MINUTES OF THE OCTOBER 19, 2017
MEETING OF THE
INTERIM FINANCE COMMITTEE
Las Vegas, Nevada

Chair Joyce Woodhouse called a regular meeting of the Interim Finance Committee (IFC) to order at 9:02 a.m. on October 19, 2017, in Room 4401 of the Grant Sawyer Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 4100 of the Nevada Legislative Building, 401 South Carson Street, Carson City, Nevada.

COMMITTEE MEMBERS PRESENT:
Senator Joyce Woodhouse, Chair
Assemblywoman Maggie Carlton, Vice Chair
Senator Moises Denis
Senator Pete Goicoechea
Senator Becky Harris
Senator Ben Kieckhefer
Senator David Parks
Senator Pat Spearman for Senator Ford
Assemblyman Nelson Araujo
Assemblywoman Teresa Benitez-Thompson
Assemblyman Chris Edwards
Assemblyman Jason Frierson
Assemblyman John Hambrick
Assemblyman Al Kramer for Assemblyman Oscarson
Assemblywoman Daniele Monroe-Moreno for Assemblywoman Bustamante Adams
Assemblyman Keith Pickard
Assemblywoman Ellen Spiegel
Assemblyman Michael Sprinkle
Assemblywoman Heidi Swank
Assemblyman Tyrone Thompson for Assemblywoman Diaz
Assemblywoman Robin Titus

COMMITTEE MEMBERS EXCUSED:
Senator Aaron Ford
Assemblywoman Irene Bustamante Adams
Assemblywoman Olivia Diaz
Assemblyman James Oscarson

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:
Rick Combs, Director, Legislative Counsel Bureau
Mark Krmpotic, Fiscal Analyst, Senate
Cindy Jones, Fiscal Analyst, Assembly
Alex Haartz, Principal Deputy Fiscal Analyst
Sarah Coffman, Principal 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: Federal Bureau of Investigation, Las Vegas Division – Health Care Fraud Task Force

A. ROLL CALL.

Rick Combs, Director, Legislative Counsel Bureau, and Secretary, Interim Finance Committee, called the roll; all members were present, except, Senator Ford, Assemblywoman Bustamante Adams, Assemblywoman Diaz and Assemblyman Oscarson, who were excused.

B. PUBLIC COMMENT.

There was no public comment.

C. APPROVAL OF MINUTES OF THE AUGUST 24, 2017, MEETING.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE MINUTES OF THE AUGUST 24, 2017, MEETING.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

D. 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 D-2, Office of the Attorney General (OAG); D-3, OAG; D-14, Department of Health and Human Services (DHHS), Division of Health Care Financing and Policy (DHCFP); D-15, DHHS, DHCFP; D-21, DHHS, Division of Public and Behavioral Health (DPBH); D-22, DHHS, DPBH; D-29, Department of Public Safety, Investigation Division; D-40, Department of Conservation and Natural Resources (DCNR), Forestry Division; D-41, DCNR, Forestry Division; D-42, DCNR, Forestry Division; D-43, DCNR, Forestry Division; and D-55, Department of Education.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), stated that Agenda Item D-44, DCNR, Forestry Division, included a revision that reduced the transfer amount by $100,465. The Forestry Division and the Governor's Finance Office (GFO) concurred with reducing the transfer from $1,105,112

to $1,004,647, thereby removing a 10 percent contingency for the purchase of three wildland fire response vehicles since the agency had already received quotes on those vehicles.

Senator Spearman requested further testimony on Agenda Item D-26, DHHS, Division of Child and Family Services (DCFS).

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE REMAINING WORK PROGRAM REVISIONS.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

1. **Office of the Governor - Office of Science, Innovation and Technology - FY 2018** - Addition of $150,000 in William N. Pennington Foundation grant funds to promote equitable access to and increased quality of Science, Technology, Engineering and Math programs in elementary schools. Requires Interim Finance approval since the amount added to the Pennington STEM grant category exceeds $75,000. **Work Program #C41413**

   Refer to motion for approval under Agenda Item D.

2. **Office of the Attorney General - State Settlements - FY 2018** - Transfer of $500,000 from the Reserve category to the Healthy Lifestyles grant category, $307,697 from the Reserve category to the Incinerators category, $250,000 from the Reserve category to the Narcan Purchase category, $62,472 from the Reserve category to the Personnel Services category, $11,350 from the Reserve category to the Equipment category, $4,050 from the Reserve category to the Training category, $2,997 from the Reserve category to the Information Services category, $2,884 from the Reserve category to the In-State Travel category and $581 from the Reserve category to the Operating category to support the addition of one Attorney General Criminal Investigator position with associated costs, provide funding for a statewide healthy lifestyles initiative program, purchase incinerators for the disposal of narcotics and purchase Naloxone to expand distribution to law enforcement and first responders. Requires Interim Finance approval since the amount transferred to the Healthy Lifestyles grant category exceeds $75,000. **RELATES TO ITEMS D. 3, 21 and 22**. **Work Program #C41117**

   This item was discussed in conjunction with Agenda Items D-3, D-21 and D-22. Refer to testimony and motion for approval under Agenda Item D-22.

3. **Office of the Attorney General - State Settlements - <u>FY 2019</u>** - Transfer of $676,000 from the Reserve category to the Drug Awareness grant category, $95,372 from the Reserve category to the Personnel Services category, $4,717 from the Reserve category to the In-State Travel category, $700 from the Reserve

category to the Training category, $579 from the Reserve category to the Operating category, and $341 from the Reserve category to the Information Services category to support the addition of one Attorney General Criminal Investigator position with associated costs and funding for a statewide prescription drug education and awareness program. Requires Interim Finance approval since the amount transferred to the Drug Awareness grant category exceeds $75,000. **RELATES TO ITEMS D. 2, 21 and 22**. **Work Program #C41689**

This item was discussed in conjunction with Agenda Items D-2, D-21 and D-22. Refer to testimony and motion for approval under Agenda Item D-22.

4. **Department of Administration - Director's Office - FY 2018** - Transfer of $63,969 from the Commission for Women category to the Personnel Services category to fund projected salary costs for a position to support the Commission on Women. Requires Interim Finance approval since the amount transferred from the Commission for Women category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM D. 5. Work Program #C41293**

   Refer to motion for approval under Agenda Item D.

5. **Department of Administration - Director's Office - <u>FY 2019</u>** - Transfer of $87,388 from the Commission for Women category to the Personnel Services category to fund projected salary costs for a position to support the Commission on Women. Requires Interim Finance approval since the amount transferred from the Commission for Women category exceeds $75,000. **RELATES TO ITEM D. 4**. **Work Program #C41309**

   Refer to motion for approval under Agenda Item D.

6. **Department of Administration - Fleet Services - FY 2018** - Transfer of $61,890 from the Reserve category to the Capital Finance Transfer category to fund the replacement cost of vehicles that have been totaled in accidents. Requires Interim Finance approval since the cumulative amount added to the Capital Finance Transfer category exceeds $75,000. **RELATES TO ITEM D. 7**. **Work Program #C40629**

   Refer to motion for approval under Agenda Item D.

7. **Department of Administration - Fleet Services - Fleet Services Capital Purchase - FY 2018** - Addition of $61,890 in funds transferred from Fleet Services Division's Vehicle Equipment Finance funds and transfer of $54,878 from the Reserve category to the Vehicle Purchase category to fund the replacement of vehicles that have been totaled in accidents. Requires Interim Finance approval since the amount added to the Vehicle Purchase category exceeds $75,000. **RELATES TO ITEM D. 6. Work Program #C40633**

   Refer to motion for approval under Agenda Item D.

8. **Department of Administration - Fleet Services - FY 2018** - Addition of $30,732 in Vehicle Rent funds and transfer of $54,200 from the Reserve category to the Capital Finance Transfer category to cover the cost of leasing vehicles to accommodate agencies' requests for new long-term vehicles. Requires Interim Finance approval since the cumulative amount added to the Capital Finance Transfer category exceeds $75,000. **RELATES TO ITEMS D. 9, 10, and 11. Work Program #C41186**

   Refer to motion for approval under Agenda Item D.

9. **Department of Administration - Fleet Services - Fleet Services Capital Purchase - FY 2018** - Addition of $70,451 in Transfer from Fleet Service Division's Vehicle Equipment Finance revenue to cover the cost for agency requested long-term vehicles. Requires Interim Finance approval since the amount added to the Vehicle One-Shot category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEMS D. 8, 10, and 11**. **Work Program #C41310**

   Refer to motion for approval under Agenda Item D.

10. **Department of Administration - Fleet Services – FY 2019** - Addition of $54,503 in Vehicle Rent revenue and transfer of $64,130 from the Reserve category to the Capital Finance Transfer category to cover the cost of leasing vehicles to accommodate agencies' requests for new long-term vehicles. Requires Interim Finance approval since the amount added to the Capital Finance Transfer category exceeds $75,000. **RELATES TO ITEMS D. 8, 9, and 11**. **Work Program #C41312**

    Refer to motion for approval under Agenda Item D.

11. **Department of Administration - Fleet Services - Fleet Services Capital Purchase - FY 2019** - Addition of $93,466 in Transfer from Fleet Services Division's Vehicle Equipment Finance revenue to cover the cost of agency requests for long-term vehicles. Requires Interim Finance approval since the amount added to the Vehicle One-Shot category exceeds $75,000. **RELATES TO ITEMS D. 8, 9, and 10**. **Work Program #C41313**

    Refer to motion for approval under Agenda Item D.

12. **Department of Administration - Nevada State Library, Archives and Public Records - Mail Services Equipment - FY 2018** - Transfer of $76,000 from the Reserve category to the Equipment category to purchase equipment for a mail inserter system. Requires Interim Finance approval since the amount transferred to the Equipment category exceeds $75,000. **Work Program #C41171**

    Refer to motion for approval under Agenda Item D.

13. **Governor's Office of Economic Development - Nevada State Small Business Credit Initiative Program - FY 2018** - Transfer of $1,250,334 from the Reserve category to the Collateral Support Program (CSP) Loans category and $1,395,000 from the Reserve category to the Battle Born Venture Capital Program category to provide loans and equity funding to stimulate business development in the state. Requires Interim Finance approval since the amount transferred to the CSP Loans category exceeds $75,000. **Work Program #C41654**

    Refer to motion for approval under Agenda Item D.

14. **Department of Health and Human Services - Health Care Financing and Policy - Administration - FY 2018** - Addition of $1,214,235 in federal Title XIX funds to support the Nevada Enterprise Data Governance project, which will establish a road map to deploy department-wide data management focused on improving data quality, availability, and reporting. Requires Interim Finance approval since the amount added to the HIT grant category exceeds $75,000. **Work Program #C41122**

    Julie Kotchevar, Deputy Director, Director's Office, Department of Health and Human Services (DHHS), introduced Marta Jensen, Administrator, Division of Health Care Financing and Policy (DHCFP). Ms. Kotchevar said Work Program C41122 requested approval to add federal funds to support the department's Enterprise Data Governance (EDG) project, an advanced data analytics initiative project.

    Senator Denis asked how the additional funds would benefit patients and providers. Ms. Kotchevar replied that positive outcomes for consumers were achieved by staying ahead of health trends and needs. By looking at data across a number of systems and provider groups, the division could redirect the resources to the right place at the right time to improve overall health outcomes for individuals. From the providers' perspective, the division was striving to reduce duplicative reporting by assessing whether data needed to be submitted to the division in multiple formats.

    Senator Denis asked how long it would take to implement the EDG. Ms. Kotchevar replied that an initial analysis would be performed in three parts. The first part, which was scheduled for completion in spring 2018, was an overall assessment of all available pieces in order to survey the landscape of information technology. The final two steps included To-Be Strategy and Roadmap development, and implementation of EDG organization.

    Assemblyman Thompson asked if the division intended to eliminate staff to help reduce administrative costs. Ms. Kotchevar said the division would not eliminate positions. Instead, the division would focus on eliminating duplicative tasks, which may impact staff duties. For example, staff were currently required to manually run reports, which were not necessarily complex but could be time-consuming, making

it difficult to find time to perform more complex predictive analytics to determine unmet needs. If the data gathering and report generation could be automated, staff time could be redirected toward more advanced analytics to assist with planning for improved population health outcomes.

Senator Kieckhefer asked for clarification on how the funds would be expended. He also asked about the relationship between the division and the Health Information Exchange (HIE), which was responsible for maintaining the data. He asked which data points the division intended to analyze.

Ms. Kotchevar replied that the division was part of the HIE. She said there were a significant number of data sources within the DHHS. Additionally, a number of registries reported information to the DHHS. She said the landscape of data was being reviewed throughout the entire department to see where there were connections; where connections could be increased; where there was duplication; and where it was most logical to have interoperability between systems. Ms. Kotchevar said the division had been reviewing changes in health care policy that could significantly impact health care in the state and throughout the nation. She said it was important to look at health care policy changes from a department perspective, rather than by division. Ms. Kotchevar said it was difficult to know how health care would change in the future; therefore, it was important to have a full picture of the services provided through the DHHS, such as from where data was being collected; how consumer health was being impacted; and how to improve efficiencies so the department could be more flexible as changes occurred.

Senator Kieckhefer said there was a lot of separation between the DHHS divisions, and he supported the department's effort to unify them.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM D-14.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY. (Assemblyman Frierson, Assemblyman Hambrick and Senator Harris were not present for the vote.)

15. **Department of Health and Human Services - Health Care Financing and Policy - Administration - FY 2018 -** Addition of $900,000 in federal Title XIX grant funds and $100,000 in Licensed Health Care Facilities Fees transferred from the Division of Public and Behavioral Health to support the development of a transformed health care delivery system, an integral part of health information technology (HIT) for Nevada Medicaid. Requires Interim Finance approval since the amount added to the HIT grant category exceeds $75,000. **Work Program #C40626**

Jim Wells, Director, GFO, said the Division of Public and Behavioral Health (DPBH) informed the GFO after Work Program C40626 was submitted that a companion work program was needed for the state match funding transfers to the DHCFP; therefore, the division requested that the work program be deferred to the next IFC meeting.

The Committee deferred Agenda Item D-15 to the December IFC meeting.

16. **Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2018** - Addition of $171,467,266 in federal Title XIX grant funds to allow federal reimbursement for emergency medical transportation services provided by local government agencies. Requires Interim Finance approval since the amount added to the Pass Through to Local Government category exceeds $75,000. **Work Program #C40839**

    Refer to motion for approval under Agenda Item D.

17. **Department of Health and Human Services - Public and Behavioral Health - Health Statistics and Planning - FY 2018** - Transfer of $90,000 from the Reserve category to the Information Services category for the enhancement to a web-based application to allow physicians and advance practice nurse practitioners to initiate death records. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds $75,000. **Work Program #C40660**

    Refer to motion for approval under Agenda Item D.

18. **Department of Health and Human Services - Public and Behavioral Health - Biostatistics and Epidemiology - FY 2018** - Addition of $387,763 in federal Enhanced Surveillance of Fatal and Non-fatal Opioid Use in Nevada grant funds to provide in depth and fast toxicology, case review and analysis. Requires Interim Finance approval since the amount added to the Opioid Enhanced Surveillance category exceeds $75,000. **Work Program #C41028**

    Refer to motion for approval under Agenda Item D.

19. **Department of Health and Human Services - Public and Behavioral Health - Chronic Disease - FY 2018** - Addition of $275,000 in state grant match funds transferred from the Governor's Finance Office to increase Clark County School District student participation in all federal nutrition programs. Requires Interim Finance approval since the amount added to the Food Security (A.B. 518, Section 2, 2017 Legislature) category exceeds $75,000. **Work Program #C40358**

    Refer to motion for approval under Agenda Item D.

20. **Department of Health and Human Services - Public and Behavioral Health - Maternal Child and Adolescent Health Services - FY 2018** - Addition of $64,617 in federal Now is the Time Initiative funds transferred from the Nevada Department of Education to continue to provide youth mental health first aid training in the state. Requires Interim Finance approval since the amount transferred to the Project Aware category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C41188**

    Refer to motion for approval under Agenda Item D.

21. **Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2018** - Addition of $250,000 in Volkswagen Settlement funds transferred from the Attorney General's Office to increase the accessibility of Naloxone nasal spray to law enforcement and first responders to help fight the opioid crisis in Nevada. Requires Interim Finance approval since the amount added to the Opioid Strategic Response category exceeds $75,000. **RELATES TO ITEMS D. 2, 3 and 22**. **Work Program #C41655**

    This item was discussed in conjunction with Agenda Items D-2, D-3, and D-22. Refer to testimony and motion for approval under Agenda Item D-22.

22. **Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - <u>FY 2019</u>** - Addition of $676,000 in Volkswagen Settlement funds transferred from the Attorney General's Office to support a program on the awareness and understanding of the dangers and consequences of prescription drug misuse and to connect those at risk of developing prescription drug dependency or abuse with preventive services. Requires Interim Finance approval since the amount added to the Strategic Prevention Framework category exceeds $75,000. **RELATES TO ITEMS D. 2, 3 and 21. Work Program #C41656**

    This item was discussed in conjunction with Agenda Items D-2, D-3 and D-21.

    Adam Laxalt, Attorney General, Office of the Attorney General (OAG), said he was concerned about the state's opioid epidemic. The work programs before the Committee had been several months in the making, and the OAG was pleased with the result. He said the OAG had been working alongside Governor Sandoval and a number of agencies with respect to the state's opioid epidemic. The initiatives contained in the work programs were important additions from a law enforcement perspective, as well as a prevention perspective. Mr. Laxalt said the initiatives included drug incinerators, Naloxone for first responders, after-school prevention and education, the Federal Bureau of Investigation (FBI) Health Care Fraud Task Force, and community coalition support.

    Mr. Laxalt introduced the Yenick family, whose son died due to an opioid overdose.

Cyndi Yenick, Reno, represented the Bub Hugs Foundation. She said the foundation was partnering with the Nevada Statewide Coalition Partnership (NSCP) to educate the youth of Nevada on the dangers of opioids. She was thankful for the support of Governor Sandoval; Attorney General Adam Laxalt; Nick Trutanich, Chief of Staff, OAG; and Linda Lang, Director, NSCP.

Ms. Yenick said her son, Michael "Bub" Yenick, passed away two years ago from an overdose of oxycodone. She said he was a wonderful, caring and loving son; guardian of his sisters; and a gifted athlete. He led his high school basketball and football teams to the state championships and was recruited nationwide for college football teams; however, he chose to remain in Reno to play for the Nevada Wolfpack. Ms. Yenick said Bub was a hometown person and wanted to remain in Nevada to be a hometown star. She said Bub hurt his back and knee playing football in his second year at the University of Nevada, Reno, which required surgery. Bub's first exposure to prescription pain medications was during his recovery from that surgery.

After the death of their son, the Yenick family realized they had been naïve to the dangers of prescription pain medications. As a result, the Yenick family founded the Bub Hugs Foundation, with the tagline "Athletes Against Addiction." Ms. Yenick said the foundation's goal was to educate high school and college students, athletes, school administrators, coaches and parents to the dangers of prescription pain medications. The Yenick family was hopeful the Bub Hugs Foundation would provide education and awareness of the deadliness of prescription pain medications, and remove the negative stigma of addiction. Ms. Yenick said the Bub Hugs Foundation had joined with Overdose Lifeline, Inc. She said Overdose Lifeline, based out of Indiana, created a science-based prevention and education program called This is (Not) About Drugs. The program was a unique, outcome driven prevention program targeting students in grades 6 through 12. The This is (Not) About Drugs program incorporated the prevention principles of the National Institute of Drug Abuse to address the risks of and reduce the rates of youth opioid abuse and misuse. Ms. Yenick said the program was designed to be presented as a 45-minute interactive session in a classroom setting. The This is (Not) About Drugs program had been adopted by communities in seven states since 2015.

According to a report titled *Prescription Drug Abuse: Strategies to Stop the Epidemic*, Nevada has the fourth-highest drug overdose mortality rate in the United States, with 20.7 per 100,000 people suffering drug overdose fatalities (Jeffrey Levi, PhD; Laura M. Segal, MA; Amanda Fuchs Miller, JD/MPA, "Prescription Drug Abuse: Strategies to Stop the Epidemic 2013," Trust for America's Health, October 2013, <http://healthyamericans.org/reports/drugabuse2013/release.php?stateid=NV>). Ms. Yenick said the ultimate goal of the Bub Hugs Foundation was to prevent prescription painkiller misuse, and slow the rise of substance use, overdose and addiction rates by educating Nevada's youth. She said the State of Nevada as a whole needed to work together to effectively combat the opioid epidemic. Although progress had been made, there was much more work to be done.

Mr. Laxalt thanked the Yenick family for turning a terrible tragedy into something positive for the state.

Mr. Laxalt introduced Mike Willden, Chief of Staff, Office of the Governor, and Mark Krueger, Chief of the Bureau of Consumer Protection (BCP), OAG.

Mr. Laxalt said the first item of discussion concerned the purchase of incinerators to dispose of narcotics. He said the overall plan was to purchase five incinerators, which would be placed strategically around the state. Disposal of narcotics had been a chronic issue for Nevada. In the past, collected narcotics had to be transported to California, Utah or Arizona for proper disposal. He said the incinerators would be helpful for Nevada's law enforcement.

Assemblywoman Carlton asked what type of commitment had been received from local law enforcement agencies concerning ongoing maintenance of the incinerators.

Mark Krueger, BCP Chief, OAG, said local law enforcement agencies agreed to accept the ongoing cost of maintaining the incinerators. He said there were two or three components that needed to be replaced approximately once per year at a total cost of approximately $60.

In answer to a question from Assemblywoman Carlton, Mr. Krueger replied that the purchase of incinerators would go out to bid soon; therefore, the exact model and cost was still unknown. He said the maintenance costs would depend on usage and volume of product to be incinerated, which would determine how quickly the machines deteriorated. He said he would provide the Committee with the exact cost after the bidding closed.

Assemblywoman Carlton stated that local budgets would be impacted by the cost of ongoing maintenance; therefore, the decision to continue using the incinerators would be decided at the local level rather than the state level, which meant there was no guarantee the incinerator program would continue. Mr. Krueger said the maintenance costs for the incinerators were negligible, and local law enforcement agencies agreed to incur those costs.

Assemblywoman Spiegel asked how local law enforcement agencies not located near a proposed site would access the incinerators for drug disposal. Mr. Krueger replied that all local law enforcement agencies had been contacted concerning the incinerator program. Law enforcement agencies without incinerators agreed to work with locations where the incinerators would be housed through a general memorandum of understanding (MOU), or similar type of agreement to be able to incinerate narcotics from nearby jurisdictions. For example, Douglas, Lyon and Churchill Counties entered into a MOU with Carson City to use the incinerator at no cost.

Assemblywoman Spiegel asked if the general public would be able to dispose of medications at local law enforcement agencies, and if there would be a fee for disposal. Mr. Krueger replied that members of the public would be able to dispose of medications through local law enforcement agencies. He said drugs obtained through take-back programs and drop boxes would be incinerated along with seized narcotics.

Assemblywoman Titus was thankful for the initiatives to address opioid abuse. She thought it was important to be proactive about prevention strategies. She recalled there were collection days at various locations such as law enforcement agencies and pharmacies. She asked if the new incinerators would be in addition to existing incinerators.

Mr. Krueger replied that collection programs had been in place, and historically the federal Drug Enforcement Agency (DEA) transported the collected medications to facilities out of state; however, several years ago the DEA stopped participating in the collection programs, which made it difficult for state and local jurisdictions to dispose of the drugs. Through the Governor's Office and the Division of Environmental Protection (DEP), within the DCNR, guidance was put in place that allowed take-back drugs and prescription medications to be incinerated in Nevada.

Assemblywoman Titus asked if the general public could drop off any type of medication, and Mr. Krueger said that was correct. He added that any prescription drug, narcotic or seized contraband could be incinerated.

Assemblyman Pickard asked if the incinerators would be run by the state, or if the state would at least maintain access to the incinerators. He asked if interlocal agreements would be in place that would require law enforcement agencies without an incinerator to pay a premium to law enforcement agencies that housed an incinerator.

Mr. Krueger replied that the titles for the incinerators would be transferred to the local jurisdictions, which meant the local jurisdictions would own the equipment; therefore, a state interlocal agreement would not be necessary. He said the local jurisdictions agreed to collaborate with other jurisdictions regarding the use of the incinerators, and in many cases a fee would not be charged by the law enforcement agency that housed the incinerator. At most, the fee would not exceed the cost to the agency that housed the incinerator. Mr. Krueger said law enforcement agencies were extremely supportive of the program and committed to making it a success.

Senator Goicoechea said the Department of Agriculture had incinerators in Elko and Sparks that were run almost daily. He asked if an incinerator would be located in Winnemucca, and how many total incinerators would be installed around the state.

Mr. Krueger replied that the incinerators used by the Department of Agriculture were not permitted for the incineration of prescription drugs, which was one of the reasons for placing incinerators strategically around the state. He said the DEP could clarify why the incinerators could not be used for that purpose.

Mr. Krueger said one incinerator would be located at the Elko Sheriff's Office. He said all the incinerators would be placed in secure locations at sheriffs' facilities, and the drugs would be incinerated effectively and efficiently.

In response to a question from Senator Goicoechea, Mr. Krueger said members of the public could bring prescription drugs and other medications to local law enforcement agencies for proper disposal.

Mr. Laxalt said incinerators were offered to all jurisdictions. He said five local law enforcement agencies partnered with the state early on. He said the OAG would work with any jurisdiction that wanted to be part of the incinerator program.

Mike Willden, Chief of Staff, Office of the Governor, said the Governor's Office was supportive of all four work programs, as well as the initiatives. He said the initiatives were part of the ongoing effort to control the statewide opioid epidemic.

Mr. Willden said efforts to control the statewide opioid epidemic had been ongoing since 2014, and two monumental pieces of legislation had been passed as a result. Multiple town hall sessions and forums had been held, one of which was attended by over 500 people in Las Vegas. He said the Governor's Office recently reestablished an accountability committee that would meet over the next year to ensure progress was being made through the pieces of legislation that were intended to address, and ideally eradicate the opioid epidemic in the state.

Mr. Willden said the work of the OAG was appreciated. He said the Volkswagen settlement funds and multiple grants received by the state were being used in an efficient and effective manner to address the state's opioid epidemic.

Mr. Laxalt said the second item of discussion was the distribution of Naloxone (Narcan) to first responders. He said the Governor's Office successfully distributed the initial batch of Narcan across the state. He said the OAG was now working collaboratively with the Department of Health and Human Services (DHHS) and pooling funds to ensure all Narcan needs were met around the state.

Assemblyman Sprinkle said he was concerned about the expiration date of Narcan, because it had been used minimally in the state thus far. He asked how the state would handle Narcan doses that were approaching the expiration date. Assemblyman Sprinkle questioned whether it was a prudent use of funds if only a small number of doses were administered in the next two years.

Amy Roukie, Administrator, DPBH, DHHS, said the division was working to establish a virtual dispensary system (VDS), which was a database that would be used to monitor and track Narcan throughout the state. The VDS would also help manage the amount of Narcan available in the community. She said the division would replace Narcan through the database as the stock was utilized. Ms. Roukie said the database was not ready to be put into the VDS, but the division had redistributed Narcan doses that were nearing expiration. She said the shelf life of Narcan was 24 months; therefore, the division would monitor and purchase additional doses based on actual utilization and need. Also, the division would ensure that Narcan doses nearing the expiration date were not in circulation, except in rare situations. She reiterated that Narcan would only be purchased based on individual need and usage, which would ensure that each location using Narcan had an appropriate amount of stock, thereby reducing the risk of expiration.

In response to a question from Assemblyman Sprinkle, Ms. Roukie said the division was redistributing Narcan doses that were within six months of expiration to avoid wasting medication. She said the division's initial attempt to purchase and distribute Narcan was misguided, because the utilization rate was unknown for each area. The division was now monitoring the level of utilization and would only replace that which was utilized. She said the division would maintain a small supply and reorder when necessary.

Chair Woodhouse stated that the DPBH currently had federal funding to purchase Narcan for law enforcement and first responders. She asked how it was determined that $250,000 in settlement funds would be used for the same purpose.

Ms. Roukie replied that the $250,000 in settlement funds would provide approximately 3,300 additional doses of Narcan based on the rate of $75 per dose. The additional doses would help provide enough coverage throughout the state, not only through public safety, but other areas where Narcan might be needed, such as emergency rooms and rural hospitals. The goal of the DPBH was to have the medication available for any agency in need. Ms. Roukie said training efforts had been ongoing throughout the state; therefore, the division anticipated the utilization rate would increase as more providers felt confident about using Narcan in the field.

Assemblyman Pickard asked if another drug was available with a longer expiration date, or if Narcan was the key component for the response system. Ms. Roukie replied that Narcan was the best medication available to block opioids in a person's system. She said Narcan immediately counteracted the effects of opioids and remained in a person's system between 30 and 90 minutes. She said Narcan was available as a nasal spray or an injection. Ms. Roukie said she was unaware of another medication that was superior to Narcan; however, the division would be watchful for new medications.

Mr. Laxalt said the third item of discussion was after-school prevention and education. The OAG issued a request for proposal (RFP) for an after-school prevention program. He said the general consensus among law enforcement was that prevention was the key to reducing the opioid epidemic. He said the OAG was excited about the Healthy Lifestyles Program and partnering with Boys and Girls Clubs around the state. Mr. Laxalt introduced Mike Wurm, Executive Director, Boys and Girls Club of Truckee Meadows, to discuss the program.

Mike Wurm, Executive Director, Boys and Girls Club of Truckee Meadows, and Representative, State Alliance of Clubs for the State of Nevada, said intervention programs were critical to addressing the opioid epidemic in the state, but intervention was not enough. He said prevention must be a bigger part of the equation to build great futures for Nevada's youth. Mr. Wurm said the State Alliance of Clubs and the Boys and Girls Clubs, which had a strong presence throughout the state, were aligned to deliver before and after school and summer prevention programs and positive youth development outreach to empower youth toward a healthy and productive future. Because the Boys and Girls Clubs are a safe environment where youth feel comfortable with staff, the Boys and Girls Clubs were uniquely positioned to establish more personal one-on-one relationships with youth and their families, and implement more impactful, focused strategies.

Mr. Wurm said for over 20 years the Boys and Girls Clubs across Nevada used the health and life skills curriculum, SMART Moves, to address drug-related issues; however, the curriculum was outdated and no longer met the rigors of current evidence-based standards. With the proposed funding, the Boys and Girls Clubs would replace the SMART Moves curriculum with Positive Action curriculum, which was an evidence-based curriculum consistently updated to remain current and relevant. Mr. Wurm said the Positive Action curriculum was used by schools and other organizations nationally and internationally. He said components of the curriculum had been tested by the Boys and Girls Club of Southern Nevada and the Boys and Girls Club of Mason Valley, with successful results. Positive Action was a prevention program designed to deter children in grades K through 12 from substance abuse. He said the program taught a unique combination of academic, behavioral, social, emotional and physical skills at age-appropriate levels. He said the Positive Action curriculum went to the root of substance abuse by equipping youth with the skills and confidence necessary to choose positive actions while recognizing and avoiding negative actions. Mr. Wurm said the Positive Action curriculum was proven to reduce violence, bullying, disciplinary referrals, drop outs, suspension, gang involvement and aggressive problem solving; improve math and reading scores; close the academic gap; and help with prosocial behavior and employability. He said a series of validated studies indicated that the Positive Action program reduced drug, alcohol and tobacco use by 71 percent. The Positive Action curriculum was an evidence-based program recognized by nine verifying agencies including the United States Department of Education, What Works Clearinghouse, the Substance Abuse and Mental Health Services Administration's (SAMHSA) National Registry of Evidence-Based Programs and

Practices, and the Office of Juvenile Justice and Delinquency Prevention. The Positive Action curriculum was currently the only curriculum approved by all nine agencies. Mr. Wurm said the proposed funding would allow the Boys and Girls Club to adopt the curriculum, train staff and expand its use to clubs throughout Nevada to reach the thousands of current members as well as thousands of youth through general outreach efforts. He said the Boys and Girls Clubs could serve as a powerful ally against substance abuse and misuse, and other problem behaviors in Nevada through positive peer mentoring and support, and aggressive community outreach as a whole.

Assemblyman Thompson asked if the RFP was circulated in areas where it would be made known to community and faith-based organizations. He thought it was important to reach as many areas as possible. He also asked if the OAG was doing an overlay in areas of the state with high incidences of overdose and concentrating on prevention and intervention in those same areas.

Nick Trutanich, Chief of Staff, OAG, replied that the RFP for the education and prevention initiative was posted on the OAG website. He said the Boys and Girls Club and the Nevada Statewide Coalition Partnership (NSCP) responded to the RFP.

Mr. Trutanich said, with respect to an overlay, he was unsure data was available concerning areas of the state with high incidences of overdose; however, Boys and Girls Clubs were located statewide. He said robust Boys and Girls Club facilities were located in underprivileged areas susceptible to addiction, and those facilities were a good partner for prevention. Further, the Positive Action program that the Boys and Girls Club intended to implement was an evidence-based program; therefore, data would be made available regarding the effectiveness of the program in Nevada. He said the Positive Action program also put Nevada on the cutting edge for prevention, because the curriculum was current, relevant and evidence-based.

Mr. Trutanich said the OAG had also partnered with the NSCP. He said the NSCP had a strong presence in the local community as well as communities in the north, south and rural areas. He said Linda Lang of the NSCP would discuss the partnerships made possible with the money provided through the education and prevention initiative.

Assemblywoman Carlton said there were many wonderful groups that worked with children, such as the Boy Scouts, Girl Scouts and Afterschool All-stars. She said, during the 2017 Legislative Session the Legislature passed Assembly Bill (A.B.) 550, which provided $1 million in each year of the 2017-19 biennium to the Boys and Girls Club for life skills and training. She said A.B. 550 permitted the Boys and Girls Club to use the funds based on the individual needs of each jurisdiction. Assemblywoman Carlton asked how the $500,000 subgrant would work in

conjunction with the $2.0 million provided by the Legislature. She asked if the funds would coordinate, and if there would be overlap.

Mr. Wurm replied that there was a relationship between the funds, but two separate programs would be targeted, and the funds would be used differently. He said the $2.0 million allocated through A.B. 550 would primarily be used for a program called Triple Play, which was a program focused on physical fitness and healthy eating. He said the $500,000 subgrant would be used to implement the Positive Action curriculum. The budget for the Boys and Girls Club consisted of 30 percent fees and 70 percent fundraising dollars. Mr. Wurm said most of the fundraising dollars were used for operation and maintenance of the clubs; therefore, it would be difficult to raise enough funds to implement new curriculum. He said the $500,000 subgrant would allow the Boys and Girls Club to implement the new curriculum, and a portion of the annual fundraising dollars raised by the Boys and Girls Club would be dedicated to maintaining the new curriculum going forward. Mr. Wurm said additional funding allowed the Boys and Girls Club to have a greater impact and reach more youth.

Assemblywoman Carlton thanked Mr. Wurm for his response. She wanted to ensure that children would benefit from the funds provided to the Boys and Girls Club. She requested that Mr. Wurm provide the Committee with a six-month update on the utilization of the subgrant funds and the progress made by the Boys and Girls Club. Mr. Wurm agreed.

Senator Spearman said when she moved to Nevada in 2005 she noticed there was a lack of youth services in North Las Vegas. Although there had been some improvement, it was not enough. She asked if overlay data was used to determine whether the funds were being maximized. She also asked the distance between North Las Vegas and the nearest Boys and Girls Club. Mr. Wurm said he was uncertain of the distance from North Las Vegas to the nearest Boys and Girls Club, but he thought that a new club was scheduled for construction near or in North Las Vegas. He said he would obtain the information and provide it to the Committee.

Senator Spearman thought the Boys and Girls Club had done an excellent job of spending funds wisely. However, she was concerned about the distance students in North Las Vegas must travel to reach the nearest Boys and Girls Club. She said the closest Boys and Girls Club to the area of Ann and Simmons Streets in North Las Vegas was ten miles, which was 2 hours and 17 minutes on foot, 1 hour and 4 minutes by bus, and 18 minutes by car. Additionally, a cost was involved to travel by bus or car. Senator Spearman said most faith-based and community organizations would not associate after-school programs with the OAG; therefore, they would not think to look at the OAG website for the RFP. Unless there was a deliberate method of outreach and education, she was unsure those communities would even be aware that an RFP existed. She asked how the Boys and Girls Club intended to reach out to other organizations for capacity

building to make sure constituents in North Las Vegas had access to education and prevention programs prior to construction of a new club. She said substance abuse prevention was important; therefore, she thought the state would want to cast a wide net and include several organizations. Senator Spearman said many faith-based and community organizations were doing work similar to the Boys and Girls Club, but with much less funding.

Mr. Laxalt replied that the OAG was open to alternative means of advertising the RFP in order to reach more entities. He said the OAG was making an effort to address the opioid epidemic in the state, and the settlement funds provided a unique opportunity to use non-taxpayer dollars to implement an innovative program that could help. The Positive Action program was a new program for Nevada, and it would be good to know if it was helpful and effective for the state. Mr. Laxalt said the program was not meant to cover prevention throughout the state. The state, in conjunction with the DHHS, coalition partners and others, would continue to monitor the opioid issue.

Senator Spearman asked if the funds requested in the work programs were being maximized to reach communities that were at greatest risk based on available data. She said earlier testimony indicated the funds would be used in areas where communities were most vulnerable, and where there was a lack of coordinated after-school programming. She said there were a lot of vulnerable communities in North Las Vegas, many of which were of color and economically disadvantaged. Senator Spearman said it would be helpful to know the names of the community partners.

Mr. Trutanich said the backup documentation provided with the work programs included a budget outlining how the funds would be disbursed to various Boys and Girls Clubs around the state (page 102, Exhibit A). He said Linda Lang of the NSCP was available to address the community coalition partners. Mr. Trutanich said the OAG was trying to address a crisis in the state and establish a variety of partnerships, while simultaneously focusing on law enforcement and drug disposal through incineration. He said the OAG was proud to partner with the Governor's Office, DEP, DHHS and the community partners. Mr. Trutanich said the initiatives were expansive, but it was undetermined if the state's opioid epidemic would be resolved as a result.

Assemblywoman Carlton said she understood the concerns of her colleagues, because the distance from the far eastside of Las Vegas to a Boys and Girls Club was a long way. When her daughters were young, they had to be driven to the Boys and Girls Club, because it was too far for them to go alone.

Assemblywoman Carlton asked if settlement funds would still be available at a later date to address some of the issues mentioned by Committee members.

Mr. Laxalt replied that the OAG wanted to help in as many ways as possible. He said the OAG was willing to engage with anyone interested in the process. He said some of the settlement funds would be used for various activities by the community coalition.

Mr. Laxalt invited Senator Spearman and other Committee members to attend the next meeting of the Nevada Substance Abuse Working Group where the members could address questions and concerns. He said the group could tailor a presentation to provide the most current statistics concerning the opioid epidemic. He said some of the data concerning opioid overdose and related issues was from 2015 and 2016, because it was difficult to stay current with the data. Mr. Laxalt said, although there may be a higher percentage of other drug-related issues in Clark County, the rural areas actually experienced higher percentages of opioid overdoses than Clark County. He said the OAG was working in conjunction with the Governor and the Governor's Opioid State Action Accountability Taskforce to address the opioid crisis. He was proud of the state's efforts, because many states had not yet begun to address the opioid epidemic.

Assemblywoman Carlton said the Committee was aware of the state's efforts to address the state opioid epidemic and proud of the Governor for taking the lead on the matter. She said a number of legislators had proposed bills that also addressed the state's opioid epidemic. Assemblywoman Carlton restated her question concerning whether settlement funds would be available for additional programs.

Mr. Trutanich said Work Program C41656 was a request for $676,000 to provide a subgrant to the community coalition. He said Ms. Lang would discuss the specific programs with which the NSCP was partnered in North Las Vegas through the community coalition.

Ms. Lang said, per the CARE and PACT Coalitions, partnerships in addition to the Boys and Girls Clubs included school district programs such as Afterschool All-stars, an evidence-based program in the middle schools; Positive Action, available in the elementary schools; senior medical management programs; preschool, elementary, middle and high school post-grad work readiness programs; and parenting classes. Additionally, the police athletic leagues provided after-school programming. Ms. Lang said the WestCare Foundation was also involved with Positive Action. She said she would provide additional information regarding the coalitions and how they distributed funds at the end of the presentation.

Assemblywoman Monroe-Moreno said the data from 2015 and 2016 indicated that many areas affected by the opioid epidemic were areas without a Boys and Girls Club. There was a significant number of children in the state who needed help, but did not attend a Boys and Girls Club. She asked if the Boys and Girls Club had a

plan to work with other community organizations that worked with children in order to make the funds go further.

Mr. Wurm replied that over 32,000 youth were registered members of the Boys and Girls Club. Through community outreach efforts in 2016, the Boys and Girls Clubs reached an additional 41,000 youth. He said the Boys and Girls Club was always seeking opportunities to partner with other entities, because it was the lifeblood of the organization. Mr. Wurm said the Boys and Girls Club opened sites in Fernley, Winnemucca, Ely and McGill in the past four to five months. Additionally, the Boys and Girls Club of Mason Valley ran a site in Hawthorne. He said the Boys and Girls Club of Truckee Meadows would entertain the idea of partnering with any entity recommended by the Committee. He said the Boys and Girls Club had 22 sites across Northern Nevada, 12 of which were located in schools, which reduced the expense of maintaining a separate building. He said his counterparts throughout the state would also be open to partnering with other agencies. Mr. Wurm noted the largest area of growth for the Boys and Girls Club was outside of brick and mortar buildings.

Assemblywoman Monroe-Moreno asked if the settlement funds would be exhausted if the subgrant was approved, or if funds would still be available for additional programs. Mr. Trutanich replied that the total Volkswagen settlement was $5.3 million. The balance of the settlement funds would be $1.5 million if the work programs were approved by the Committee as written. However, if the Criminal Investigator position was extended from five years to ten, the remaining funds would be reduced to approximately $700,000 to $800,000. Currently, the Criminal Investigator position was budgeted for five years; therefore, $1.5 million would remain to fund other initiatives with additional partners.

Senator Denis noted that one of his first bills as a legislator 13 years ago focused on opioid abuse. He said most of the discussion today focused on preventative measures for youth. Although it was important to educate youth to prevent opioid addiction in the future, he said it was also important to focus on intervention efforts for adults struggling with opioid addiction. Senator Denis remarked that the Governor's Opioid State Action Accountability Taskforce was working to address adult opioid addiction.

Mr. Trutanich replied that Ms. Lang would discuss the fourth item, which focused on community partnerships. He thought it was important to provide background information about the NSCP, and who it was partnering with throughout the state.

Ms. Lang said the coalitions that were part of the NSCP were not agencies that directly ran programs. The agencies were the communities themselves, made up of key stakeholders. Multiple strategies to address the statewide opioid issue began in 2014, including take-back days and drop boxes to remove narcotics from homes and the streets.

Ms. Lang said the incinerators, Narcan, and the Criminal Investigator position were critical pieces in reducing the opioid epidemic in Nevada. Legislation concerning Narcan that was passed during the 2015 Legislative Session helped get the drug to first responders, treatment facilities, parents and caregivers. However, the most important piece in addressing opioid addiction was prevention programming. She said discussion during the meeting today focused on preventative measures for youth, because of the presentations given by the Boys and Girls Clubs and the Yenick family; however, prevention efforts did not end there. Ms. Lang said prevention programming was broad-based and included the neonatal population through the elderly population. She noted the elderly population was the most vulnerable population in the state.

Ms. Lang said funds provided to the community coalitions were disbursed strategically by the coalitions to their community partners. The funds were disbursed based on data provided at the local level, as well as data received from the state Office of Public Health Informatics and Epidemiology. Most importantly, data was received from all the members of the coalition, such as law enforcement, school districts, prevention providers, treatment facilities, mental health facilities, youth and their parents. She said all the coalition members provided input about gaps in the community. For example, a short time ago Ms. Lang was introduced to the Yenick family through the Attorney General. Within approximately 30 days the This is (Not) About Drugs program was introduced to the community coalitions, and two pilot sites were established in Carson City and Fallon. She said the This is (Not) About Drugs program was the first evidence-based, opioid-specific prevention program in the state. Portions of the program were directed at youth, parents and the community. Ms. Lang said the This is (Not) About Drugs program pilot would begin in early 2018. If successful, the program would be introduced to communities across the state. She said that was just one example of how things could get accomplished when the state and communities worked together. She reiterated that all of the community coalition programming was data-based and evidenced-based, and the funding would allow the state to go beyond primary prevention programming. Ms. Lang indicated that the partners at the federal level were very particular about what the coalitions could fund with respect to prevention. She said there were many other issues related to intervention that needed attention, such as early intervention, intervention for individuals at risk, and intervention for individuals struggling with addiction. The requested funds would allow the NSCP to broaden its efforts and focus on those areas as well.

Mr. Laxalt said the final topic of discussion concerned the addition of a Criminal Investigator position. At the beginning of the year, Aaron Rouse, the Special Agent in Charge (SAC) of the Las Vegas Division of the Federal Bureau of Investigation (FBI) informed Mr. Laxalt that the FBI was initiating the Health Care Fraud Task Force (HCFTF) to more effectively address the opioid epidemic in Nevada. The Criminal Investigator would be embedded in the HCFTF, which would potentially allow the OAG to prosecute cases that were not the jurisdiction of the Department of Justice. He thought it was important to have the OAG and the

state integrated into a federal task force on opioid issues. Mr. Laxalt provided a copy of a letter from SAC Rouse for the record (Exhibit C).

Assemblywoman Carlton understood the OAG planned to fund the Criminal Investigator position for five years using the settlement funds. In addition, the Committee recommended that the OAG request the position as a budget enhancement for the upcoming 2019-21 biennium. Mr. Trutanich agreed.

Assemblywoman Monroe-Moreno asked if the Criminal Investigator position would be a new hire or an existing staff member. She also asked what the current caseload was for the Medicaid and Insurance Fraud Investigators, and how soon a case was assigned to an investigator after a complaint was filed.

Mr. Trutanich replied that the OAG Medicaid Fraud Control Unit (MFCU) was a robust, federally-funded unit with approximately eight investigators. He said the new Criminal Investigator position was a different type of position and would be funded using non-taxpayer settlement dollars. The OAG would announce the position upon the Committee's approval, and the position would be filled by the beginning of 2018. He said the new Criminal Investigator would immediately begin working with the HCFTF.

Mr. Trutanich said the average time for a case to be assigned to an investigator varied based on the type of case. He said minor books and records violations were prosecuted quickly. Large fraudulent scheme cases involving multiple facilities and paperwork, such as "dirty doctor" cases, could take years to prosecute. Those types of cases were complicated to investigate and required a lot of resources, which was why the FBI asked the Attorney General to dedicate resources for that purpose.

Assemblywoman Monroe-Moreno asked if the Criminal Investigator position would be a new hire, and Mr. Laxalt said that was correct.

> ASSEMBLYMAN FRIERSON MOVED TO APPROVE AGENDA ITEMS D-2, D-3, D-21 AND D-22.
>
> SENATOR DENIS SECONDED THE MOTION.

Assemblyman Frierson said he spent ten years at the Boys and Girls Club on 9th Street in Reno. He said the discussion today was not intended to scrutinize an organization that served the community well. However, he thought it was frustrating that certain communities often lacked the same energy and resources, and the Committee was accountable to those communities for the resources that were allocated. He said the dynamics were different throughout the state, but there was frustration in some of the growing parts of the Las Vegas Valley. He said resources needed to be distributed to those communities as well. Assemblyman Frierson said, based on his own experience, the Boys and Girls

Clubs shared that interest, and it was appreciated. He said it was important to ensure that other communities also received the help they needed. Chair Woodhouse agreed.

Senator Denis said there was a lot more discussion about the statewide opioid epidemic now than there had been 13 years ago when he first became a legislator. He said it was a significant issue, and he appreciated the discussions and the programs being brought forward to address the matter.

THE MOTION PASSED UNANIMOUSLY.

23. **Department of Health and Human Services - Public and Behavioral Health - Northern Nevada Adult Mental Health Services - FY 2018 -** Addition of $502,743 in federal Assisted Outpatient Treatment (AOT) Program grant funds to provide continued court ordered community-based outpatient treatment services for individuals with severe and persistent mental illness who have a recent and repeated history of non-compliance with treatment. Requires Interim Finance approval since the amount added to the AOT grant category exceeds $75,000. **Work Program #C40363**

    Refer to motion for approval under Agenda Item D.

24. **Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2018** - Transfer of $6,133,404 from the Personnel Services category to the Professional Services category and $929,424 from the Personnel Services category to the Mental Health Tech Services category to continue services with temporary and contracted staff to meet the needs of the clients. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds $75,000. **Work Program #C40614**

    Refer to motion for approval under Agenda Item D.

25. **Department of Health and Human Services - Public and Behavioral Health - Facility for the Mental Offender - FY 2018** - Transfer of $905,344 from the Personnel Services category to the Professional Services category to cover the anticipated costs for contracted physicians, psychiatrists and other professionals due to the inability to hire state positions. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds $75,000. **Work Program #C40366**

    Refer to motion for approval under Agenda Item D.

26. **Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2018** - Addition of $16,172,600 in federal Victims of Crime Assistance (VOCA) grant funds to allow direct service

providers to respond to the emotional and physical needs of crime victims, assist primary and secondary victims of crime to stabilize their lives after victimization, assist victims to understand and participate in the criminal justice system and provide victims of crime with a measure of safety and security. Requires Interim Finance approval since the amount added to the U.S. Crime Victims-VOCA category exceeds $75,000. **Work Program #C40158**

Senator Spearman said Work Program C40158 requested the addition of approximately $16 million in federal Victims of Crime Assistance (VOCA) grant funds to allow direct service providers to respond to the emotional and physical needs of crime victims. She asked for the current status of available resources, and how that would impact the implementation of long-term support for victims involved in the horrific Route 91 shooting in Las Vegas on October 1, 2017. She asked how the state came to receive the funds from the Department of Justice.

Kelly Wooldridge, Administrator, Division of Child and Family Services (DCFS), DHHS, said there were two types of Victims of Crime funding in Nevada. Work Program C40158 was for the first type of funding, which was administered by the DCFS for victims assistance. Victims assistance funds were distributed to approximately 54 agencies across the state that provided services to victims. Services included immediate physical and emotional needs, crisis intervention, hotline counseling, emergency food, clothing and transportation, personal advocacy, information referral and advocacy, mental and behavioral health support to primary and secondary victims, peer support, participation in the criminal justice system and forensic medical exams.

Ms. Wooldridge said the funds were part of a formula grant and based on the state's crime rate. Under the VOCA grant, 10 percent of the funds were required to go toward victims of sexual assault, 10 percent to victims of domestic violence and 10 percent to victims of child abuse. Ms. Wooldridge said the second part of victims funding was administered by the Department of Administration for victims compensation. Victims compensation funds could be used to assist with hospital and ambulance bills, medical and dental treatment, behavioral health counseling, funeral and burial expenses, loss of support for dependents, insurance copayments and relocation expenses.

Senator Spearman said a couple of bills were proposed during the 2017 Legislative Session to address victims of domestic violence. She recalled a bill sponsored by Senator Cannizzaro that assisted women in leaving unsafe conditions and provided compensation for lost wages. During committee hearings, there was discussion about how to compensate victims, but not at the expense of employers. Senator Spearman asked if the VOCA grant funds could be used for that purpose. Ms. Wooldridge replied that victims compensation funds provided through the Department of Administration covered lost wages for victim relocation.

Senator Spearman asked if there was a central repository for distribution of funds for victims services and compensation, or if multiple agencies were involved in the process. Ms. Wooldridge replied that several agencies were involved in the distribution of funds, including the DCFS, OAG and the Department of Administration.

Senator Spearman said she received e-mails from victims and family members of the Route 91 shooting that contained graphic details of the event. She was particularly concerned about mental health services for victims of the shooting, which needed to be addressed immediately. She asked how much money would be allocated toward the victims of the Route 91 shooting.

Ms. Wooldridge replied that the DCFS currently had authority for $22 million; however, the division received an award of $16 million on October 1, 2017, from the victims assistance portion of the VOCA grant. She said the Department of Justice (DOJ) invited the state to apply for the Anti-terrorism and Emergency Assistance Program (AEAP) grant. At the division's request, the DOJ provided four consultants to assist with the application for a needs assessment, which was required to apply for the AEAP grant. The consultants would also assist with the grant writing process. Ms. Wooldridge said she was a member of the Steering Committee. Other members of the committee included Dr. Stephanie Woodard, representatives from Southern Nevada Adult Mental Health Services, the Clark County Emergency Management team, and several Assistant County Managers.

Ms. Wooldridge said the DOJ indicated that a $50 million federal fund was available for incidents of mass violence, such as the Route 91 shooting. Approximately $9 million was provided for the Boston Marathon bombing, and approximately $8.5 million was provided for the nightclub shooting in Orlando, Florida. She was unsure how much the State of Nevada would be awarded, because the needs assessment had to be completed before the grant could be written; however, the DOJ advised that Nevada's unencumbered funds could be used for victims assistance in the meantime.

Ms. Wooldridge said, according to Clark County Deputy Fire Chief, John Steinbeck, the Family Assistance Center would be converted to the Vegas Strong Resiliency Center on Monday, October 23, 2017. She said the Vegas Strong Resiliency Center would be a referral and resource center for victims in need of immediate services. She stated that the DCFS would provide unencumbered funds for the referral and resource center, which would be replaced when the AEAP grant funds were awarded in spring or summer of 2018.

In response to a question from Senator Spearman, Ms. Wooldridge said there were two different grants that would help victims of the Route 91 shooting. One grant was for victims compensation through the AEAP, and the other grant was for victims assistance through the VOCA grant.

Senator Spearman said it seemed as though there were a lot of moving parts for victims assistance. She asked if one agency would be responsible for coordinating all forms of assistance for victims of the Route 91 shooting, and if that agency would have immediate access to the grant funds.

Jim Wells, Director, GFO, said the Board of Examiners received a quarterly report on the Victims of Crime fund. At the end of the previous quarter, projections indicated that the Victims of Crime fund contained approximately $13 million. Mr. Wells indicated that the Victims of Crime program in California also provided compensation to California residents who were at the Route 91 event. He said representatives from the California Victims of Crime program were in Las Vegas to assist California residents in signing up for the program. He added that California residents were also eligible for the Nevada program. Mr. Wells said several hundred applications had been submitted to the Victims of Crime program as a result of the Route 91 shooting.

Ms. Wooldridge said the DCFS, DPBH and Clark County were working jointly through the Vegas Strong Resiliency Center to provide all forms of assistance in one central location for victims of the Route 91 shooting.

SENATOR SPEARMAN MOVED TO APPROVE AGENDA ITEM D-26.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY. (Assemblyman Frierson and Assemblyman Sprinkle were not present for the vote.)

27. Department of Corrections - Prison Medical Care - FY 2018 - Transfer of $599,962 from the Personnel Services category to the Professional Services category to fund contracted services for licensed healthcare professionals to provide the constitutionally-required healthcare to inmates as projected through the first and second quarters of FY 2018. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds $75,000. **Work Program #C40687**

Refer to motion for approval under Agenda Item D.

28. Department of Motor Vehicles – Motor Vehicle Pollution Control - FY 2018 - Transfer of $1,606,090 from the Reserve category to the City/County Air Quality category to distribute excess reserve funds to county governments. Requires Interim Finance approval since the amount transferred to the City/County Air Quality category exceeds $75,000. **Work Program #C41342**

Refer to motion for approval under Agenda Item D.

29. Department of Public Safety - Investigation Division - FY 2018 - Addition of $1,033,867 in federal National Institute of Justice grant funds to support the operating/administrative functions and activities associated with the state's Safe-to-Tell Program. Requires Interim Finance approval since the amount added to the Safe-to-Tell Program category exceeds $75,000. **Work Program #C41237**

Ryan Miller, Deputy Chief, Investigation Division, Department of Public Safety (DPS), said Work Program C41237 was a request to receive grant funds to support operation and administrative functions and activities associated with the Department of Education Safe-to-Tell Program. Specifically and primarily, the funds would be used to operate the support center, which was a 24/7/365 program to receive and vet tips, and distribute the information to local law enforcement and/or multidisciplinary teams as outlined in the *Nevada Revised Statutes* (NRS).

Senator Parks said he supported the division's request. He asked if the request was subject to approval by the Board of Examiners.

Jim Wells, Director, GFO, replied that the scope of work to be completed in Work Program C41237 must be approved by the Director of the Office of Safe and Respectful Learning Environment pursuant to NRS 388.1455, as amended by S.B. 212 of the 2017 Legislative Session. He said NRS 388.1455 also gave the Office of Safe and Respectful Learning Environment control over the scope of work for this particular project for the Safe-to-Tell Program. Mr. Wells said the scope of work between the DPS and Department of Education (NDE) was underway and should be completed shortly. He said no money was associated with the contract, because the funds were already available and would go directly to the Investigation Division; however, the GFO requested that the contract include an approval level for the Board of Examiners so it would be routed through the GFO. Mr. Wells said the work program would remain on hold pending approval of the contract by the GFO.

Assemblyman Thompson noted that the division was contemplating converting four contract positions to state positions. He asked how that decision was justified, and if the Investigation Decision forecasted the sustainability of the positions. He thought the Safe-to-Tell Program was an excellent program and necessary in the community; therefore, he did not want it to be susceptible to downsizing or elimination during an economic crisis. Assemblyman Thompson asked how the Investigation Division would prepare for the transition.

Mr. Miller replied that it was initially decided that the positions would be converted from contract positions to state positions for expediency purposes. He explained that the process of creating new state positions was lengthy, even with grant funds. The division wanted enough time to evaluate the program and learn from the results in order to determine the needs of the program. Mr. Miller said the division anticipated the Safe-to-Tell Program would be successful. The division's

plan was to convert the contract positions to state-funded positions moving forward, which would have to occur during the 2019 Legislative Session based on when the grant funding was due to expire.

Assemblyman Thompson said it was important to be mindful that there was a different formula for funding state positions, because benefits had to be incorporated. In his professional life he was disappointed to witness the elimination of an excellent program when grant funding ended. Mr. Miller replied that the division accounted for the difference in cost during the transition period. Additionally, the cost of the full-time state employee positions would be included as a budget enhancement in the 2019-21 budget cycle.

Assemblyman Thompson asked if the call center would accommodate multiple languages. Mr. Miller replied that although a hotline and website would be available, the primary method of receiving information would be through a Smart Phone app. He said the division would discuss the matter of multiple languages with the State of Colorado Attorney General's Office, because Colorado had a Safe-to-Tell Program and was a good resource.

Assemblywoman Spiegel agreed that the Safe-to-Tell Program was an excellent program. She was pleased to have served on the Safe-to-Tell Advisory Task Force during the 2015-16 Interim. Assemblywoman Spiegel said she was impressed with the Colorado program and looked forward to establishing a similar program in Nevada. She asked when the division anticipated the Safe-to-Tell Program would be fully staffed and operational.

Mr. Miller replied that, in terms of the Investigation Division's role in the support center, the division anticipated the hiring process would begin in November 2017 if the request was approved by the Committee. The first cohort of schools was expected to begin utilizing the program January 1, 2018.

Christine McGill, Director, Office of Safe and Respectful Learning Environment, NDE, said the project had multiple components. The Safe-to-Tell Program was a collective impact project between the DPS, NDE and DPBH. She said all pieces of the program should be ready to go in January 2018. The schools in the first cohort established response plans for behavioral health, criminal and other issues based on what the Colorado Safe-to-Tell Program had experienced. Ms. McGill said it was also important to ensure the program had resources, connections and partnerships available so students had access to a complete network.

Chair Woodhouse requested that the Committee receive copies of any reports submitted to the Pacific Institute for Research and Evaluation regarding the activities of the Safe-to-Tell Program.

SENATOR PARKS MOVED TO APPROVE AGENDA ITEM D-29 CONTINGENT UPON THE FINALIZATION

OF THE AGREEMENT BETWEEN THE DEPARTMENT OF EDUCATION AND THE DEPARTMENT OF PUBLIC SAFETY.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Woodhouse called a recess at 10:57 a.m. The meeting was reconvened at 11:10 a.m.

30. **Department of Public Safety - Division of Emergency Management - FY 2018** - Addition of $48,406 in Governor's Office of Nuclear Projects Waste Isolation Pilot Plant funding to cover increased expenditures associated with the oversight of transuranic waste shipments within Nevada. Requires Interim Finance approval since the amount added to the Waste Isolation Pilot Plant category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C40133**

    Refer to motion for approval under Agenda Item D.

31. **Department of Public Safety - Division of Emergency Management - FY 2018** - Addition of $95,347 in Federal Emergency Management Agency (FEMA) federal funds to cover the division's management costs associated with the February Northern Nevada flooding disaster. Requires Interim Finance approval since the amount added to the FEMA 4307 Northern Nevada February Disaster category exceeds $75,000. **Work Program #C39823**

    Refer to motion for approval under Agenda Item D.

32. **Department of Public Safety - General Services Division - Central Repository for Nevada Records of Criminal History - FY 2018** - Addition of $2,420,928 in federal Office of Criminal Justice Assistance grant funds transferred from Department of Public Safety, Criminal Justice Account, to support the ongoing operations of the federal National Crime Statistics Exchange (NCS-X) project. Requires Interim Finance approval since the amount added to the NCS-X NIBRS grant category exceeds $75,000. **RELATES TO ITEM D. 33**. **Work Program #C41267**

    Refer to motion for approval under Agenda Item D.

33. **Department of Public Safety - Criminal Justice Assistance - Justice Assistance Act - FY 2018** - Addition of $3,293,727 in federal Bureau of Justice Statistics grant funds to support the National Crime Statistics Exchange (NCS-X) implementation project. Funding will facilitate the data repository deployment,

records management system server upgrades, and assist allied law enforcement agencies with the transition to the Incident Based Reporting (IBR) system. Requires Interim Finance approval since the amount added to the NCS-X grant category exceeds $75,000. **RELATES TO ITEM D. 32**. **Work Program #C41265**

Refer to motion for approval under Agenda Item D.

34. **Department of Conservation and Natural Resources - Forestry - FY 2018** - Addition of $19,616 in Transfer of the Nevada Division of Environmental Protection (NDEP) subgrant funds for the Big Bend Ecosystem Health Improvement project. Requires Interim Finance approval since the amount added to the NDEP South Fork Agreement category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C40137**

    Refer to motion for approval under Agenda Item D.

35. **Department of Conservation and Natural Resources - Forestry - FY 2018** - Addition of $75,000 in federal U.S. Bureau of Land Management (BLM) grant funds and deletion of $22,831 in federal U.S. Forest Service grant funds to align funding for forest and woodland resource management activities. Requires Interim Finance approval since the amount added to the Federal BLM Nevada Forestry Program category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C40153**

    Refer to motion for approval under Agenda Item D.

36. **Department of Conservation and Natural Resources - Forestry - FY 2018** - Addition of $300,000 in federal U.S. Forest Service (USFS) Fuels Reduction grant funds and deletion of $10,000 in USFS Consolidated Payments grant funds to align funding to implement the Storey County fuels reduction project. Requires Interim Finance approval since the amount added to USFS Storey County Fire Protection District Fuels Reduction category exceeds $75,000. **Work Program #C40676**

    Refer to motion for approval under Agenda Item D.

37. **Department of Conservation and Natural Resources - Forestry - FY 2018** - Addition of $3,276,646 in federal U.S. Forest Service (USFS) grant funds to align funding for forest health projects. Requires Interim Finance approval since the amount added to the USFS Consolidated Payments grants category exceeds $75,000. **Work Program #C40812**

    Refer to motion for approval under Agenda Item D.

38. **Department of Conservation and Natural Resources - Forestry - FY 2018** - Addition of $57,470 in federal U.S. Forest Service (USFS) Forest Health grant funds to align funding for western bark beetle infestation treatment activities.

Requires Interim Finance approval since the amount added to the USFS Insects and Diseases grants category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C40862**

Refer to motion for approval under Agenda Item D.

39. **Department of Conservation and Natural Resources - Forestry - FY 2018** - Addition of $1,129,234 in the federal U.S. Forest Service (USFS) Fuels Reduction grant funds to align funding for hazardous fuels reduction activities. Requires Interim Finance approval since the amount added to the Fuels Reduction grant category exceeds $75,000. **Work Program #C40881**

    Refer to motion for approval under Agenda Item D.

40. **Department of Conservation and Natural Resources - Forestry Division - Forest Fire Suppression - FY 2019** - Deletion of $2,500,000 in General Fund appropriations to support a projected shortfall in Fiscal Year 2018 due to higher than anticipated expenditures for personnel and fire response operations. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 32 (2017 Legislature). **RELATES TO ITEM D. 41, 42 and 43**. **Work Program #C41721**

    This item was discussed in conjunction with Agenda Items D-41, D-42 and D-43. Refer to testimony and motion for approval under Agenda Item D-43.

41. **Department of Conservation and Natural Resources - Forestry Division - Forest Fire Suppression - FY 2018** - Addition of $2,500,000 in General Fund appropriations to support a projected shortfall in Fiscal Year 2018 due to higher than anticipated expenditures for personnel and fire response operations. Requires Interim Finance approval pursuant to of Assembly Bill 518, Section 32 (2017 Legislature). **RELATES TO ITEM D. 40, 42 and 43**. **Work Program #C41737**

    This item was discussed in conjunction with Agenda Items D-40, D-42 and D-43. Refer to testimony and motion for approval under Agenda Item D-43.

42. **Department of Conservation and Natural Resources - Forestry Division - Forest Fire Suppression - FY 2018** - Addition of $1,200,000 from the Wildland Fire Protection Program account to support a projected shortfall due to higher than anticipated expenditures for fire response operations. Requires Interim Finance approval since the amount added to the Fire Suppression Costs category exceeds $75,000. **RELATES TO ITEM D. 40, 41 and 43**. **Work Program #C41736**

    This item was discussed in conjunction with Agenda Items D-40, D-41 and D-43. Refer to testimony and motion for approval under Agenda Item D-43.

43. **Department of Conservation and Natural Resources - Forestry Division - Wildland Fire Prevention Program - FY 2018** - Transfer of $1,200,000 from the

Reserve category to the Transfer to Budget Account 4196 category (Forest Fire Suppression) to support a projected shortfall due to higher than anticipated expenditures for fire response operations. Requires Interim Finance approval since the amount transferred to the Transfer to Budget Account 4196 category exceeds $75,000. **RELATES TO ITEM D. 40, 41 and 42**. **Work Program #C41762**

This item was discussed in conjunction with Agenda Items D-40, D-41 and D-42.

Kacey KC, acting State Forester, Forestry Division, DCNR, said all four work programs included a transfer of funds for a shortfall projected in the Forest Fire Suppression Account due to increased fire activity in the current season. The first two requests were for the transfer of $2.5 million in General Funds, approved during the 2017 Legislative Session, from FY 2019 to FY 2018 in the Forest Fire Suppression Account. Ms. KC said a revision was made to Work Programs C41736 and C41762, which increased the request by $355,452 in the Personnel category; therefore, a total of $1,555,452 would be transferred from the Wildland Fire Protection Program to the Forest Fire Suppression Account to cover the shortfall. She said the increase was due to the actuals from the August 2017 response, which was 220 percent higher than the division's five-year average.

Ms. KC thanked the Governor's Finance Office and LCB Fiscal staff for their assistance in finding a solution. She said in 2017 to date, the division responded to 732 fires in Nevada, exceeding 1.2 million acres burned. She said 2017 was the third most severe fire season in Nevada, topped by 2006, when more than 1.3 million acres burned, and 1999, when nearly 1.9 million acres burned. Ms. KC said the cost of wildfires in Nevada and much of the nation was borne by the agency at the fire's point of origin. The agency then sought reimbursement based on cost shares and other agreements, and any federal grants or federal assistance agreements. She said 150 fires in 2017 had been in the division's area of responsibility, which was double the previous five-year average. Additionally, 331,392 acres had burned in the division's area of responsibility, which was 13 times the previous five-year average. Ms. KC said the division recognized the need for billings to be processed quickly. She said the division had increased the number of staff and improved efficiencies in processes within the division's billing department. To date, the division's fire billing receivables exceeded $2 million. It was projected that over $10 million was owed to the state from Federal Emergency Management Agency (FEMA) grants for flood response in the spring and fall of 2017, as well as Fire Management Assistance grants for qualifying fires. Ms. KC said the division received a memorandum from FEMA regarding the delay of all payments due to ongoing life safety and life sustaining responses primarily for hurricanes, but also for wildland fires across the nation.

Assemblyman Sprinkle asked about the timeframe for FEMA reimbursements. Ms. KC replied that many of the agencies the division worked with were also first responders. She said it could take one to four years for bills to be adjudicated, and reimbursements were typically received approximately three months after that.

The division processed the bills quickly for the 2017 flood responses, but FEMA reimbursements may be delayed due to the recent hurricanes, which would impact the division's reimbursements from local jurisdictions that received funding from FEMA. Ms. KC said she did not have an expected delivery date for reimbursements.

Assemblyman Sprinkle said, if the work programs were approved, it would bring the Forest Fire Suppression Account into balance; however, there was still the potential for more fires in FY 2018. He asked how the division would manage the fiscal impact of additional fires for the remainder of the fiscal year.

Ms. KC replied that the division was prepared for above-average fire response for the remainder of the year. In fact, Nevada and California were currently in red-flag warning status due to low humidity and high winds. Based on the four-year average, the division anticipated that the requested funding would be adequate through January 2018. Ms. KC said it was difficult to predict the number of potential fires over the next few months; however, the division would submit additional work programs as needed.

Assemblywoman Titus said fires impacted both urban and rural areas. She appreciated the efforts of first responders, especially those protecting Nevada.

Assemblywoman Titus said she was recently driving on Interstate 95 and noticed the dryness and large amount of weeds. She asked how much of the division's budget was dedicated to fire prevention, and whether the division partnered with other agencies for fire suppression activities along roadways.

Ms. KC replied that a portion of the division's budget was dedicated to prevention measures. She said most of the funding for prevention activities was provided through the U.S. Forest Service State and Private Forestry Program. The funds were based on grants awarded to communities, as well as work with the division's partners and cooperators. She said the division worked with all land management agencies within Nevada, as well as the Nevada Department of Transportation, to perform right-of-way clearances. Ms. KC said the division did not have a specific line item for prevention in any of its budget accounts, but prevention was a large part of the division's strategy moving forward.

Ms. KC said the division was assessing outgoing funds and prevention efforts, both of which would reduce the likelihood of a budget shortfall in the future. She said an ounce of prevention saved the state a significant amount of money on fire suppression. Ms. KC said the division was considering ways to partner with additional agencies and obtain more funding. She said there was a lot of federal legislation and activity happening at higher levels that would allow for these partnerships. Ms. KC said the best way to manage the cost of forest fires was with properly trained staff, the correct amount of equipment and fuel breaks, and large-scale restoration projects.

Senator Goicoechea said the total amount to cover the projected shortfall was $4 million. He said it could be a year or more before reimbursement was received for fires fought several months ago. He said it was difficult to predict an upcoming fire season, which made it difficult to budget correctly. The cost of fire suppression was rising due to the increased use of air attacks, which meant costs would continue to rise. He said the cost of fire suppression in 2017 to date, compared to the number and size of the fires, highlighted the rising cost of fire suppression. Senator Goicoechea said the method of initial attack was the most effective way to reduce the cost of fire suppression. He said a fire of approximately 100,000 acres could cost between $10 million and $15 million, and the cost increased significantly when a fire reached type 2 or 3. He supported the request, and hoped the division could avoid a true shortfall.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, LCB, said based on further information provided by the division, it appeared that an additional $355,452 would need to be added to the Forest Fire Suppression Account to cover payroll expenses through January 2018. Staff would recommend that an additional $355,452 be transferred from reserve in the Wildland Fire Protection Program budget to the Forest Fire Suppression Account budget. Additionally, Work Program C41736 would need to be adjusted to receive the additional transfer of $355,452 in the Personnel category.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE AGENDA ITEMS D-40, D-41, D-42 AND D-43, INCLUDING THE RECOMMENDED REVISIONS NOTED BY STAFF.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

44. Department of Conservation and Natural Resources - Forestry Division - Wildland Fire Prevention Program - FY 2018 - Transfer of $1,105,112 from the Reserve category to the Equipment category to purchase three wildland fire response vehicles for initial attack activities in support of the protection of life and property. Requires Interim Finance approval since the amount transferred to the Equipment category exceeds $75,000. **Work Program #C39977**

Refer to motion for approval under Agenda Item D.

45. Department of Conservation and Natural Resources - Environmental Protection - Waste Management and Corrective Action - FY 2018 - Transfer of $960,521 from the Transfer to State Agencies category to the Solid Waste category to appropriately account for transfers to non-state agencies. Requires Interim Finance approval since the amount added to the Solid Waste category exceeds $75,000. **Work Program #C40198**

Refer to motion for approval under Agenda Item D.

46. **Department of Wildlife - Conservation Education - FY 2018** - Addition of $48,000 in Transfer of Resource Enhancement Stamp fees and $48,000 in Transfer of License Plate Charge fees to fund a wildlife harvest study. Requires Interim Finance approval since the amount added to the Administration category exceeds $75,000. **Work Program #C40680**

    Refer to motion for approval under Agenda Item D.

47. **Department of Wildlife - Fisheries Management - FY 2018** - Addition of $150,000 in federal Bureau of Land Management grant funds to administer conservation efforts of aquatic species which are currently state protected or listed on the Endangered Species Act list. Requires Interim Finance approval since the amount added to the Fisheries Small grants category exceeds $75,000. **Work Program #C40148**

    Refer to motion for approval under Agenda Item D.

48. **Department of Wildlife - Fisheries Management - FY 2018** - Addition of $1,093,495 in Transfer of Trout Stamp fees to fund hatchery improvement projects. Requires Interim Finance approval since the amount added to the Hatchery Refurbishment category exceeds $75,000. **Work Program #C40801**

    Refer to motion for approval under Agenda Item D.

49. **Department of Wildlife - Habitat - FY 2018** - Addition of $243,486 in Transfer of Industrial Development Assessment fees to fund wildlife habitat projects. Requires Interim Finance approval since the amount added to the Industrial Development Assessment category exceeds $75,000. **Work Program #C40383**

    Refer to motion for approval under Agenda Item D.

50. **Department of Wildlife - Habitat - FY 2018** - Addition of $44,993 in Transfer of Duck Stamp fees to fund migratory game bird and wetland projects. Requires Interim Finance approval since the amount added to the Duck Stamp Projects category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C40405**

    Refer to motion for approval under Agenda Item D.

51. **Department of Wildlife - Habitat - FY 2018** - Addition of $113,356 in Transfer of Upland Game Stamp fees to fund upland game bird projects. Requires Interim Finance approval since the amount added to the Upland Game category exceeds $75,000. **Work Program #C40671**

    Refer to motion for approval under Agenda Item D.

52. **Department of Wildlife - Habitat - FY 2018** - Addition of $228,560 in Transfer of Habitat Conservation fees to fund wildlife habitat conservation projects. Requires Interim Finance approval since the amount added to the Habitat Rehabilitation/Restoration category exceeds $75,000. **Work Program #C40727**

Refer to motion for approval under Agenda Item D.

53. **Office of the Military - FY 2018** - Addition of $97,493 in federal Cooperative Agreement funds to provide ongoing electronic security support to the Nevada National Guard facilities. Requires Interim Finance approval since the amount added to the Electronic Security category exceeds $75,000. **Work Program #C41241**

Refer to motion for approval under Agenda Item D.

54. **Department of Corrections - Correctional Programs - FY 2018** - Addition of $395,798 in U.S. Department of Justice grant funds to implement Nevada's strategic plan for reducing recidivism. Requires Interim Finance approval since the amount added to the Statewide Recidivism Reduction category exceeds $75,000. **Work Program #C41785. RECEIVED AFTER SUBMITTAL DEADLINE, 9-26-17.**

Refer to motion for approval under Agenda Item D.

55. **Department of Education - School Remediation Trust Fund - FY 2018** Transfer of $17,376,864 from the Reserve category to the Full-day Kindergarten category to provide for the distribution of the funds. Requires Interim Finance approval since the transfer to the Full-day Kindergarten category exceeds $75,000. **Work Program #C41828. RECEIVED AFTER SUBMITTAL DEADLINE, 9-29-17.**

Roger Rahming, Deputy Superintendent, Department of Education (NDE), introduced Andrea McCalla, Director of Fiscal Services, NDE. Mr. Rahming said Work Program C41828 was a request to transfer $17,376,864 from Category 86 to Category 34 to distribute funds to school districts and charter schools. He stated that a revision was made in the allocation methodology that caused changes within the school districts and charter schools.

Senator Kieckhefer said the weighted funding rate was converted from 0.60 to 1.0 in the 2015-17 biennium for full-day kindergarten students. It was his understanding that there was a miscalculation in the formula; therefore, the correct funds were not distributed to the school districts and charter schools that operated full-day kindergarten (FDK) in FY 2017.

Mr. Rahming replied that the budget was built based on estimated enrollment and kindergarten class-size reduction, both of which were less than expected. He said the funds would have reverted, but there was no mechanism for that reversion;

therefore, the NDE thought it prudent to distribute the dollars to the school districts and charter school that operated FDK.

Senator Kieckhefer said the funds were categorical and appropriated for kindergarten classes during the 2016-2017 school year. He asked how the funds would be applied to a school year that had already ended. Mr. Rahming replied that the funds would replace funds the school districts and charter schools used to fully fund kindergarten. He said the funds would be added to their ending fund balance.

Assemblywoman Carlton said Clark County School District fully funded its kindergarten classes, but did not receive state funding based on the new weighted funding rate for FDK. She stated that the funds were not meant to revert; they were meant to be distributed to the school districts and charter school with FDK. She said the funds must still be distributed to ensure the funding appropriated for the 2015-17 biennium was funded at the correct level.

Senator Kieckhefer thought there had been a conversion issue; however, Mr. Rahming indicated it was a discrepancy issue between budgeted and actual funds. Senator Kieckhefer said it would not be appropriate to distribute those dollars if there was a discrepancy between budgeted and actual funds. Mr. Rahming clarified that the funds should have been distributed. Pursuant to S.B. 515 (2015 Legislative Session), the General Fund appropriation for the FDK program must be distributed to school districts and charter schools that elected to provide FDK.

Senator Kieckhefer asked if the NDE considered the districts and charter schools that operated FDK to be fully funded in FY 2017 based on enrollment. Mr. Rahming replied that funds were distributed based on FY 2016 enrollment and teacher levels. Although the NDE was short of funding on the benefit piece, the method for how the dollars were distributed was appropriate.

Senator Kieckhefer said, if the NDE was short of funding on the benefit piece, ultimately that would have driven down the per-pupil allotment; therefore, distributing the $17.4 million reduced the gap for the benefit piece. Mr. Rahming replied that the funds would partially reduce the gap; the other piece was the discrepancy between the budgeted and actual amounts.

Senator Kieckhefer said the school districts and charter school that operated FDK should have received funding based on the new weighted funding rate; therefore, it made sense to distribute the outstanding funds immediately. Chair Woodhouse agreed it was incumbent that the state distribute the funds.

Assemblyman Edwards said he was uncertain why additional funds would be distributed after the fact, if costs had already been covered. Mr. Rahming replied

that the state was reimbursing General Fund money that was used to support the FDK program.

In response to a question from Assemblyman Edwards, Mr. Rahming replied that the district and charter school expenditures could have been greater than the dollars that were distributed for the FDK program. To cover those expenditures, General Fund dollars may have been used to fund FDK and kindergarten class-size reduction depending on the district. Mr. Rahming said, although he did not have access to the financial information for the school districts and charter school, if the state did not allocate enough funding to cover benefits, the assumption would be that the school districts and charter schools would have used General Fund dollars to cover the costs.

Assemblyman Edwards said the state appropriated $96 million for the FDK program. He said the state should not be required to contribute additional funds if the school districts or charter schools contributed General Funds to cover costs, or if enrollment was higher than expected.

Mr. Krmpotic said staff did not examine each of the school districts and charter schools involved to determine what amounts were paid in addition to state funding. Staff would indicate that the distribution primarily involved the difference between the 0.60 weighted funding included in the Distributive School Account (DSA) for the 2016-2017 school year, and the additional 0.40 portion for students attending FDK programs as funded by the state for FY 2017. In addition, it was determined that in the distribution of funding versus how the budget was funded, teacher benefits were not included in the distribution. He said Work Program C41828 was based on those two factors, combined with language in S.B. 515 requiring the state to distribute funding for FDK.

Assemblyman Edwards reiterated that the state should not be held financially responsible if school districts or charter schools miscalculated, or if enrollment was higher than expected. If the state opted to cover the difference, it would encourage other agencies to begin doing cost overruns and seeking reimbursement from the state. Chair Woodhouse disagreed with Assemblyman Edwards' rationale.

Mr. Krmpotic said staff would add that the $17.4 million request before the Committee was within the $96 million appropriation.

Assemblywoman Carlton thanked staff for providing clarification that the funds were owed to the school districts and charter schools as part of the appropriation for the FDK program.

> ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM D-55.
>
> SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

E. DEPARTMENT OF ADMINISTRATION – STATE PUBLIC WORKS DIVISION – Request to modify the scope of CIP Project 15-M19, HVAC Renovation, Northern Nevada Adult Mental Health Services, Building 2, for new building relief fans, associated duct work, electrical upgrades and control panel modifications pursuant to NRS 341.145(1)(f) and to transfer authorized money in the total amount of $200,000 from CIP Project 15-M11, Chiller Replacement, Desert Willow Treatment Center, Southern Nevada Child and Adolescent Services, to fund the scope change, pursuant to Assembly Bill 491, Section 34 (2015 Session).

Chris Chimits, Deputy Administrator, State Public Works Division (SPWD), Department of Administration, said the SPWD was requesting to modify the scope of CIP Project 15-M19, HVAC Renovation, Northern Nevada Adult Mental Health Services, Building 2. He said new building relief fans, associated duct work, electrical upgrades and the necessary control panel modifications would be added to the existing scope of work. To pay for the additional work, the SPWD was also requesting authority to transfer $200,000 from CIP Project 15-M11, Chiller Replacement, Desert Willow Treatment Center, Southern Nevada Child and Adolescent Services, which was complete.

In response to a question from Assemblyman Thompson, Mr. Chimits replied that NNAMHS Building 2 was built in the early 1960s.

Assemblywoman Thompson said the cost of an HVAC unit was significant. He asked how much longer the state anticipated using the building. Mr. Chimits replied that the proposed HVAC system had a lifespan of approximately 20 years, which was a reasonable use for the building.

Assemblywoman Carlton mentioned that CIP Project 15-M19, HVAC Renovation, Northern Nevada Adult Mental Health Services, Building 2, was part of the 2015 CIP, not the current budget.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM E.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

F. STATEMENT OF CONTINGENCY ACCOUNT BALANCE.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, LCB, directed Committee members to the Contingency Account statement found on page 11 in Volume II of the meeting packet (Exhibit B). The Contingency Account statement reflected the balances in the Contingency Account prior to and subsequent to actions

taken by the Committee. The balance in the unrestricted General Fund portion of the Contingency Account was approximately $17.3 million, and the balance of the unrestricted Highway Fund portion of the Contingency Account was approximately $1.7 million. Mr. Krmpotic said the cumulative balance of the restricted portion of the Contingency Account was $41.7 million. The details of the restricted amounts were located on pages 12 through 16 in Volume II of the meeting packet (Exhibit B). He said there was a request for $845,510 in unrestricted General Funds from the Division of Emergency Management. Additionally, there was a request from the GFO in the amount of $533,274 for the General Funded piece of the Enterprise Resource Planning project, and $125,089 for the Highway Funded piece. Lastly, there was a request for $25 million for the University of Nevada, Las Vegas (UNLV) Medical School.

G. REQUESTS FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO NRS 353.268. (Note: IFC may approve a different amount for an allocation than the amount requested).

1. Department of Business and Industry – Labor Commissioner – Request for an allocation of $13,578 to fund the annual application fee and user licenses associated with the Labor Commissioner's electronic case management system, and Enterprise IT Services. **WITHDRAWN 9-25-17.**

2. Department of Public Safety – Division of Emergency Management – Request for an allocation of ~~$1,068,000~~ ***$845,510*** to fund unanticipated emergency response action expenditures through the end of Fiscal Year 2018. **REVISED 9-28-17**.

   Caleb Cage, Chief, Division of Emergency Management (DEM), Department of Public Safety (DPS), introduced Justin Luna, Administrative Services Officer, DEM, DPS.

   Mr. Cage said the DEM was requesting $845,510 in emergency funding to cover costs related to recent emergencies throughout the country, specifically Texas, Oregon and Puerto Rico. Each emergency fell under the Emergency Management Assistance Compact (EMAC) and would be reimbursable from the requesting state.

   In response to a question from Senator Goicoechea, Mr. Luna replied that the National Guard MedEvac helicopters were sent to Oregon for needed resources. He said the majority of costs were for equipment. Mr. Luna thought the final equipment cost would be lower than expected, because the MedEvac helicopters were utilized less than expected.

   Senator Kieckhefer asked if reimbursements would be delayed similar to what the Forestry Division was experiencing. Mr. Luna replied that the timeline for reimbursements was specified in the EMAC, which was a nationally adopted mutual aid agreement among states to share resources during times of need. He said there was a 45-day timeframe for each part of the process, including

the reimbursement process. Mr. Luna said there was a provision within the compact that allowed timeframes to be extended in extreme circumstances, such as lack of federal funding or if a response was still in progress.

In response to a question from Sentor Kieckhefer, Mr. Luna said 100 percent of the EMAC activation costs were reimbursable and would be refunded to the Contingency Account upon receipt by the DEM.

Assemblywoman Carlton remarked that $60,510 for National Guard support to Puerto Rico seemed low. She also noted that travel costs were not included. Mr. Luna replied that $60,510 was for National Guard personnel to take communication capability and resources to Puerto Rico. The primary costs were for personnel. He said equipment costs for Puerto Rico were less than equipment costs for Texas and Oregon, because communication equipment was less expensive. Mr. Luna said there were no travel costs, because the National Guard soldiers traveled to Puerto Rico in federal status. He said the soldiers were in state active duty status only while they were on the island.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM G-2 AND REQUIRE THE DIVISION OF EMERGENCY MANAGEMENT TO SUBMIT REPAYMENT TO THE IFC CONTINGENCY ACCOUNT UPON RECEIPT OF REIMBURSEMENT.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

H. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO ASSEMBLY BILL 504, SECTION 1.5 (1)(a) (2017 Legislature) (Note: IFC may approve a different amount for an allocation than the amount requested). Office of Finance in the Office of the Governor – Request for an allocation of $533,274 for a portion of the salaries and related expenses for seven classified state employees, consisting of three full-time and four part-time positions, and one contracted Systems Administrator/Analyst for the replacement of the existing financial and human resource management information technology system.

This item was discussed in conjunction with Agenda Item I. Refer to testimony and motion for approval under Agenda Item I.

I. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (HIGHWAY FUND) PURSUANT TO ASSEMBLY BILL 504, SECTION 1.5 (1)(b) (2017 Legislature) (Note: IFC may approve a different amount for an allocation than the amount requested). Office of Finance in the Office of the Governor – Request for an allocation of $125,089 for a portion of the salaries and related

expenses for seven classified state employees, consisting of three full-time and four part-time positions, and one contracted Systems Administrator/Analyst for the replacement of the existing financial and human resource management information technology system.

This item was discussed in conjunction with Agenda Item H.

Jim Wells, Director, GFO, introduced Patrick Cates, Director, Department of Administration.

Mr. Wells said the GFO was requesting $533,274 in General Funds and $125,089 in Highway Funds from the restricted Contingency Account for the second phase of the Enterprise Resource Planning (ERP) project to replace the state's human resource and accounting systems. He directed the Committee to page 50 in Volume II of the meeting packet (Exhibit B). Mr. Wells said the State Project Management Office Director position was filled by Lee-Ann Easton, former Administrator of the Division of Human Resource Management and Deputy Director of Administration. Additionally, the State Functional Lead, Project Management Office Support, and one other position had been filled. He said the GFO was seeking approval to fund the following positions: Business Process Re-engineering Lead, Integration Lead, Lead Financial Subject Matter Expert (SME), Lead HR SME, Lead Procurement SME, Lead Budget SME, Lead Asset Management SME and Lead Grants SME. He noted that the Lead Asset Management SME, Lead Budget SME and Lead Grants SME would work part-time on the project and spend the remainder of their time performing duties at their existing agencies.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM H AND AGENDA ITEM I.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

J. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SENATE BILL 553, SECTION 1.5 (1) (2017 Legislature) (Note: IFC may approve a different amount for an allocation than the amount requested). Department of Administration – State Public Works Division – Request for an allocation of $25,000,000 to support the division in carrying out the project numbered or otherwise described as Project 17-C15, Complete Planning and Begin Construction of a New Medical School Building, UNLV. **RECEIVED AFTER SUBMITTAL DEADLINE, 9-26-17.**

Chris Chimits, Deputy Administrator, SPWD, Department of Administration, said the SPWD was requesting an allocation in the amount of $25 million from the Contingency Account in accordance with Senate Bill (S.B.) 553 (2017 Legislature). He stated that UNLV had received the required matching donation of $25 million.

Mr. Chimits provided a status update on three items per Section 4.7 of S.B. 553. The first item was the final determination of the size and location of the new medical school building. He said the building would be 220,000 gross square feet and nine stories high. The building would be located on 9.1 acres at 625 Shadow Lane within the City of Las Vegas medical district. The site, which was the former location of the Clark County Health District, was on the southeast corner of Shadow Lane and Pinto Lane. Several existing buildings and site improvements would be removed prior to construction of the building. Mr. Chimits said a medical office building was located on the south side of the site, and multi-family dwellings and Horizons Specialty Hospital were located on the east side of the site.

Mr. Chimits said the second item was the timeline for completion of the new medical school building. He said the building design process would begin on October 20, 2017, if approved by the Committee. Construction of the building would begin October 28, 2019, with an approximate completion date of mid-August 2022.

Mr. Chimits said the third item was the schedule of progress reports for the construction of the new medical school building. He stated that the SPWD would provide design and construction status reports to the Committee on a biannual basis.

Len Jessup, President, UNLV, said the medical school building was anticipated to cost approximately $250 million at its full build out. He was thankful for the $25 million state match, which served as a good challenge to secure the other half through a private, anonymous donation. He said UNLV would employ fundraising efforts to raise the remaining balance.

Mr. Jessup said approximately 90 percent of the UNLV medical school building would be privately funded. He said approximately 12 donor prospects were in active cultivation in addition to ongoing work with the donor of the initial $25 million. He said the community was excited about the project. There was a positive response to fundraising efforts for the medical school building just as there had been for the scholarship funds. Mr. Jessup reminded the Committee that UNLV medical school received full-ride scholarships for all 60 students in its inaugural class.

Mr. Jessup said the prospective donors in active cultivation were at the leadership gift level of $25 million and up. In addition to the one gift of $25 million, several other prospective donors had signaled their intent to donate $25 million. He said UNLV was working with those prospective donors to obtain a formal written pledge and develop a timeline for the receipt of funds. He said UNLV was still in the discussion phase with several other prospective donors. Mr. Jessup said he was optimistic about the fundraising efforts to date.

Mr. Jessup provided examples of similar fundraising efforts for two projects as a comparison. He said Don Schneider, representing the Smith Center for the Performing Arts in Las Vegas, indicated that the cost of the Smith Center was $500 million. He said it took approximately five years to secure half that amount in

private donations. The second example, although out of state, was a medical school at a public university. He said the University of California, Riverside was in the midst of raising $250 million within ten years. He did not think it would take that long to raise funds for the UNLV medical school building, because the first gift of $25 million was the result of two years of active donor cultivation. He said fundraising was difficult and time-consuming, but he was confident the remaining balance would be available to fund the project.

Mr. Jessup said UNLV had a good relationship with the SPWD, especially after working with the division to construct the new Hospitality Hall building, which would be complete in a couple months. He agreed the project should begin as soon as possible; however, UNLV wanted to be cautious about spending funds on the next step. He said UNLV would work in conjunction with the SPWD as prospective donors were monitored. After donor commitments were secured in writing, UNLV would have a better idea of the total funds available for the medical school building, which would determine the ultimate scope of the project.

Assemblywoman Titus remarked that the Route 91 shooting in Las Vegas highlighted the importance of health care in Nevada. She recalled Mr. Jessup's earlier comment that it took two years to secure the first gift of $25 million. She was concerned that UNLV's goal of securing $192 million in four years was too lofty. She noted that Mr. Jessup's examples included five and ten-year fundraising timelines. Assemblywoman Titus wanted more reassurance that four years was a reasonable length of time and that the financial burden would not fall back on the state.

Mr. Jessup replied that UNLV had a head start on fundraising efforts. He said UNLV had been actively working on fundraising for two years with the initial donor, the groundwork had been laid, and UNLV would continue working with the donor to secure additional funds. Mr. Jessup was confident the remaining funds could be raised within the four-year timeframe, because UNLV began working with other prospective donors when fundraising efforts were taking place for scholarships. He said there were enough prospective donors that the state should soon feel confident that a majority of the funds had been secured. He said donor cultivation would bring in the remaining funds soon after.

Senator Kieckhefer asked if the UNLV medical school project would be included in the 2019 CIP. Mr. Chimits replied that the SPWD intended to manage the design stage of the project in accordance with S.B. 553. When private donations were secured, the SPWD could augment CIP Project 17-C15, New Medical School Building (UNLV), and continue to move forward if the Committee granted authority to utilize the additional funds.

In answer to a question from Senator Kieckhefer, Mr. Chimits replied that CIP Project 17-C15, New Medical School Building (UNLV), was a design and construction project. The SPWD intended to complete the design and prepare it for bid. He said the

division would not move forward until UNLV secured the necessary funding to complete the building.

Assemblyman Edwards said the project would not be ready for the design phase until UNLV knew exactly how much money was committed to the project. He was concerned the design phase was occurring prematurely, which could add significant cost to the project if the building had to be redesigned. He asked why there was an urgency to transfer the money now instead of waiting until donors were secured.

David Frommer, Architect, UNLV, said a variety of different projects, sizes and scopes had been considered based on the functional needs of the medical school building. Funding targets were also taken into consideration during the project development process. He stated that the project development process began prior to the passage of S.B. 553. The UNLV had done internal planning to help define the medical school, range of options, and magnitude of the project. Mr. Frommer said UNLV had worked diligently with Clark County to secure the nine-acre site, which was the site of the former Southern Nevada Health District. He noted that Clark County was another partnership component to the project.

Mr. Frommer said the cost of construction could increase over time based on market inflation, pressures and activity in the marketplace. By the same token, it was beneficial to have clarity on the cost, the scope of work and funding prior to investing tens of millions of dollars into the planning process. He said there was some prudence in receiving status reports on the project; however, it was also important to allow additional time for discussion with prospective donors in order to gain a better understanding of the total financial commitment and reduce the likelihood of changes that could add more time and cost to the project, which was counterproductive.

Chair Woodhouse asked what the timeframe was for securing additional financial commitments. Mr. Jessup said two prospective donors wanted to participate at levels significantly higher than $25 million, and two wanted to participate at the $25 million level. He said those four donors had committed verbally, but not yet in writing. The four prospective donors were in good standing in the community and had donated $25 million or more to other projects; therefore, Mr. Jessup took their verbal commitments to be genuine. He said the next step was to secure commitments in writing, and determine when and from where the money would be received. He was confident about the commitments and thought a surge of donations would occur soon.

Assemblyman Hambrick said he was very happy to be part of the discussion for a medical school in Southern Nevada. He said the medical school had been a long time coming. He applauded the efforts of UNLV staff and donors.

> ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM J.
>
> SENATOR SPEARMAN SECONDED THE MOTION.

In answer to a question from Senator Denis, Mr. Chimits said the SPWD intended to begin the planning phase upon the Committee's approval. He said the design process would take approximately two years, which was adequate time to make changes to the project, if necessary. Based on current inflation, Mr. Chimits thought it was in the best interest of the project to begin the design process as soon as possible. According to the budget sheet submitted by the SPWD, the entire design process, including plan checking, would cost approximately $23 million. Mr. Chimits said the SPWD was requesting the allocation of $25 million and authorization to proceed with the project in accordance with S.B. 553.

Senator Denis said he was concerned about the costs involved to change the building design if there were not adequate funds for the project. Mr. Chimits confirmed that the SPWD had the ability to make changes to the design, if necessary.

Mr. Jessup said UNLV was required to exhaust donor funds before spending state funds, which reduced the risk to the state; therefore, the planning process would be funded with the initial donation of $25 million. He said that particular donor was in active cultivation, and the donor indicated that a significant amount of additional funds would be contributed to the medical school project. Mr. Jessup thought it would be wise to wait until additional funds had been secured from the initial donor as well as other donors before spending funds on the building design.

Senator Kieckhefer asked why the $25 million allocation from the state was urgent if the two-year planning process was estimated to cost $23 million, and the $25 million donation, which had to be spent first, was already available.

Mr. Frommer replied that UNLV did not see an urgency in transferring the state funds. It was his understanding that agency funds must be spent first in CIP projects. He was unsure if the state funds would be spent after the initial donation of $25 million had been spent, or toward the end of the actual construction process. He agreed with Mr. Jessup that it was important to have clarity on the initial planning in order to design a building based on the funding received. He said it was important to find balance on the timing of the project to avoid having to revise the building design, but also to avoid the impact of construction and market inflation. Mr. Frommer reiterated that the donor funds received to date would be used toward the planning process, and construction would not begin until additional donations were secured; however, he was uncertain at what stage in the process the state allocation would be utilized.

In response to a question from Senator Kieckhefer, Mr. Frommer thought the state funds would be used toward construction costs; however, the SPWD may have different information based on the planning documents.

Gus Nunez, Administrator, SPWD, Department of Administration, said S.B. 553 stated that funds would be allocated to the SPWD to support the planning and beginning stages of construction for the UNLV medical school building. In discussions with UNLV and representatives from the medical school, one of the concerns expressed was the

timeframe for implementing the CIP to avoid delaying the project, because based on the size of the project and current inflation, the cost could increase by approximately $1 million per month. Mr. Nunez said the intention was to begin the design process as soon as UNLV was ready to proceed. He said the SPWD always worked with agencies on decision-making matters.

Assemblywoman Swank said donors often felt more at ease if there was public buy-in on a project. She asked if it would be beneficial for fundraising efforts if the state funds were in hand, and Mr. Jessup said yes. He reiterated that the $25 million from the state served as a challenge grant and helped secure the initial donation of $25 million. Additionally, the funds were helping with donor cultivation. Mr. Jessup said donors may feel more at ease if the Committee approved the allocation with the understanding that UNLV and the SPWD would work together to determine the appropriate time to begin using the $25 million in donor funds.

Assemblyman Pickard said, having been involved in similar large projects, he recognized there were multiple stages of design, many of which had to occur before determining the building's appearance. He asked what design elements needed to occur early on that would utilize the initial investment, and how would that affect the progress of the project.

Mr. Frommer replied that in terms of contemplating the project from a process standpoint, it was important to have a clear understanding and balance on the project scope and cost, as well as managing any risk to the cost. He said cost was never guaranteed early in the design process. Projects were designed based on known information, using expertise and funding targets. Mr. Frommer said it could be problematic to change the size of a building after the design process, because certain aspects of the building may need to be redesigned, such as the structural and mechanical systems, the site and the utilities. He said UNLV thought it was important to have a balance and manage the risk by ensuring that donors were secured before designing the project. The UNLV medical school building was a significant investment, and a good portion of the $23 million would be spent in the initial stages of the two-year planning process.

Assemblyman Pickard said it was his understanding that the initial planning would not include specific design elements of the structure; instead, the planning would include fundamental details such as the size of the building, the type of utilities and associated installation requirements. Mr. Frommer said that was correct. He said the specific spaces needed within the building would also be determined during the planning process. For example, it was determined in the early planning stages that 220,000 square feet was the ideal size structure for the medical school building, because it would accommodate all of the facilities for a class of 120 students per year, plus faculty and staff, in one building. Mr. Frommer said UNLV also considered a smaller building of 175,000 square feet, which would accommodate all the academic and teaching facilities; however, the administrative facilities would potentially have to be located elsewhere. The strategy was to find a balance between the optimal design for

the medical school building, and how to manage the project to ensure its scope aligned with the available budget and resources.

Mr. Frommer said UNLV secured a nine-acre site in the heart of the Las Vegas medical district, which was a precious asset. He said limited land was available in that area, let alone land of that configuration that was aggregated. He indicated that a nine-story building of that scale was fairly unusual for the university. The medical school would grow over time, and the school would expand its capability and become more sophisticated and service-oriented. Mr. Frommer said UNLV was mindful about designing a building that utilized the site effectively to allow adequate space for future initiatives. He said those details were considered during the planning and conceiving stages to ensure the appropriate building was constructed based on available resources.

Assemblyman Frierson thought the discussion had gone beyond the scope of the division's request. He said the requirements of S.B. 553 had been met, and the SPWD was requesting an allocation of funds to move forward with the project. He thought it was important for the Committee to remain focused on the division's request.

Chair Woodhouse stated that S.B. 553 authorized a state match of $25 million after UNLV procured $25 million in donor funds, which had been accomplished. She said the SPWD would work with UNLV to ensure that the project began only when both parties were ready. Chair Woodhouse reminded the Committee that a motion for approval was on the floor.

THE MOTION PASSED UNANIMOUSLY.

K. REQUEST FOR APPROVAL TO TRANSFER FROM THE INTERIM FINANCE COMMITTEE'S ACCOUNT FOR FORECLOSURE MEDIATION ASSISTANCE PURSUANT TO NRS 107.080, AS AMENDED BY SECTION 1.5 OF SENATE BILL 490 (2017 Legislature) – Request the transfer of $332,699 from the Account for Foreclosure Mediation Assistance to Home Means Nevada, Inc. to administer the Foreclosure Mediation Program.

Terry Reynolds, Deputy Director, Department of Business and Industry, introduced Perry Faigin, Vice President, Home Means Nevada, Inc.; and Colleen Platt, Legal Counsel.

Perry Faigin, Vice President, Home Means Nevada, Inc. (HMN), said the HMN was requesting the transfer of $332,699 from the Account for Foreclosure Mediation Assistance to HMN to continue implementation of S.B. 490 (2017 Legislature).

Mr. Faigin said the Foreclosure Mediation Program (FMP) was funded on September 5, 2017, and Michelle Crumby, the new Operations Manager, began employment on September 11, 2017. Mr. Faigin said he visited the office in Las Vegas on September 19, 2017. He said the space was adequate and furnishings had been

delivered. The FMP website was launched on September 27, 2017, which allowed forms, resources and contact information to be introduced to the public, as well as servicers of interest, such as beneficiaries, trustees, attorneys, etc. He said, after the website was launched, forms could be accessed and notices of default could begin moving forward again. Mr. Faigin said the remaining staff was hired on October 9, 2017, and was currently being trained.

Mr. Faigin said the HMN was in the process of putting everything together for the FMP and working diligently to update the procedures and processes according to S.B. 490, as well as the rules set down from the Supreme Court. He said the FMP was much different than the previous program from the standpoint of the stakeholders involved. Also, the HMN was implementing the case management system for the FMP provided by the Supreme Court in order to begin the program while continuing to implement the bill and develop the Internet portal. Mr. Faigin said a lot of progress had been made with the program as well as the initial budget. He said the HMN was still working off the fiscal note submitted during the 2017 Legislative Session for the FMP.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM K.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY. (Senator Harris was not present for the vote.)

L. INFORMATIONAL ITEMS.

Assemblyman Sprinkle requested further testimony on Agenda Item L-4c, DHHS, Division of Child and Family Services.

1. DEPARTMENT OF ADMINISTRATION

a) Enterprise Information Technology Services – Notice to increase one part-time equivalent position to a full-time equivalent position (FTE) in the Office of the Chief Information Officer to perform statewide activities related to strategic planning, technology investment requests and software licensing.

b) Director's Office – Merit Award Board – Annual report summarizing rejected employee suggestions, adopted employee suggestions and any required legislation needed before an employee suggestion may be adopted for the period ending June 30, 2017, pursuant to NRS 285.060(3)(d) and Senate Bill 72, Section 4 (3)(d) (2017 Legislature).

There was no discussion on these items.

2. DEPARTMENT OF EDUCATION – Information on Zoom School programs, as provided by the Clark County School District and the Washoe County School District, and on programs for limited English proficient students, as provided by the

other school districts and charter schools, pursuant to Senate Bill 390, Section 11 (2017 Legislature).

There was no discussion on this item.

3. **NEVADA SYSTEM OF HIGHER EDUCATION** – Biannual report on Registration Fees and Non-Resident Tuition Fees for the period ending June 30, 2017, pursuant to Assembly Bill 490, Section 8(2) (2015 Legislature).

There was no discussion on this item.

4. **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

a) Aging and Disability Services Division
   1) Quarterly report for the Senior Rx and Disability Rx Prescription Caseload Data, for the period ending June 30, 2017, pursuant to NRS 439.630(1)(c).
   2) Quarterly report for the Senior Rx and Disability Rx Prescription Caseload Data, for the period ending June 30, 2016, pursuant to NRS 439.630(1)(c). This report reflects a correction of data previously submitted.

There was no discussion on these items.

b) Division of Health Care Financing and Policy
   1) 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 June 30, 2017 (letter of intent, 2015 Legislature).
   2) Quarterly report on the Disproportionate Share Hospital Supplemental Payment Program for the period ending September 30, 2017, pursuant to NRS 422.390.
   3) Quarterly report on the coverage for applied behavior analysis services for children with Autism Spectrum Disorder for the period ending June 30, 2017 (letter of intent, 2015 Legislature).
   4) Annual report on the division's operations and activities pertaining to the cost of health care for Calendar Year 2016 pursuant to NRS 449.520.

There was no discussion on these items.

c) Division of Child and Family Services – Annual report on expenditures relating to the placement of children in Specialized Foster Care/Advanced Family Foster Care programs statewide for the period ending June 30, 2017, pursuant to NRS 424.041(2).

Assemblyman Sprinkle requested an update on the expenditures relating to the placement of children in Specialized Foster Care and Advanced Family Foster Care programs, especially for Clark County.

Danette Kluever, Deputy Administrator, DCFS, DHHS, introduced Reesha Powell, Deputy Administrator, DCFS, DHHS, who was the Child Welfare Program Administrator. Ms. Kluever said the DCFS had implemented the program and was currently producing a detailed response to the letter of intent, which was due October 31, 2017. She said the agency would be able to provide much more detail in the annual reports that would be included on the December IFC agenda.

Assemblyman Sprinkle said he was watching the matter very closely, and would wait to review the division's response to the letter of intent.

5. DEPARTMENT OF MOTOR VEHICLES – Fiscal Year 2017 report on the use of funds received by each local air pollution control agency from the quarterly and annual distribution from the Pollution Control Account, pursuant to NRS 445B.830(5).

a) Clark County Department of Air Quality
b) Washoe County Health District, Air Quality Management Division

There was no discussion on these items.

6. NEVADA DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES – Nevada Division of Environmental Protection – Semiannual report on the implementation of the new Bureau of Industrial Site Cleanup budget and oversight of the Nevada Environmental Response Trust for the period ending June 30, 2017 (letter of intent, 2015 Legislature).

There was no discussion on this item.

7. DEPARTMENT OF WILDLIFE – Notice to add one full-time equivalent position (FTE) to ensure effective and efficient program management of the agency's helicopters.

There was no discussion on this item.

8. Report on the activities of the Charter Harbor Master program, including the expenditure report of the grant awarded to a nonprofit organization for the period ending June 30, 2017, pursuant to Senate Bill 491, Section 1(5)(b) (2015 Legislature).

Chair Woodhouse stated that representatives from the agency were not present; therefore, Agenda Item L-8 would be deferred to the December IFC meeting.

M. PUBLIC COMMENT.

There was no public comment.

In response to a request from Chair Woodhouse, Jim Wells, Director, GFO, replied that the DPBH would provide a status report on the closure of the D-Pod Unit at Rawson-Neal Psychiatric Hospital at the December IFC meeting.

N. ADJOURNMENT.

Chair Woodhouse adjourned the meeting at 12:39 p.m.

_____
Senator Joyce Woodhouse, Chair
Interim Finance Committee

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