refer to motion for approval under Agenda Item E.

59. **Department of Corrections - Casa Grande Transitional Housing - FY 2017** - Deletion of $34,246 in Budgetary Transfers, addition of $15,513 in Room, Board, and Transportation Charges and transfer of $2,409 from the Personnel Services category to the Maintenance of Buildings and Grounds category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative change to the Inmate Drivens category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39232**

    Refer to motion for approval under Agenda Item E.

60. **Department of Corrections - Stewart Conservation Camp - FY 2017** - Deletion of $8,027 in Budgetary Transfers, addition of $40,023 in Room, Board and Transportation Revenues, and transfer of $528 from the Operating category to the Personnel Services category and $6,653 from the Utilities category to the Maintenance of Buildings and Grounds category to fund projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Inmate Drivens category exceeds $75,000. **Work Program #C39274**

    Refer to motion for approval under Agenda Item E.

61. **Department of Corrections - Pioche Conservation Camp - FY 2017** - Deletion of $27,799 in Budgetary Transfers to fund projected shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative change to the Inmate Drivens category exceeds $75,000. **Work Program #C39275**

    Refer to motion for approval under Agenda Item E.

62. **Department of Corrections - Three Lakes Valley Conservation Camp – FY 2017** - Deletion of $2,179 in Budgetary Transfers and transfer $8,279 from the Utilities category to the Inmate Drivens category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Inmate Drivens category exceeds $75,000. **Work Program #C39283**

    Refer to motion for approval under Agenda Item E.

63. **Department of Corrections - Humboldt Conservation Camp - FY 2017** - Addition of $23,079 in Budgetary Transfers to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative change to the utilities category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39225**

    Refer to motion for approval under Agenda Item E.

64. **Department of Corrections - Ely Conservation Camp - FY 2017** - Deletion of $1,217 in Budgetary Transfers and transfer of $3,876 from the Utilities category to the Inmate Drivens category to fund shortfalls within the department for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Inmate Drivens category exceeds 10 percent of the legislatively approved for that category. **Work Program #C39277**

    Refer to motion for approval under Agenda Item E.

65. **Department of Corrections - Jean Conservation Camp - FY 2017** - Addition of $49,646 in Budgetary Transfers to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Inmate Drivens category exceeds $75,000. **Work Program #C39240**

    Refer to motion for approval under Agenda Item E.

66. **Department of Corrections - Carlin Conservation Camp - FY 2017** - Addition of $11,597 in Budgetary Transfers and transfer of $2,274 from the Utilities category to the Inmate Drivens category to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Inmate Drivens category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39230**

    Refer to motion for approval under Agenda Item E.

67. **Department of Corrections - Tonopah Conservation Camp - FY 2017** - Deletion of $565 in Budgetary Transfers to fund a projected shortfall within the department for the remainder of the state fiscal year. Requires Interim Finance approval since the cumulative amount deducted from the Utilities category exceeds 10 percent of legislatively approved amount for that category. **Work Program #C39294**

    Refer to motion for approval under Agenda Item E.

68. **Department of Corrections - Inmate Welfare Account - FY 2017** - Addition of $3,721 in Miscellaneous Revenue and transfer of $18,225 from the Retained Earnings category to the Indigent Inmate Postage category for additional recreational equipment and supplies at Southern Desert Correctional Center (SDCC) and cover a projected shortfall in postage for indigent inmates. Requires

Interim Finance approval since the amount transferred to the Indigent Inmate Postage category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39266**

Refer to motion for approval under Agenda Item E.

69. **Department of Motor Vehicles - Automation - FY 2017** - Transfer of $24,643 from the Personnel Services category to the Enterprise IT Services (EITS) Charges category to cover an increase in mainframe costs. Requires Interim Finance approval since the cumulative amount transferred to the EITS Charges category exceeds $75,000. **Work Program #C39319**

    Refer to motion for approval under Agenda Item E.

70. **Department of Motor Vehicles - Administrative Services - FY 2017** - Transfer of $251,966 from the Personnel Services category to the Electronic Payments category, $150,436 from the Registration Printing category to the Electronic Payments category, $4,853 from the Information Services category to the Electronic Payments category, $64,938 from the Printer Ribbons category to the Electronic Payments category, and $2,213 from the Training category to the Electronic Payments category to cover projected credit card discount fees for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Electronic Payments category exceeds $75,000. **Work Program #C39416**

    Refer to motion for approval under Agenda Item E.

71. **Department of Motor Vehicles - Motor Vehicle Pollution Control - FY 2017** - Transfer of $30,826 from the Reserve category to the City/County Air Quality category to fund payments to Clark County and Washoe County for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the City/County Air Quality category exceeds $75,000. **Work Program #C39364**

    Refer to motion for approval under Agenda Item E.

72. **Department of Public Safety - Highway Patrol - FY 2017** - Transfer of $76,500 from the Communications High Band System category to the Forensic Services Contract category to cover anticipated expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Forensic Services Contract category exceeds $75,000. **Work Program #C39340**

    Refer to motion for approval under Agenda Item E.

73. **Department of Public Safety - Parole and Probation - FY 2017** - Transfer of $90,000 from the Personnel Services category to the Offender Tracking Information System (OTIS) Replacement category to cover Enterprise IT Services' programming costs for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the OTIS Replacement category exceeds $75,000. **RELATES TO ITEM E 7. Work Program #C39214**

    Refer to motion for approval under Agenda Item E.

74. **Department of Public Safety - Parole and Probation - FY 2017** - Transfer of $33,049 from the Personnel Services category to the Equipment category, $21,000 from the Personnel Services category to the Physicals category and $53,142 from the Personnel Services category to the Information Services category to cover ongoing operating expenditures through the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Equipment category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39234**

    Refer to motion for approval under Agenda Item E.

75. **Department of Public Safety - Fire Marshal - <u>FY 2018</u>** - Addition of $66,000 in Transfer from Emergency Response Commission funding for the development and implementation of a web-based training and credential management database. Requires Interim Finance approval since the cumulative amount added to the Information Services category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39415**

    This item was withdrawn.

76. **Department of Public Safety - Capitol Police - FY 2017** - Transfer of $11,000 from the Personnel Services category to the Operating category to cover anticipated expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Operating category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39330**

    Refer to motion for approval under Agenda Item E.

77. **Department of Conservation and Natural Resources - Off Highway Vehicle Commission – FY 2017** - Transfer of $600 from the Operating category to the Personnel Services category and $1,837 from the Operating category to the In-State Travel category to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Personnel Services category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39235**

    Refer to motion for approval under Agenda Item E.

78. **Department of Wildlife - Operations - FY 2017** - Addition of $55,274 in Transfer Application Fees to support the Nevada Wildlife Database System and related contractual costs. Requires Interim Finance approval since the amount added to the Nevada Wildlife Database System category exceeds $75,000. **Work Program #C39228**

    Refer to motion for approval under Agenda Item E.

79. **Department of Wildlife - Game Management - FY 2017** - Addition of $11,250 in Federal Wildlife Restoration Grant funds and $3,750 in Transfer of Sportsmen Revenue to continue research activities in the Upland Game Program for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Upland Game category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C39256**

    Refer to motion for approval under Agenda Item E.

80. **Department of Wildlife - Game Management - FY 2017** - Addition of $46,500 in Federal Wildlife and Sport Fish Restoration Program grant funds and $15,500 in Transfer of Sportsmen Revenue to cover personnel costs for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative change to the Personnel Services category exceeds $75,000. **Work Program #C39302**

    Refer to motion for approval under Agenda Item E.

81. **Department of Transportation - Transportation Administration - FY 2017** - Addition of $15,900,000 in Highway Fund Authorization and $3,000,000 in Federal Aid funds to cover debris and snow removal; avalanche, boulder and rockslide mitigation; erosion repair and control; and road closures and repairs due to the severe weather in January and February 2017. Requires Interim Finance approval since the amount added to the Land and Building Improvements category exceeds $75,000. **Work Program #C39353**

    Refer to motion for approval under Agenda Item E.

82. **Employee Benefits Division - Public Employees' Benefits Program - FY 2017** - Transfer of ~~$542,038~~ ***$494,149*** from the Fully Insured Program Costs category to the Operating category and ~~$202,111~~ ***$250,000*** from the Fully Insured Program Costs category to the Self Insured Administrative Costs category to cover projected expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $75,000. **Work Program #C39101. REVISED 5-26-17.**

    Refer to motion for approval under Agenda Item E.

83. **Employee Benefits Division - Retired Employees' Group Insurance - FY 2017** - Addition of $10,286 in Treasurer's Interest Distribution funds and $2,720,294 in Receipts for Retired Employee Group Insurance to cover a projected increase in retired employee enrollment. Requires Interim Finance approval since the amount added to the Retired Employee Group Insurance category exceeds $75,000. **Work Program #C39104**

    Refer to motion for approval under Agenda Item E.

84. **Employee Benefits Division - Active Employees' Group Insurance - FY 2017** - Addition of $82,541 in Treasurer's Interest Distribution funds and $7,922,072 in Receipts for Active Employees Group Insurance Premiums to cover a projected increase in active employee enrollment and increased obligations. Requires Interim Finance approval since the amount added to the Active Employees Group Insurance category exceeds $75,000. **Work Program #C39108**

    Refer to motion for approval under Agenda Item E.

RECLASSIFICATIONS

Refer to motion for approval under Agenda Item E.

AGENCY	AGENCY/ACCOUNT NUMBER	POSITION NUMBER	PRESENT CLASS, CODE, GRADE, SALARY	PROPOSED CLASS, CODE, GRADE & SALARY
Department of Education	300-2709	0079	Developmental Specialist 3 Code: 10.140 Grade 35/01 Employee/Employer Paid Retirement $46,938.24	Education & Information Officer Code: 05.160 Grade 35/01 Employee/Employer Paid Retirement $46,938.24
Department of Health and Human Services – Health Care Finance and Policy	403/3158	0230	Health Resource Analyst II Code: 10.507 Grade 35/01 Employee/Employer Paid Retirement $46,938.24	Management Analyst II Code: 07.625 Grade 35/01 Employee/Employer Paid Retirement $46,938.24
Department of Health and Human Services – Health Care Finance and Policy	403/3158	0036	Rates and Cost Containment Manager Code: 7.709 Grade: 41/01 Employee/Employer Paid Retirement $60,969.60	Social Services Chief 3 Code: 12.300 Grade 41/01 Employee/Employer Paid Retirement $60,969.60

F. STATEMENT OF CONTINGENCY ACCOUNT BALANCE.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, LCB, said the statement of Contingency Account balance was located on page 225 in Volume II of the meeting packet (Exhibit B). He noted that the unrestricted portion of the IFC Contingency Account reflected a total of $16.3 million, which included an appropriation approved by

the Committee in an amount of $7 million to replenish the IFC Contingency Account. He said the Highway Fund portion of the IFC Contingency Account did not change through any legislative action, and the balance was approximately $1.7 million. Mr. Krmpotic said the restricted portion of the IFC Contingency Account included a total of approximately $43.4 million, which included an appropriation of $25 million to provide funding for the new medical school building at the University of Nevada, Las Vegas (UNLV). He said representatives from the UNLV School of Medicine were required to request the funding after donations were received.

G. OFFICE OF THE GOVERNOR – OFFICE OF STATE ENERGY – Renewable Energy, Energy Efficiency and Energy Conservation – Request for approval to commit $800,000 for expenditures from the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans pursuant to NRS 701.585(3) and NAC 701.685. **Relates to Item E 1**.

Agenda Item G was discussed in conjunction with Agenda Item E-1. Refer to testimony and motion for approval under Agenda Item E-1.

H. DEPARTMENT OF ADMINISTRATION – STATE PUBLIC WORKS DIVISION.

1. Request to modify the scope of CIP Project 15-P02, Advance Planning, Nevada National Guard Readiness Center in North Las Vegas, to reduce the square footage of the planned facility from 97,000 square feet to 78,000 square feet, pursuant to NRS 341.145(1)(f).
2. Information regarding the Project Exception Report pursuant to NRS 341.100(8)(g).

Chris Chimits, Administrator, SPWD, said the agency was requesting to modify the scope of CIP Project 15-P02, which was an Advance Planning project at the Nevada National Guard Readiness Center in North Las Vegas. He said the original scope for the project included a 97,000 square foot building; however, during the schematic design process, the size of the building was reduced to 78,000 square feet due to the rapidly rising cost of construction in Nevada. Mr. Chimits noted that CIP Project 17-C05, included in the 2017 CIP, was approved based on 78,000 square feet. He said the change in scope for CIP Project 15-P02 would ensure that the 2015 planning project matched the 2017 construction project.

Senator Denis asked how the building would be affected by the reduction in square footage. Mr. Chimits replied that the National Guard requested projects on a programming document called the 13-90-91, which specified each required room in the building and the associated size and square feet. He said the architects were able to design the building and achieve all the necessary requirements. The support space, such as circulation hallways, interstitial wall space and mechanical space, was reduced. Mr. Chimits said the National Guard approved the revised specs, which met all the requirements outlined in the 13-90-91 document, but with less square footage due to the reduction in support space.

In answer to a question from Senator Denis, Mr. Chimits said the building would still function as needed by the National Guard, but with a more efficient design.

Chair Woodhouse noted that the flammable materials facility and washrack items were removed with the change in scope. She asked if that created any safety issues, and Mr. Chimits said no.

Assemblywoman Swank asked if the cost of repairs would increase due to the smaller square footage in the mechanical rooms. Mr. Chimits said the smaller space would not impact the ability to repair or replace equipment.

> ASSEMBLYMAN SPRINKLE MOVED TO APPROVE AGENDA ITEMS H-1 AND H-2.
>
> SENATOR PARKS SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY.

I. APPROVAL OF ACCEPTANCE OF A CONVEYANCE AGREEMENT PURSUANT TO NRS 407.063 – State Department of Conservation and Natural Resources – State Lands – Request for approval for the acquisition of approximately 12,000 acres of land commonly known as Pitchfork Ranch, Rafter 7 Ranch, Flying M Ranch, Nine Mile Ranch and Wabuska.

Charlie Donohue, Division Administrator, Division of State Lands, Department of Conservation and Natural Resources (DCNR), and State Land Registrar, said the conveyance agreement was for a donation of real property to the state from the National Fish and Wildlife Foundation (NFWF). He said the lands in question were located along the East Fork of the Walker River as well as 43 acres adjacent to the Yerington Wildlife Management Area. Mr. Donohue noted the donation was included in the budget process for the Division of State Parks. He added that, per NRS 355.335, the Division of State Lands historically sought approval by the Board of Examiners to accept donations, particularly a donation as large and significant as the donation currently before the Committee.

Assemblywoman Titus said it was good to see the acquisition process moving forward. She asked if all taxes were current on the properties. Mr. Donohue said the taxes would be satisfied in Lyon and Mineral Counties prior to the actual conveyance. He said the conveyance agreement gave the state authority to enter into the agreement. Mr. Donohue said escrow was open, but there were several items that needed to be addressed prior to accepting the donation.

Assemblywoman Titus said the appraised value of the Pitchfork Ranch, Rafter 7 Ranch, Flying M and Nine Mile Ranches, and Wabuska Gauge were noted on page 254 in Volume II of the meeting packet (Exhibit B). She asked if two appraisals were done on each property per statute.

Mr. Donohue replied that only one appraisal was done for each property. He explained that the reference in statute to two appraisals pertained to the disposal of property or leased property. In this circumstance, the state was receiving the property as a donation and the NFWF was responsible for the appraisal and water rights.

Senator Goicoechea asked why title insurance was required for a conveyance agreement. Mr. Donohue replied that title insurance would protect the state's ownership in case someone challenged an issue on the title or tried to assert ownership. He said all costs associated with the gift deed as well as title insurance were borne by the grantor.

Senator Denis asked the timeframe for the completion of the recreation area.

Eric Johnson, Administrator, Division of State Parks, DCNR, said the design work started about three months ago. He said the groundbreaking would begin with the primitive campground at the Pitchfork Ranch and restroom facilities at the elbow in the fall of 2017. He said the full hookup campground at the Pitchfork Ranch and cabin installation at the Pitchfork Ranch and Rafter 7 Ranch were expected to be largely underway in the summer of 2018.

Senator Denis asked how long it would take to finish the projects scheduled for the summer of 2018. Mr. Johnson replied that the campground would take approximately 90 to 120 days to complete once the earthwork began.

Senator Settelmeyer said constituents in his district had some concern with the project, because it was in the heart of the district. He said there had been distrust in the past with a few of the entities involved.

Senator Settelmeyer asked if any of the properties were currently paying into an irrigation district, and if so, if it would continue. He said it would be difficult for the remaining parties to support an irrigation district if too many left the system. For example, in Owens Valley, California, 15 percent of farms were bought out, which caused the remaining farms to fold due to the increased cost.

Mr. Johnson replied that he met regularly with the Walker River Irrigation District and there had been conversations about parties leaving the irrigation district. He said part of the revegetation efforts required the use of surface water, and as such, required the water user to make payments to the irrigation district. Mr. Johnson said, as he understood it, the NFWF or Walker Basin Conservancy would still incur those costs as long as they were using surface water.

Assemblywoman Titus thought the reclamation contract with the NFWF was only for seven years. After that time, surface water would not be used so payments to the irrigation district would cease. Mr. Johnson said that was a fair assumption. He said once the restoration was complete, and assuming the water usage did not go through diversion structures, the term would end.

In response to a question from Senator Goicoechea, Mr. Johnson replied that the state had no surface water rights; however, the agreement required the Walker Basin Conservancy to use its surface water rights toward restoration efforts.

Senator Goicoechea said, at the end of the seven years, or when restoration was complete, there would be no debt to the irrigation district and the amount of surface water presently on the properties would be a deficit to the Walker River Irrigation District.

Mr. Johnson said that potential did exist, although Pitchfork Ranch was near the bottom of the system. He was currently working with the adjacent landowners at the Santa Margarita Ranch about how to handle those concerns when the time came. The diversion structure for the Santa Margarita Ranch was on the Rafter 7 property, which would be state property; therefore, it would be the responsibility of the state to maintain that ditch so the landowner would continue to receive his allocation of water. Mr. Johnson said that was not a finite answer, but the division was aware of the issues and working to resolve them by staying engaged with the landowners.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM I.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

J. REQUEST FOR APPROVAL TO ACCEPT GIFTS AND GRANTS PURSUANT TO NRS 353.335

1. Department of Administration – State Public Works Division – Buildings and Grounds – Request for approval to accept a non-monetary gift of video equipment valued at $57,909 from Converge-One Inc.

   Chris Chimits, Administrator, SPWD, said the division was seeking approval to accept a donation of a Cisco MX800 video unit from ConvergeOne, Inc. for the courts. He said the value of the video unit was $57,909. There was no cost to the state and no future obligation to purchase other goods from ConvergeOne, Inc. Mr. Chimits said the donated equipment would replace broken equipment utilized in the Guinn Room at the State Capitol.

   Assemblywoman Carlton said it was her understanding that the video unit would fit in an existing table located in the Guinn Room, and Mr. Chimits said that was correct. He said the device was a mobile unit, but it worked well with the room's current configuration.

   Senator Parks asked if there were ongoing maintenance costs not accounted for in the budget. Mr. Chimits replied that the video unit was a low

maintenance item, and any necessary support would be handled by Buildings and Grounds or Enterprise IT Services.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO APPROVE AGENDA ITEM J-1.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

2. Department of Health and Human Services – Division of Public and Behavioral Health – Request for approval to accept the donation of $35,200 from the Round Mountain Gold Corporation to fund services at the Tonopah Community Health Nursing Clinic.

   Amy Roukie, Deputy Administrator, Division of Public and Behavioral Health (DPBH), DHHS, said the division was seeking approval to accept a gift of $35,200 from the Round Mountain Gold Corporation to help offset costs for services at the Tonopah Nursing Clinic. She said the division intended to carry the donation forward and use it in Fiscal Year (FY) 2018, because the deadline had passed for purchasing items in FY 2017. The funds would be used for community outreach and an immunization clinic to support northern Nye County citizens, specifically Tonopah.

   ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM J-2.

   SENATOR FORD SECONDED THE MOTION.

   THE MOTION PASSED UNANIMOUSLY.

K. APPOINTMENT OF MEMBERS TO THE COMMITTEE ON INDUSTRIAL PROGRAMS – NRS 209.4817.

Chair Woodhouse referred Committee members to the memo titled *Agenda Item K-Appointment of Members to the Committee on Industrial Programs-NRS 209.4817* (Exhibit C).

Mr. Krmpotic said statute required the IFC to appoint members of the Committee on Industrial Programs every two years. He said members who expressed an interested in serving on the Committee on Industrial Programs for the upcoming two-year period were indicated in the memo. He said the IFC was responsible for appointing a total of nine members comprised of two members of the Senate, two members of the Assembly, and five members representing manufacturing, business and organized labor. Mr. Krmpotic said the following members were for consideration by the Committee:

- Members of the Senate: Senator Parks and Senator Goicoechea
- Members of the Assembly: Assemblyman Oscarson and Assemblywoman Monroe-Moreno
- Persons Representing Manufacturing: Allen Puliz and Pete Aguilar (new member)
- Person Representing Business: Bruce Aguilera
- Persons Representing Organized Labor: Mike Magnani and Randy Soltero

Mr. Krmpotic said staff contacted non-legislative members, and most of the returning members expressed an interest in serving on the Committee on Industrial Programs for the upcoming two-year period. He said Todd Leany, who represented manufacturing during the 2015-16 Interim, he did not wish to return as a member. Mr. Leany recommended Pete Aguilar as a prospective replacement. Mr. Krmpotic referred Committee members to Mr. Aguilar's resume attached to the memo.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM K.

SENATOR FORD SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Woodhouse congratulated Assemblywoman Monroe-Moreno on her appointment to the Committee on Industrial Programs.

L. INFORMATIONAL ITEMS.

1. **GOVERNOR'S FINANCE OFFICE – Budget Division** – Quarterly report of the agency activity relating to contracting with current or former employees of the state, for the periods ending December 31, 2016, and March 31, 2017, pursuant to NRS 333.705(5).

   There was no discussion on this item.

2. **DEPARTMENT OF EDUCATION** – Quarterly report on the status of Class-Size Reduction Variances for the period ending December 31, 2016, of the 2016-17 school year, pursuant to NRS 388.700(5).

   There was no discussion on this item.

3. **NEVADA SYSTEM OF HIGHER EDUCATION** – Quarterly report on the progress made by the University of Nevada, Reno School of Medicine in obtaining federal approval for the research program on the medical use of marijuana, as well as the status of activities and information received through the program, for the period ending March 31, 2017, pursuant to NRS 453A.600.

   There was no discussion on this item.

4. DEPARTMENT OF HEALTH AND HUMAN SERVICES

a) Aging and Disability Services Division – Quarterly report for the Senior Rx and Disability Rx Prescription Caseload Data, for the period ending March 31, 2017, pursuant to NRS 439.630(1)c.

There was no discussion on this item.

b) Division of Health Care Financing and Policy

1) Quarterly reports on the coverage for applied behavior analysis services for children with Autism Spectrum Disorder for the periods ending September 30, 2016, December 31, 2016, and March 31, 2017 (letter of intent, 2015 Legislature).

There was no discussion on this item.

2) Quarterly report on the state's Title XXI allotment and related program expenditures for the period ending March 31, 2017 (letter of intent, 2015 Legislature).

There was no discussion on this item.

3) Semiannual report on cost savings over the 2015-17 biennium related to the Health Care Guidance Program, basic skills training policy changes, personal care services policy changes, and the new electronic asset verification system for the period ending December 31, 2016 (letter of intent, 2015 Legislature).

Shannon Sprout, Deputy Administrator, Division of Health Care Financing and Policy (DHCFP), DHHS, said the letter of intent issued by the 2015 Legislature required the division to provide a semiannual report on cost savings over the 2015-17 biennium related to the Health Care Guidance Program, basic skills training policy changes, personal care services policy changes, and the new electronic asset verification system (EAVS).

Assemblywoman Bustamante Adams thought the EAVS was developed to assist the Division of Welfare and Supportive Services (DWSS) identify the assets of Medicaid recipients to determine eligibility.

David Stewart, Deputy Administrator, DHCFP, DHHS, said EAVS was used to track and identify undeclared assets for the Medical Assistance to the Aged, Blind and Disabled (MAABD) population.

Assemblywoman Bustamante Adams asked if there was a limit on the amount of assets per individual.

Naomi Lewis, Deputy Administrator, DWSS, DHHS, replied that there were approximately 52,000 individuals on the MAABD caseload. She said the Home and Community Based Waivers had a resource limit of $2,000. The supplemental plan for qualified Medicare beneficiaries had a resource limit of approximately $10,000. Ms. Lewis said the EAVS was a federal mandate. She said there were two purposes for the EAVS initiative. The first purpose was to access real-time data to determine Medicaid eligibility quickly so the client could access health care and receive treatment for chronic concerns and preventative or emergent issues. The second purpose was to perform a regional search for undisclosed or additional assets.

In response to a question from Assemblywoman Bustamante Adams, Mr. Stewart replied that contract negotiations with the vendor took longer than expected, but the contract was now finalized and the program was in place.

Assemblywoman Bustamante Adams asked the name of the vendor and if the company was based in Nevada. Mr. Stewart replied that the vendor, Accuity Asset Verification Services, Inc., was based in the Midwest.

5. DEPARTMENT OF PUBLIC SAFETY

a) Division of Parole and Probation – Quarterly reports on the status of the agency's pre-sentence investigations backlog for the periods ending December 31, 2016, and March 31, 2017 (letter of intent, 2015 Legislature).

There was no discussion on this item.

b) Division of Emergency Management

1) Disaster Relief Account

i. Notice of intent to request for approval of a grant from the Disaster Relief Account to the counties of Churchill, Douglas and Lyon, and the Walker River Irrigation District (WRID) to cover expenses for preparation and mitigation efforts to prevent damage to public infrastructure resulting from anticipated spring thaw events in those regions, pursuant to NRS 353.2755.

ii. Notice of intent to request for approval of a grant and/or loans from the Disaster Relief Account to multiple state and local agencies to cover expenses for storm cleanup and repairs incurred as a result of January and February 2017 flooding events, pursuant to NRS 353.2755.

2) Disaster Response and Recovery Account – Notice of receipt and acceptance of a Federal Emergency Management Agency (FEMA) grant in the amount of $4,027,000 to cover emergency response and recovery costs

associated with the January 2017 Northern Nevada Flood events pursuant to NRS 353.335(2)(a).

3) Emergency Assistance Account – Quarterly reports on the status of the Emergency Assistance Account for the periods ending December 31, 2016, and March 31, 2017, pursuant to NRS 414.135(5).

There was no discussion on these items.

6. DEPARTMENT OF TRANSPORTATION - Report on the activities of the Advisory Committee on Transportational Storm Water Management and the implementation and efficacy of the department's storm water program pursuant to NRS 408.439.

There was no discussion on this item.

M. PUBLIC COMMENT.

There was no public comment.

N. ADJOURNMENT.

Chair Woodhouse adjourned the meeting at 10:58 a.m.

_____
Senator Joyce Woodhouse, Chair
Interim Finance Committee

_____
Rick Combs, Director, Legislative Counsel Bureau,
and Secretary, Interim Finance Committee