

MINUTES OF THE DECEMBER 7, 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 9:10 a.m. on December 7, 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 Pete Goicoechea  
Senator Becky Harris  
Senator Ben Kieckhefer  
Senator David Parks  
Senator Julia Ratti for Senator Denis  
Senator Pat Spearman for Senator Ford  
Assemblyman Nelson Araujo  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Irene Bustamante Adams  
Assemblywoman Olivia Diaz  
Assemblyman Chris Edwards  
Assemblyman John Hambrick  
Assemblyman Al Kramer  
Assemblywoman Daniele Monroe-Moreno for Assemblyman Frierson  
Assemblyman James Oscarson  
Assemblywoman Ellen Spiegel  
Assemblyman Michael Sprinkle  
Assemblywoman Heidi Swank  
Assemblywoman Robin Titus

**COMMITTEE MEMBERS EXCUSED:**

Senator Moises Denis  
Senator Aaron Ford  
Assemblyman Jason Frierson

**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: Meeting Packet – Volume III

Exhibit D: Expertise Cosmetology Institute – New Path Cosmetology Program Handout

**A. ROLL CALL.**

Rick Combs, Director, Legislative Counsel Bureau and Secretary, Interim Finance Committee, called the roll; all members were present except Senator Denis, Senator Ford and Assemblyman Frierson, who were excused.

**B. PUBLIC COMMENT.**

Deacon Tom Roberts, President and Chief Executive Officer, Catholic Charities of Southern Nevada (CCSN), thanked the Legislature, on behalf of all the senior citizens who were unable to attend the meeting today, for investing additional funds in the Home Delivered Meals Program. He said the CCSN provided meals for more than 2,000 senior citizens in Southern Nevada on a daily basis; however, hundreds more were on the waiting list. Deacon Roberts said the additional funding would help support CCSN's program and reduce the waiting list.

Deacon Roberts thanked Senator Woodhouse and Assemblywoman Carlton for their leadership. He said Senator Woodhouse and Assemblywoman Carlton, along with Dena Schmidt, Administrator, Aging and Disability Services Division (ADSD), Department of Health and Human Services (DHHS), and Mike Willden, Chief of Staff, Governor's Office, reviewed dockets after the end of the 2017 Legislative Session to determine how to utilize the additional funding approved by the Legislature. Ultimately, the ADSD decided to increase the funding by 50 cents per meal. Deacon Roberts said the increase would allow the CCSN to continue to support and sustain the 2,000 seniors currently being served and address the waiting list.

Deacon Roberts said the funds provided by the 2017 Legislature would help sustain home delivered meals programs throughout Nevada; however, he encouraged the Committee to remember as the 2019 Legislative Session approached that home delivered meals programs were still severely underfunded.

Corey Clark, Recreation Services Manager, City of Henderson, managed the city's home delivered meals program. He echoed Deacon Roberts' comments and was thankful the Legislature increased funding for the Home Delivered Meals Program during the 2017-19 biennium. The increased funding would address the waiting list of homebound seniors who needed this important service to maintain their health and

independence. Mr. Clark said the City of Henderson supported the decision of the ADSD to increase the reimbursement to home delivered meals programs by 50 cents per meal beginning January 1, 2018. The additional funds would allow the City of Henderson to expand its services and reduce the waiting list by approximately 200 senior citizens within the next six months.

Gwen Braimoh, Executive Director, Expertise Cosmetology Institute, thanked the Committee for the opportunity to provide an update about the New Path Cosmetology (NPC) Program located at the Florence McClure Women's Correctional Center. She thanked Assemblywoman Bustamante Adams and Assemblywoman Diaz for their sponsorship and passage of Assembly Bill (A.B.) 246 (2015 Legislative Session), which amended the law to allow cosmetology schools to be located inside correctional facilities.

Ms. Braimoh said the NPC Program began with 12 inmates in a 150 square foot space. Schooling was provided for 6 inmates in the morning and 6 in the evening. However, with the support of Warden Neven and Associate Warden Garcia, the NPC Program had grown to 47 students and occupied a space exceeding 1,000 square feet. Ms. Braimoh said the first 6 students graduated from the NPC Program on October 24, 2017 ([Exhibit D](#)). She said the graduation was an exciting event and the first of its kind in Nevada. Five graduates were working as licensed cosmetologists and one as a teaching assistant, soon to be a licensed instructor. Ms. Braimoh said 22 additional inmates would graduate from the NPC Program in May 2018, which would open an additional 25 spaces for new students.

Ms. Braimoh said the NPC Program had established partnerships with corporate industry salons and spas willing to provide NPC graduates the opportunity to interview for employment. She said newly released inmates faced many challenges reintegrating into the community. She explained that many returned to the same home environment, which increased the likelihood of recidivism. One of the most significant challenges for newly released inmates was housing, followed by transportation, clothing, uniforms and tools. Ms. Braimoh said counseling and mentoring was beneficial in helping newly released inmates succeed.

Ms. Braimoh said the NPC Program began more than a year ago, and she was glad to have an opportunity to provide the Committee with an update.

Montone White, Youth Pastor, North Las Vegas, and owner, Dunamis Process LLC, said Dunamis Process was a life coaching and mentoring program for youth in the community who were on parole. He appreciated the opportunity to share his concerns with the Committee about those youth and their need for substance abuse knowledge and prevention. Mr. White said he also appreciated the state funding provided to address the opioid epidemic.

Mr. White said the primary goal of Dunamis Process was to mentor youth between the ages of 12 and 18. Dunamis Process was working to expand mentoring services up to

the age of 25; however, there was a gap in services between the ages of 12 and 25 years. Mr. White thanked Senator Spearman for helping Dunamis Process locate and establish programs to help youth in the community deal with substance abuse, particularly opioid abuse.

Chair Woodhouse recognized Pearl Harbor Remembrance Day. She said it was important to remember the valor of the individuals who gave their lives on December 7, 1941, in defense of the United States and the world.

**C. ALLOCATION OF FEDERAL GRANT FUNDS FOR WHICH A STATE AGENCY, COMMISSION OR DEPARTMENT HAS REQUESTED A PUBLIC HEARING PURSUANT TO NRS 353.337.**

- 1. Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2018** - Addition of \$1,720,965 in Social Services Block Grant (Title XX) funds transferred from the Department of Health and Human Services Director's Office and the deletion of \$1,698,137 in federal Title XX grant funds to continue support of child welfare services. **Requires Interim Finance approval since the work program involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing. Work Program #C41891**

Danette Kluever, Deputy Administrator, Division of Child and Family Services (DCFS), DHHS, said Work Program C41891 requested the addition of \$22,828 in federal Title XX Social Services Block Grant funds to continue supporting child welfare services.

Agenda Item C-1 involved the allocation of block grant funds, which required a public hearing. Chair Woodhouse opened the public hearing. There being no requests to testify, Chair Woodhouse closed the public hearing.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE  
AGENDA ITEM C-1.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**D. WORK PROGRAM REVISION IN ACCORDANCE WITH NRS 353.220(5)(b) – INFORMATIONAL ONLY – REQUIRED EXPEDITIOUS ACTION WITHIN 15 DAYS.**

- 1. Office of the Attorney General - FY 2018** - Addition of \$600,000 in Settlement funds to provide funding for the Las Vegas Metropolitan Police Department to support overtime costs associated with the Route 91 Harvest Festival incident in Las Vegas on October 1, 2017. Requires Interim Finance approval since the

amount added to the Las Vegas Overtime category exceeds \$75,000. **Work Program #C41980**

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said Agenda Item D-1 was an informational item, which required expeditious action. Fiscal staff had no questions or concerns, and no action was required by the Committee.

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

The Committee expressed interest in hearing testimony on the following items: Agenda Items E-12, Department of Administration; E-14, Department of Administration, Risk Management Division; E-15, Department of Taxation; E-25 through E-38, Nevada System of Higher Education; E-58 and E-59, DHHS, Division of Public and Behavioral Health (DPBH); and E-80, Department of Public Safety, Division of Parole and Probation.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, LCB, noted that the following items involved the allocation of block grant funds, which required a public hearing: Agenda Items E-46, DHHS, Director's Office; E-65; DHHS, DPBH; E-67, DHHS, DPBH; and E-72, DHHS, Division of Welfare and Supportive Services.

Mr. Krmpotic noted a revision on two position reclassification requests for the Department of Administration, Division of Enterprise Information Technology Services (EITS), which would be addressed by the Governor's Finance Office (GFO).

Jim Wells, Director, GFO, said the reclassification process for position numbers 8 and 9 began in May 2017, prior to the addition of the one-grade increase approved by the 2017 Legislature. He said both positions were listed as a pay grade 39-10 with a salary of \$75,543.84; however, the correct pay grade was 40-10, and the correct salary was \$79,114.32.

SENATOR PARKS MOVED TO APPROVE THE REMAINING WORK PROGRAM REVISIONS AND POSITION RECLASSIFICATIONS, INCLUDING THE PAY GRADE AND SALARY ADJUSTMENTS FOR POSITION NUMBERS 8 AND 9 FOR THE DIVISION OF ENTERPRISE INFORMATION TECHNOLOGY SERVICES.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY. (Assemblywoman Carlton was not present for the vote.)

1. **Office of the Governor - Office of Workforce Innovation - FY 2018** - Addition of \$437,952 in Technical Readiness and Apprenticeship in Nevada grant and \$107,005 in Apprenticeship Accelerator grant subgranted from Department of Employment, Training and Rehabilitation to fund the Apprenticeship programs throughout the state. Requires Interim Finance approval since the amount added to the Technical Readiness Grant category exceeds \$75,000. **Work Program #C41951**

Refer to motion for approval under Agenda Item E.

2. **Office of the Governor - Office of Workforce Innovation - FY 2018** - Addition of \$1,363,072 in federal Workforce Innovation and Opportunity Act (WIOA) Governor's Reserve grant funding subgranted from the Department of Employment, Training and Rehabilitation to fund workforce development, leadership, strategy and coordination as outlined in Senate Bill 516 of the 2017 Legislative Session. Requires Interim Finance approval since WIOA Innovation Grant category exceed \$75,000. **Work Program #C42030**

Refer to motion for approval under Agenda Item E.

3. **Office of the Governor - Office of Workforce Innovation - FY 2018** - Addition of \$80,000 in private National Governor's Association grant funds to provide a Work-Based Learning program for students to receive real-life work experiences in schools. Requires Interim Finance approval since the amount added to the Work-Based Learning grant category exceeds \$75,000. **Work Program #C42080**

Refer to motion for approval under Agenda Item E.

4. **Office of the Attorney General - Consumer Advocate - FY 2018** - Transfer of \$412,170 from the Reserve category to fund expert witness contracts for the existing and projected rate cases before the Public Utilities Commission of Nevada (PUCN) through fiscal year end. Requires Interim Finance approval since the amount transferred to the Expert Witness category exceeds \$75,000. **Work Program #C41907**

Refer to motion for approval under Agenda Item E.

5. **Office of the Attorney General - State Settlements - FY 2018** - Addition of \$300,000 in Settlement funds to provide funding for the Department of Veterans Services, Battle Born Memorial Nevada's Fallen Warriors construction project. Requires Interim Finance approval since the amount added to the Battle Born Memorial category exceeds \$75,000. **Work Program #C41974**

Refer to motion for approval under Agenda Item E.

6. **Department of Administration - Deferred Compensation Committee - FY 2018** - Transfer of \$56,500 from the Reserve category to the Operating category in order to

fund annual audits of the Deferred Compensation program's financial statements. Requires Interim Finance approval since the amount transferred to the Operating category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C41913**

Refer to motion for approval under Agenda Item E.

7. **Department of Administration - Enterprise Information Technology Services - Security - FY 2018** - Addition of \$250,000 in Transfer of Emergency Management grant funds to continue cyber security activities. Requires Interim Finance approval since the amount added to the Cyber Security Capabilities category exceeds \$75,000. **Work Program #C41831**

Refer to motion for approval under Agenda Item E.

8. **Department of Administration - Fleet Services - FY 2018** - Addition of \$955 in Vehicle Rent funds and transfer of \$4,691 from the Reserve category to the Capital Finance Transfer category to cover the cost of leasing vehicles to accommodate agencies' requests for new and replacement long-term vehicles. Requires Interim Finance approval since the cumulative amount added to the Capital Finance Transfer category exceeds \$75,000. **RELATES TO ITEMS E. 9, 10 and 11. Work Program #C41963**

Refer to motion for approval under Agenda Item E.

9. **Department of Administration - Fleet Services - FY 2019** - Addition of \$3,391 in Vehicle Rent funds and transfer of \$8,275 from the Reserve category to the Capital Finance Transfer category to cover the cost of leasing vehicles to accommodate agencies' requests for new and replacement long-term vehicles. Requires Interim Finance approval since the cumulative amount added to the Capital Finance Transfer category exceeds \$75,000. **RELATES TO ITEMS E. 8, 10 and 11. Work Program #C41971**

Refer to motion for approval under Agenda Item E.

10. **Department of Administration - Fleet Services Division - Fleet Services Capital Purchase - FY 2018** - Addition of \$4,993 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 cumulative amount added to the Vehicle Purchase category exceeds \$75,000. **RELATES TO ITEMS E. 8, 9, and 11. Work Program #C41968**

Refer to motion for approval under Agenda Item E.

11. **Department of Administration - Fleet Services - Fleet Services Capital Purchase - FY 2019** - Addition of \$9,868 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 cumulative amount added to the Vehicle Purchase category exceeds \$75,000. **RELATES TO ITEMS E. 8, 9, and 10. Work Program #C41973**

Refer to motion for approval under Agenda Item E.

- 12. Department of Administration - Victims of Crime - FY 2018** - Transfer of \$6,947,802 from the Reserve category to the Victims' Payments category to fund the projected cost of victim's claims related to the Las Vegas Route 91 Harvest Music Festival tragedy. Requires Interim Finance approval since the amount transferred to the Victims' Payments category exceeds \$75,000. **Work Program #C41992**

Michelle Morgando, Acting Coordinator for the Victims of Crime Program, Department of Administration, said Work Program C41992 requested the transfer of \$6,947,802 from the Reserve category to the Victims' Payments category to cover anticipated claims costs associated with the October 1, 2017, Route 91 Harvest Music Festival tragedy in Las Vegas. Ms. Morgando stated that updated claim and payment information was available at the request of the Committee.

Rebecca Salazar, Program Manager, Victims of Crime Program, Department of Administration, said the Victims of Crime Program received 2,908 applications from attendees of the Route 91 Harvest Music Festival, and \$581,112.85 in payments had been disbursed to date.

Assemblyman Sprinkle asked what the balance of the Reserve category would be if the \$6.9 million was transferred to the Victims' Payments category. Ms. Morgando replied that approximately \$4.7 million would remain in the Reserve category.

Assemblyman Sprinkle said it appeared that anyone who attended the Route 91 Harvest Music Festival was eligible for some manner of victim compensation. He asked about the eligibility requirements, and how compensation services were determined.

Ms. Salazar replied that anyone present at the music festival during the shooting was eligible to apply for the Victims of Crime program. Approximately 600 people died or were injured as a result of the shooting and would qualify for a majority of the benefits, including medical and funeral payments, counseling services, lost wages, etc. She said the rest of the attendees, for the most part, would be eligible for counseling services up to \$5,000; however, she thought the majority would not require that amount of counseling services.

Assemblyman Edwards asked how the Victims of Crime funding was coordinated with other forms of assistance, such as Go Fund Me accounts, to avoid double payments.



Ms. Salazar replied that Victims of Crime program staff regularly coordinated victims' compensation benefits with Go Fund Me accounts and other contributions. She said Clark County established a Go Fund Me account for victims of the Route 91 tragedy and raised a significant amount of funds, which would be disbursed to victims of the shooting. The Clark County Go Fund Me account was not established for a specific purpose, such as funeral expenses; therefore, the payments would not conflict with compensation provided by the Victims of Crime program. When a Go Fund Me account or other type of crowd funding was established for a specific purpose, such as funeral expenses, the Victims of Crime program determined how much of the expense had already been covered. If enough funds were raised to cover the full cost, the Victims of Crime program would not provide compensation for the expense; however, if there was an outstanding amount, the program would cover the difference. Ms. Salazar said the Victims of Crime program covered very specific expenses, such as medical bills, counseling services, lost wages, etc. She said certain providers were donating services. The Victims of Crime program verified in advance if an expense was covered by another payment source prior to paying for the cost of the service.

Assemblyman Hambrick thought it would be difficult to discuss the Route 91 tragedy for years to come, because so many people were impacted. He asked if the Victims of Crime program covered the cost of counseling for secondary victims, such as spouses and children. Ms. Salazar replied that secondary victims were excluded from compensation services; however, group counseling was covered by the Victims of Crime program.

Assemblywoman Diaz said many victims and their families were facing significant financial hardship. She asked how quickly the applications and claims were being processed. Ms. Salazar replied that the usual processing time for applications was 48 hours; however, due to the significant number of applications received as a result of the Route 91 shooting, the processing time was approximately one week. Payments for items such as counseling services and lost wages were disbursed weekly, and a batch payment was processed quarterly for emergency services such as ambulance and hospital expenses. Ms. Salazar said 56 applications were received for funeral expenses, all of which had been paid by the program. She said the program was processing applications and payments quickly considering the volume of work.

Ms. Morgando added that a Victims of Crime staff member was located at the Vegas Strong Resiliency Center (VSRC) during all operating hours for questions and application processing. She said two more full-time employees would be added shortly as a result of a different work program, and the personnel costs would be reimbursed within six to eight months through a federal grant.

Chair Woodhouse asked for an update on the anticipated federal grant award from the U.S. Department of Justice (DOJ), and when the grant would be awarded. Ms. Salazar replied that DOJ consultants were working with staff to draft the grant,

which was currently in the early stages; however, the anticipated timeframe for reimbursement was six to eight months.

Senator Spearman stated that some victims of the Route 91 shooting may require services at a later date. She asked if funding would be available for victims' compensation in the future. Ms. Salazar replied that the Victims of Crime program received a federal grant every year from the DOJ for victims' compensation. The grant amount was based on the amount of funds disbursed by the state for victims' compensation; therefore, the next grant award would be larger than normal due to the Route 91 shooting. Ms. Salazar said outreach efforts were underway to ensure that all attendees of the Route 91 Harvest Music Festival were aware of the Victims of Crime program and had an opportunity to apply. She said attendees had one year to apply for the program. If attendees did not require immediate services, it was beneficial to submit an application now in case services were required at a later date.

Assemblywoman Diaz asked for more details on the outreach efforts. Ms. Salazar replied that contact information had been obtained for all individuals that were injured during the Route 91 shooting. Staff was following up with the victims to ensure they had applied for the program. Additionally, a list of all ticket holders by zip code was made available to the program. She noted there were attendees from every state in the nation as well as Canada, Mexico and England. In an attempt to contact as many attendees as possible, Ms. Salazar said the program was coordinating with several other community agencies that were also performing outreach efforts.

In answer to a question from Assemblywoman Diaz, Ms. Salazar replied that two program employees were bilingual, and all program literature was available in Spanish.

Ms. Morgando added that one of the new employees referenced earlier would be designated as an outreach coordinator. She also noted that she and Ms. Salazar, in conjunction with the VSRC and victims advocacy groups, recently participated in a public service announcement that was filmed by Clark County television.

SENATOR SPEARMAN MOVED TO APPROVE  
AGENDA ITEM E-12.

ASSEMBLYMAN EDWARDS SECONDED THE  
MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 13. Department of Administration - Purchasing - FY 2018** - Transfer of \$20,050 from the Reserve category to the Operating category and \$32,631 from the Reserve category to the Equipment category to purchase furniture and reconfigure

the Purchasing Division office. Requires Interim Finance approval since the amount added to the Operating and Equipment categories exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C41950**

Refer to motion for approval under Agenda Item E.

14. **Department of Administration - Risk Management Division - Insurance and Loss Prevention - FY 2018 – Addition of \$573,008 in Insurance Recoveries revenue** and transfer of \$556,640 from the Reserve category to the Property/Fidelity Claims category to pay a portion of current the projected property damage claims for FY 2018. Requires Interim Finance approval since the amount transferred to the Property/Fidelity Claims category exceeds \$75,000. **Work Program #C41964. REVISED 11-29-17**

Evan Dale, Administrator, Administrative Services Division, Department of Administration, said Work Program C41964 was a request to increase authority to pay property and content-related claims out of budget account 1352. The agency requested an increase in expenditure authority by \$1,129,648, as well as authority to receive \$573,008 in Insurance Recoveries revenue related to additional claims.

In answer to a question from Assemblywoman Spiegel, Maureen Martinez, Insurance and Loss Prevention Specialist, Risk Management Division, Department of Administration, replied that the division maintained an outside policy with variable deductibles based on the casualties and type of event. She said each event was considered a separate occurrence.

Assemblywoman Spiegel asked if an entire storm system was considered a single occurrence, or if each day of the storm was a separate occurrence. Ms. Martinez replied that in the case of the Carson City Railroad Museum claim, flooding occurred over the course of a couple days and was considered a single occurrence.

Assemblywoman Spiegel said she was concerned that certain events were being treated as separate occurrences rather than one occurrence so that the outside insurance policy would help cover the expenses. Ms. Martinez replied that the expenses for the Carson City Railroad Museum flood was treated as a single occurrence. Assemblywoman Spiegel asked the agency to submit detailed information to the Committee concerning the excess coverage policy.

Assemblywoman Spiegel asked how often claims were audited and reserves assessed for appropriateness, and who was responsible for performing those tasks. Ms. Martinez replied that a claims adjuster audited claims every 30 days and reserves were adjusted based on the findings of the audit.

Assemblywoman Spiegel asked if the claims adjuster was responsible for auditing and adjusting claims rather than utilizing a third-party independent verification.

Ms. Martinez replied that separate adjusters evaluated the losses on claims that pierced the deductible for the property policy.

Assemblywoman Spiegel said, if the work program was approved, the property reserve would be reduced to zero. She asked what affect that would have on the state's bond rating for General Obligation Bonds. Mr. Dale said to his knowledge the bond rating would not be impacted. He said the reserves were for the Risk Management Division as a whole; property and contents were not generally reported separately on the Comprehensive Annual Financial Report. He said the zero balance would not be shown for property and contents activity. The Risk Management reserve balance would include the workers compensation balance as well, which was not in the negative.

Assemblyman Sprinkle stated that the 2019 Legislative Session was more than a year away. He asked if the division had a contingency plan to cover the cost of claims while the reserve balance was at zero. Mr. Dale replied that the results of operation for the current fiscal year, as well as the forecast for the next fiscal year, would be considered when the rates were set for FY 2020 and FY 2021. He said the rates would help recover losses in FY 2018 and FY 2019 and cover anticipated expenses for FY 2020 and FY 2021. Mr. Dale said the current rate was approximately 14 cents per square foot, per year for property and contents insurance. The rates were expected to increase 25 to 30 cents per square foot in FY 2020 and FY 2021 based on experience.

Assemblyman Sprinkle asked how the division would cover additional claims that may be experienced before the new rates went into effect. Mr. Dale replied that the reserves being tracked for property and contents were at zero and could go even lower if more claims were experienced; however, there were still reserves within the budget account related to other operations, which could be utilized to cover additional claims until the start of the new budget cycle.

Jim Wells, Director, Governor's Finance Office (GFO), said the GFO was evaluating whether the rates for both property and contents and auto physical damage needed to be adjusted in the second year of the biennium to cover claims experienced during the 2017-19 biennium. He said a potential rate increase was likely for property and contents and auto physical damage. The GFO would also assess the workers compensation rate, which was believed to be higher than necessary. Mr. Wells expected that any rate changes for workers compensation, auto physical damage, and property and contents would be neutral or net zero to state agencies, or could potentially result in a savings.

Assemblyman Edwards said the agency was requesting to transfer a dollar amount that would reduce the reserves to zero, and yet the agency anticipated excess authority of \$472,714. He asked why the agency was requesting to transfer such a large sum of money, and why the Reserve category was being reduced to zero.

Jenni Cartwright, Administrator, Administrative Services Division, Department of Administration, said the total amount of the requested transfer included approximately \$888,000 for claims experienced as of December 1, 2017, as well as claims projections through June 30, 2018. She said claims had historically fluctuated between \$100,000 and \$460,000, which made it difficult to project a more accurate figure; therefore, the division was requesting funds based on actual claims and what was reasonably anticipated in claims through June 30, 2018.

Assemblyman Edwards asked why the agency did not wait for more accurate figures before requesting additional funds and reducing reserves to zero. He understood projections were necessary, but thought it would be better to wait for more accurate figures before approving the request. Ms. Cartwright replied that it was possible to proceed in that manner. She said the division was trying to ensure that enough funds would be available between now and the end of the fiscal year to cover claims, because the agency anticipated that claims would exceed the \$888,000 that had already been experienced in the current fiscal year.

SENATOR SPEARMAN MOVED TO APPROVE  
AGENDA ITEM E-14.

ASSEMBLYMAN SPRINKLE SECONDED THE  
MOTION.

THE MOTION PASSED. (Assemblyman Edwards and  
Assemblywoman Spiegel opposed the motion.)

- 15. Department of Taxation - Marijuana Regulation and Control Account – FY 2018** - Transfer of \$238,795 from the Dispensaries and Establishments category to the Personnel category to convert 12 contract positions to 8 state positions in support of marijuana regulation and control. Requires Interim Finance approval since the amount transferred to the Personnel category exceeds \$75,000.  
**Work Program #C41941**

Deonne Contine, Executive Director, Department of Taxation, introduced Jorge Pupo, Deputy Director, Marijuana Enforcement Division, Department of Taxation; Sumiko Maser, Deputy Director, Administrative Services, Department of Taxation; and Rick Gimlin, Administrative Services Officer, Department of Taxation.

Ms. Contine said Work Program C41941 was a request to convert 12 contract positions to 8 state positions to work in the Marijuana Enforcement Division. She said during the 2017 Legislative Session the medical marijuana program was transferred to the Department of Taxation; therefore, the department administered both the medical and recreational marijuana programs. She said the staff and organizational structure established for the medical marijuana program by the Division of Public and Behavioral Health (DPBH) was transferred to the

Department of Taxation. She said the 12 contract positions were included in a budget account within the DPBH; however, the Department of Taxation did not typically use contract positions. Ms. Contine said converting the contract positions to state positions would provide contract staff with state benefits and create loyalty to the program.

Assemblywoman Carlton asked if eight positions was an adequate number of staff to administer the medical marijuana program. Ms. Contine thought eight positions would be adequate, because the Department of Taxation also requested eight positions for the recreational marijuana program during the 2017 Legislative Session. She said the medical and recreational marijuana programs were combined into the Marijuana Enforcement Division, and the department restructured and created teams within the new division. Additionally, a new technology solution was instituted to help with regulatory compliance, which allowed more time for staff to focus on other tasks. Ms. Contine said the staffing categories within the Marijuana Enforcement Division included the following:

- Inspectors to perform routine inspections
- Auditors to assess data and taxes
- Compliance Investigators to investigate issues found by Inspectors and Auditors

Ms. Contine said the restructuring provided an opportunity to cover all necessary areas.

Ms. Contine said there was a desire to hire contract staff that were skilled at the job and interested in the program. She noted that none of the current contract staff would lose their jobs; however, they would need to go through the application process. She said the four contract positions that were not being converted to state positions were vacant before the medical marijuana program was transferred to the Department of Taxation; therefore, no one would be terminated.

Assemblywoman Carlton asked when workload statistics associated with the division's Inspectors and Auditors would be available. Ms. Contine thought the information would be available in approximately one month. She added that there would be another round of establishment licensing in the next few months, which would give a better indication of the total number of establishments. Ms. Contine said the department would do an analysis at that time.

Senator Kieckhefer said approximately \$223,000 in unallocated authority would remain in the Dispensaries and Establishments category if the work program was approved. He asked why the unallocated funds were not being transferred to the Reserve category.

Ms. Contine requested that the unallocated funds remain in the Dispensaries and Establishments category to address some of the outstanding needs for the marijuana programs. She said the division was still analyzing program needs,

because the marijuana programs were new to the Department of Taxation; however, a few items had been discussed. Ms. Contine said the first item was a case management system. She said the DPBH tracked items such as inspections and discipline using spreadsheets. The division wanted to combine all the information into a single case management system to provide a complete history of each establishment. Ms. Contine said the division was working with a few vendors, one of which was the division's seed-to-sale vendor. She said the contract with the seed-to-sale vendor could be amended to include the case management system. She said the estimated cost of a case management system ranged between \$95,000 and \$100,000.

Ms. Contine said the second item of need was expert witnesses. She explained that some entities were under ongoing investigation for rule breaking. In some of those cases, the division may need to suspend or revoke a license, which required a post-deprivation hearing and expert witnesses. She said it would be helpful to have funds immediately available to help the process proceed more quickly.

Ms. Contine said the third item was the cost of a contractor to draft permanent regulations and amend the *Nevada Revised Statutes* (NRS). She said the division was considering using the contractor that helped facilitate the task force during the 2017 Legislative Session and draft the temporary regulations. Ms. Contine said, in addition to drafting the permanent regulations, the contractor would also help amend NRS 453A, Medical Use of Marijuana, to coincide with NRS 453D, Regulation and Taxation of Marijuana, and reflect changes made during the 2017 Legislative Session. She said the estimated cost of the project using the current vendor would be approximately \$100,000 based on previous projects of a similar nature.

Ms. Contine said the final item was a contract for pesticide and other lab monitoring services. She said the division was responsible for regulating labs, and there was some expertise within the agency. She said the Department of Agriculture recommended a lab monitoring program that cost approximately \$3 million. Ms. Contine said the unallocated funds remaining in the Dispensaries and Establishments category would allow the division to contract for some of those services.

Senator Kieckhefer recognized that the division was starting up a new program in a new regulatory environment, but thought it was best to avoid having a lump sum of unallocated funds. Although it would be helpful for a stand-alone item, long-term spending obligations and implications may be associated with that project. Senator Kieckhefer said he was concerned about leaving unallocated funds in the Dispensaries and Establishments category.

Assemblyman Kramer said marijuana was currently a cash-intensive industry. He asked how division staff would be impacted if marijuana businesses could utilize the banking system. Ms. Contine replied that the department's tax examiners and

revenue officers were responsible for handling marijuana-related cash. The Department of Taxation had systems in place to handle the deposits, which could not be discussed on the record.

Assemblywoman Swank said the marijuana programs were new to the state and unique, given the product and how it related to federal law. She was a proponent of ensuring that agencies had time to make good decisions and spend money prudently. She asked if the agency would be able to identify precisely how to spend the remaining funds, if given more time.

Ms. Contine replied that the top two priorities for the division were the case management system and the permanent regulations and NRS amendments. She said those projects would deplete the remaining \$223,368 in the Dispensaries and Establishments category. Ms. Contine said the division was waiting on a final answer from the vendor regarding whether the timeframe for the case management system could be accommodated. She said the contract for the regulations and NRS amendments could be entered into almost immediately.

Assemblywoman Swank thought it would be best to provide the agency with additional time rather than placing the unallocated funds in reserves, because it was important to ensure the marijuana programs were done well and done right.

Assemblywoman Carlton remarked that the state was held accountable for how funds were managed. She said, typically, funds would be set aside in a separate category for projects. She thought it would be a good idea to establish separate expenditure categories in the future. In the meantime, Assemblywoman Carlton thought it would be best to transfer the unallocated funds to the Reserve category for the agency to request at a later date.

Ms. Contine said the Dispensaries and Establishments category was for contract services, and the proposed items were contract services. She said, typically, the department would have to issue a request for proposal (RFP) and a technology investment request (TIR) for the case management system; however, in this case, an existing contract would be amended. Ms. Contine said the Marijuana Enforcement Division was the only oversight for the marijuana program. She said the Department of Agriculture received federal funds, therefore, could not allow the Marijuana Enforcement Division use of its lab or other items. She thought the division should be granted a certain amount of flexibility, because the program was brand new, and the agency needed the ability to respond to needs as the program expanded.

Assemblywoman Carlton thought it was important for the Committee to stay involved with how the funds would be used.



Senator Ratti said it was a unique time for the marijuana program, because it was in the development stages. She asked how long the agency would require more flexibility than other agencies.

Ms. Contine said she did not have a specific timeframe in mind. The recreational program was developed quickly and combined with the medical marijuana program at the same time. She said the agency was working on aspects of the program now that Ms. Contine would have done a year ago had she been in the position of the DPBH Administrator, and knowing the recreational marijuana program would be moving forward. She said the Dispensaries and Establishments category was nonexistent during the 2017 Legislative Session so it was not possible to analyze what direction to take with the category. Ms. Contine said she had never requested flexibility in this manner within the Department of Taxation budget. She thought the marijuana program was a unique situation, because the recreational marijuana program was brand new and being merged with the medical marijuana program at the same time. She said there had not been an opportunity to analyze the programs as a whole until recently. Ms. Contine did not see the marijuana program requiring flexibility on a regular basis; the situation was unique to the timing of the program.

Ms. Contine said she had many discussions with regulators around the country, and every year regulators found themselves saying they needed just one more year to have a better understanding of the marijuana industry; however, the marijuana industry was evolving too quickly. She anticipated that Nevada would be saying the same thing for two or three more legislative sessions. The regulations would likely be amended over time as the marijuana program evolved and decisions were reevaluated.

Mr. Krmpotic noted that NRS 353.220 provided flexibility for the administration to submit work programs as expeditious action items to be approved in 15 days unless the Committee met within that timeframe to hear testimony on the item. He said NRS 353.220 was a statutory provision that allowed the administration to react to items quickly rather than waiting for an IFC meeting. For example, Agenda Item D-1 was submitted and approved on that basis for the Office of the Attorney General for settlement funds.

Assemblywoman Carlton said she understood and valued the work being done by the Department of Taxation. However, there would be many changes in state service in the near future, and it was important for the Legislature to be included in the decision-making process for agency expenditures. Assemblywoman Carlton said she understood the strong feelings of Committee members regarding flexibility; however, a compromise could be reached based on the information provided by Mr. Krmpotic concerning expeditious items. She moved to reduce the Dispensaries and Establishments category by \$462,163 and increase the Personnel category by \$238,795 as requested in the submitted work program, and place \$223,368 in the Reserve category. The agency could submit an expeditious

work program for the \$223,368, which would keep the Committee informed regarding how the funds would be utilized. Assemblywoman Carlton said she valued the work of Fiscal staff on Work Program C41941. She also appreciated the discussion that occurred between Fiscal staff and the agency concerning the work program. She felt confident the appropriate decision had been made with respect to the agency's request.

ASSEMBLYWOMAN CARLTON MOVED TO AMEND  
AGENDA ITEM E-15 TO REDUCE THE DISPENSARIES  
AND ESTABLISHMENTS CATEGORY BY \$462,163,  
INCREASE THE PERSONNEL CATEGORY BY  
\$238,795 AS REQUESTED IN THE WORK PROGRAM,  
AND PLACE \$223,368 IN THE RESERVE CATEGORY.

SENATOR KIECKHEFER SECONDED THE MOTION.

Assemblyman Edwards said the Risk Management Division was permitted to keep approximately \$472,000 in excess funds in Agenda Item E-14. He asked for clarification. Mr. Krmpotic replied that if Work Program C41941 was approved as submitted, the additional amount of approximately \$200,000 would remain in the Dispensaries and Establishments category. Based on the agency's testimony, presumably those funds would be spent in one of the proposed manners by the agency, including the case management system or permanent regulations. He said the IFC would not necessarily receive a report regarding how the funds were spent. However, the administration could submit a work program to the IFC under the 15-day timeframe to be approved within 15 days, unless the Committee met during that time. The expeditious item would appear as an informational item on the next IFC agenda for the Committee to hear, but not act on, because it would already be approved.

Assemblyman Araujo said he fully supported transferring the remaining unallocated funds to the Reserve category as well as converting the contract positions to state positions. He was grateful for the efforts of the Department of Taxation staff in ensuring that the marijuana program ran smoothly, which was a significant task. Assemblyman Araujo agreed with the comments of Committee members regarding flexibility for the Marijuana Enforcement Division. He thought more flexibility would have been a good idea. Although he supported the motion, there were elements that he did not fully support.

Assemblywoman Swank echoed the comments made by Assemblyman Araujo.

THE MOTION PASSED UNANIMOUSLY.

- 16. Department of Taxation - Marijuana Regulation and Control Account – FY 2018** - Transfer of \$1,110,000 from the Reserve category to a new Transfer to Retail Marijuana Holding Account category to hold unallocated distributor licensing

fees paid in 2017, pursuant to a temporary injunction by the Nevada Supreme Court. Requires Interim Finance approval since the amount added to the Transfer to Retail Marijuana Holding Account category exceeds \$75,000. **Work Program #C42078 WITHDRAWN 11-22-17.**

17. **Department of Education - Educator Effectiveness - FY 2018** - Addition of \$5,655,150 in federal Title II, Part A Supporting Effective Instruction grant funds to align state authority with available federal grant authority to continue to increase academic achievement by improving teacher and principal quality. Requires Interim Finance approval since the amount added to the Teacher Quality - State Program category exceeds \$75,000. **Work Program #C41993**

Refer to motion for approval under Agenda Item E.

18. **Department of Education - Safe and Respectful Learning - FY 2018** - Addition of \$3,080,245 in federal Safe Schools Healthy Students, Substance Abuse and Mental Health Services Administration grant funds to align state and federal authority to continue to promote mental health among students and create safe and secure schools. Requires Interim Finance approval since the amount added to the Safe Schools Healthy Students Aid to Schools category exceeds \$75,000. **Work Program #C42052**

Refer to motion for approval under Agenda Item E.

19. **Department of Education - Safe and Respectful Learning - FY 2018** - Addition of \$546,773 in federal Nevada School Climate Transformation grant funds to align state and federal grant authority to develop, enhance, or expand statewide systems of support including technical assistance to school districts and schools implementing an evidence-based, multi-tiered behavioral framework for improving behavioral outcomes and learning conditions for all students. Requires Interim Finance approval since the amount added to the School Climate Aid to Schools category exceeds \$75,000. **Work Program #C42071**

Refer to motion for approval under Agenda Item E.

20. **Department of Education - Student and School Support - FY 2018** - Addition of \$3,188,413 in federal Title IV, Part A Student Support and Academic Achievement grant funds intended to improve students' academic achievement by increasing the capacity of states, local educational agencies, schools, and local communities to provide all students with access to a well-rounded education, improve school conditions for student learning, and improve the use of technology. Requires Interim Finance approval since the amount added to the Title IV-A Technical Aid-to-Schools 84.424 category exceeds \$75,000. **Work Program #C41995**

Refer to motion for approval under Agenda Item E.

- 21. Department of Education - Student and School Support - FY 2018** - Addition of \$7,687,924 in federal School Improvement grant funds to align state and federal authority to provide funding to local educational agencies to improve the achievement of students at the lowest performing schools. Requires Interim Finance approval since the amount added to the School Improvement Grant Aid to Schools category exceeds \$75,000. **Work Program #C41854**

Refer to motion for approval under Agenda Item E.

- 22. Department of Education - Career and Technical Education - FY 2018** - Addition of \$4,163,670 in federal Perkins Vocational Education grant funds to align state and federal authority to continue Career and Technical Education (CTE) programs. Requires Interim Finance approval since the amount added to the CTE Basic Aid-to-Schools category exceeds \$75,000. **Work Program #C41978**

Refer to motion for approval under Agenda Item E.

- 23. Department of Education - Individuals with Disabilities Education Act (IDEA) - FY 2018** - Addition of \$23,673,158 in federal Individuals with Disabilities Education Act Special Education grant funds to align state and federal authority to provide Special Education funding to local educational agencies. Requires Interim Finance approval since the amount added to the Special Education Aid to Schools category exceeds \$75,000. **Work Program #C41949**

Refer to motion for approval under Agenda Item E.

- 24. Department of Education - Account for Alternative Schools - FY 2018** - Addition of \$6,552,728 in federal Charter School Program grant funds to align state and federal authority to support the expansion of the number of high-quality charter schools in Nevada. Requires Interim Finance approval since the amount added to the Nevada Charter School Program Aid to Schools category exceeds \$75,000. **Work Program #C41994**

Refer to motion for approval under Agenda Item E.

- 25. Nevada System of Higher Education - University of Nevada - Las Vegas - FY 2018** - Deletion of \$58,471 in General Fund appropriations to correct an error in the amount carved out for the University of Nevada, Las Vegas research space Operation and Maintenance funding prior to the distribution of formula funds among the seven formula funded institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEMS E. 26, 27, 28, 29, 30 and 31. Work Program #C41850**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 26. Nevada System of Higher Education - University of Nevada - Reno - FY 2018 -** Addition of \$24,069 in General Fund appropriations transferred from the University of Nevada, Las Vegas (UNLV) to correct an error in the amount carved out for UNLV's research space Operation and Maintenance funding prior to the distribution of formula funds among the seven institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEM E. 25. Work Program #C41839**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 27. Nevada System of Higher Education - Great Basin College - FY 2018 -** Addition of \$2,311 in General Fund appropriations transferred from the University of Nevada, Las Vegas (UNLV) to correct an error in the amount carved out for UNLV's research space Operation and Maintenance funding prior to the distribution of formula funds among the seven institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEM E. 25. Work Program #C41851**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 28. Nevada System of Higher Education - Western Nevada College - FY 2018 -** Addition of \$2,521 in General Fund appropriations transferred from the University of Nevada, Las Vegas (UNLV) to correct an error in the amount carved out for UNLV's research space Operation and Maintenance funding prior to the distribution of formula funds among the seven institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEM E. 25. Work Program #C41852**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 29. Nevada System of Higher Education - College of Southern Nevada - FY 2018 -** Addition of \$19,343 in General Fund appropriations transferred from the University of Nevada, Las Vegas (UNLV) to correct an error in the amount carved out for UNLV's research space Operation and Maintenance funding prior to the distribution of formula funds among the seven institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEM E. 25. Work Program #C41840**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 30. Nevada System of Higher Education - Truckee Meadows Community College - FY 2018 -** Addition of \$6,829 in General Fund appropriations transferred from the

University of Nevada, Las Vegas (UNLV) to correct an error in the amount carved out for UNLV's research space Operation and Maintenance funding prior to the distribution of formula funds among the seven institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEM E. 25. Work Program #C41841**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 31. Nevada System of Higher Education - Nevada State College - FY 2018 -** Addition of \$3,396 in General Fund appropriations transferred from the University of Nevada, Las Vegas (UNLV) to correct an error in the amount carved out for UNLV's research space Operation and Maintenance funding prior to the distribution of formula funds among the seven institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEM E. 25. Work Program #C41853**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 32. Nevada System of Higher Education - University of Nevada, Las Vegas - FY 2019 -** Deletion of \$58,471 in General Fund appropriations to correct an error in the amount carved out for the University of Nevada, Las Vegas research space Operation and Maintenance funding prior to the distribution of formula funds among the seven institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEMS E. 33, 34, 35, 36, 37 and 38. Work Program #C41871**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 33. Nevada System of Higher Education - University of Nevada - Reno - FY 2019 -** Addition of \$24,069 in General Fund appropriations transferred from the University of Nevada, Las Vegas (UNLV) to correct an error in the amount carved out for UNLV's research space Operation and Maintenance funding prior to the distribution of formula funds among the seven institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEM E. 32. Work Program #C41860**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 34. Nevada System of Higher Education - Great Basin College - FY 2019 -** Addition of \$2,311 in General Fund appropriations transferred from the University of Nevada, Las Vegas (UNLV) to correct an error in the amount carved out for UNLV's research space Operation and Maintenance funding prior to the

distribution of formula funds among the seven institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEM E. 32. Work Program #C41874**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 35. Nevada System of Higher Education - Western Nevada College - FY 2019 -** Addition of \$2,521 in General Fund Appropriations transferred from University of Nevada, Las Vegas (UNLV) to correct an error in the amount carved out for UNLV's research space Operation and Maintenance funding prior to the distribution of formula funds among the seven institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEM E. 32. Work Program #C41863**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 36. Nevada System of Higher Education - College of Southern Nevada - FY 2019 -** Addition of \$19,343 in General Fund appropriations transferred from the University of Nevada, Las Vegas (UNLV) to correct an error in the amount carved out for UNLV's research space Operation and Maintenance funding prior to the distribution of formula funds among the seven institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEM E. 32. Work Program #C41861**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 37. Nevada System of Higher Education - Truckee Meadows Community College - FY 2019 -** Addition of \$6,829 in General Fund appropriations transferred from the University of Nevada, Las Vegas (UNLV) to correct an error in the amount carved out for UNLV's research space Operation and Maintenance funding prior to the distribution of formula funds among the seven institutions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **RELATES TO ITEM E. 32. Work Program #C41862**

Agenda Items E-25 through E-38 were discussed together. Refer to testimony and motion for approval under Agenda Item E-38.

- 38. Nevada System of Higher Education - Nevada State College - FY 2019 -** Addition of \$3,396 in General Fund appropriations transferred from the University of Nevada, Las Vegas (UNLV) to correct an error in the amount carved out for UNLV's research space Operation and Maintenance funding prior to the distribution of formula funds among the seven institutions. Requires

Interim Finance approval pursuant to Assembly Bill 518, Section 64, of the 2017 Session. **Work Program #C41880. RELATES TO ITEM E. 32.**

Agenda Items E-25 through E-38 were discussed together.

Heidi Haartz, Assistant Budget Director, NSHE, said following the 2017 Legislative Session, an error was identified in the distribution of the General Fund within the seven formula-funded budget accounts. This resulted in the University of Nevada, Las Vegas (UNLV) being overfunded by approximately \$58,000 in each year of the 2017-19 biennium. Ms. Haartz said the work programs in Agenda Items E-25 through E-38 corrected the distribution error in each year of the 2017-19 biennium by reducing the General Fund appropriation for UNLV by approximately \$58,000 and redistributing those funds to the other formula-funded budget accounts, which was in accordance with the approved formula distribution model. The NSHE requested IFC approval of the work programs as required by Section 64 of Assembly Bill 518 (2017 Legislative Session).

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE  
AGENDA ITEMS E-25 THROUGH E-38.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 39. Department of Business and Industry - Division of Industrial Relations - FY - 2018** - Addition of \$173,398 in Transfers from the Workers Compensation and Safety Fund in order to support the Division of Industrial Relations projected cost of moving from the division's Henderson Office to office space adjacent to the Nevada State Business Center. Requires Interim Finance approval since the amount added to the LV Centralization Relocation category exceeds \$75,000. **RELATES TO ITEMS E. 40 and 41. Work Program #C41873**

Refer to motion for approval under Agenda Item E.

- 40. Department of Business and Industry - Division of Industrial Relations - Occupational Safety and Health Enforcement - FY 2018** - Addition of \$291,626 in Transfers from the Workers Compensation and Safety Fund in order to support projected moving costs from the Division of Industrial Relations Henderson Office to office space adjacent to the Nevada State Business Center. Requires Interim Finance approval since the amount added to the LV Centralization Relocation category exceeds \$75,000. **RELATES TO ITEMS E. 39 and 41. Work Program #C42003**

Refer to motion for approval under Agenda Item E.



- 41. Department of Business and Industry – Division of Industrial Relations - Safety Consultation and Training - FY 2018** - Addition of \$74,877 in Transfers from the Workers Compensation and Safety Fund in order to support the projected cost of moving from the Division of Industrial Relations Henderson Office to office space adjacent to the Nevada State Business Center. Requires Interim Finance approval since the amount added to the LV Centralization Relocation category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEMS E. 39, and 40. Work Program #C42011**

Refer to motion for approval under Agenda Item E.

- 42. Department of Business and Industry - Division of Industrial Relations - FY - 2018** - Addition of \$40,012 from the Workers Compensation and Safety Fund to fund the allocated portion of the total cost of a new telephone system for the Division of Industrial Relations. Requires Interim Finance approval since the amount added to the Equipment category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM E. 43. Work Program #C41942**

Refer to motion for approval under Agenda Item E.

- 43. Department of Business and Industry - Industrial Relations - Occupational Safety and Health Enforcement - FY 2018** - Addition of \$67,293 from the Workers Compensation and Safety Fund to fund the allocated portion of the total cost of a new telephone system for the Division of Industrial Relations. Requires Interim Finance approval since the amount added to the Equipment category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM E. 42. Work Program #C41945**

Refer to motion for approval under Agenda Item E.

- 44. Department of Business and Industry - Taxicab Authority - FY 2018** - Transfer of \$979,775 from the Technology Reserve category to the Records Management System category in order to continue work on replacing core records management systems. Requires Interim Finance approval since amount transferred to the Records Management System category exceeds \$75,000. **Work Program #C41848**

Refer to motion for approval under Agenda Item E.

- 45. Governor's Office of Economic Development - Nevada Catalyst Fund - FY 2018** - Addition of \$43,710 in Treasurer's Interest Distribution and transfer of \$429,290 from the Reserve category to the Business Assistance and Development Program category to fund grant payments scheduled for FY 2018. Requires Interim Finance approval since the amount transferred to the Business Assistance and Development Program category exceeds \$75,000. **Work Program #C41830**

Refer to motion for approval under Agenda Item E.

- 46. Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2018** - Transfer of \$87,933 from the Division of Child and Family (DCFS) Nevada Youth Training Center category to the DCFS Southern Nevada Child and Adolescent category to align the federal Title XX funding transferred to DCFS. **Requires Interim Finance approval since the work program involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing and since the amount transferred to the DCFS Southern Nevada Child and Adolescent category exceeds \$75,000. Work Program #C41776**

Agenda Item E-46 involved the allocation of block grant funds, which required a public hearing.

Julie Kotchevar, Deputy Director, Director's Office, DHHS, said Work Program C41776 requested the transfer of funds for a technical adjustment to the Division of Child and Family Services budget due to an oversight during the budget process.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE  
AGENDA ITEM E-46.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 47. Department of Health and Human Services - Director's Office - Problem Gambling - FY 2018** - Transfer of \$219,216 from the Reserve category to the Problem Gambling Grants category to support programs for the prevention and treatment of problem gambling. Requires Interim Finance approval since the amount transferred to the Problem Gambling grants category exceeds \$75,000. **Work Program #C41769**

Refer to motion for approval under Agenda Item E.

- 48. Department of Health and Human Services - Aging and Disability Services - Federal Programs and Administration - FY 2018** - Addition of \$198,372 in federal Expansion to Build a Dementia Capable System grant funds to continue efforts to develop a dementia capable home and community-based services system with an emphasis on transition across care settings, early engagement activities and enhanced marketing efforts. Requires Interim Finance approval since the amount added to the Dementia Capable category exceeds \$75,000. **Work Program #C41760**

Refer to motion for approval under Agenda Item E.

49. **Department of Health and Human Services - Aging and Disability Services - Federal Programs and Administration - FY 2018** - Addition of \$75,000 in federal Transit Administration grant funds transferred from the Nevada Department of Transportation to establish a Mobility Manager, which includes a contracted position that will coordinate transportation providers in Northern Nevada through a website to facilitate the movement of older adults and persons with disabilities for health care appointments and other vital services. Requires Interim Finance approval since the amount added to the Mobility category exceeds \$75,000. **Work Program #C41793**

Refer to motion for approval under Agenda Item E.

50. **Department of Health and Human Services - Aging and Disability Services - Federal Programs and Administration - FY 2018** - Addition of \$124,513 in federal Lifespan Respite Care Program grant funds to continue to provide respite services to family caregivers of children and adults with disabilities. Requires Interim Finance approval since the amount added to the Lifespan Respite grant category exceeds \$75,000. **Work Program #C41814**

Refer to motion for approval under Agenda Item E.

51. **Department of Health and Human Services - Aging and Disability Services - Federal Programs and Administration - FY 2018** - Addition of \$47,127 in federal Medicare Improvements for Patients and Providers Act (MIPPA) grant funds to continue providing outreach and assistance to Medicare beneficiaries. Requires Interim Finance approval since the amount added to the MIPPA grant category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C41816**

Refer to motion for approval under Agenda Item E.

52. **Department of Health and Human Services - Aging and Disability Services - Home and Community-Based Services - FY 2018** - Addition of \$176,000 in federal Adult Protective Services (APS) Enhancement grant funds to enhance data collection capability to better facilitate program improvements. Requires Interim Finance approval since the amount added to the APS Enhancement category exceeds \$75,000. **Work Program #C41791**

Refer to motion for approval under Agenda Item E.

53. **Department of Health and Human Services - Health Care Financing and Policy - Administration - FY 2018** - Addition of \$607,806 in federal Title XIX grant funds and \$67,534 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. **RELATES TO ITEM E. 57. Work Program #C40626**

Refer to motion for approval under Agenda Item E.

- 54. Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2018** - Transfer of \$400,000 from the Reserve category to the Money Follows the Person (MFP) Reinvestment category to divert clients from nursing facilities into community-based settings that can meet their needs and offer improved quality of life. Requires Interim Finance approval since the amount transferred to the MFP Reinvestment category exceeds \$75,000. **Work Program #C41764**

Refer to motion for approval under Agenda Item E.

- 55. Department of Health and Human Services - Public and Behavioral Health - Immunization Program - FY 2018** - Addition of \$67,120 in federal Adult Immunization Partnership and Improvement Project grant funds to improve adult vaccination rates in Nevada. Requires Interim Finance approval since the cumulative amount added to the Nevada Adult Immunization Partnership and Improvement Project category exceeds \$75,000. **Work Program #C41847**

Refer to motion for approval under Agenda Item E.

- 56. Department of Health and Human Services - Public and Behavioral Health - Communicable Diseases - FY 2018** - Addition of \$2,156,401 in federal Ryan White grant funds to increase existing programs and expand services to include medical case management, dental health insurance, outpatient/ambulatory services, mental health and housing for individuals diagnosed with HIV. Requires Interim Finance approval since the amount added to the Comprehensive Care category exceeds \$75,000. **Work Program #C41748**

Refer to motion for approval under Agenda Item E.

- 57. Department of Health and Human Services - Public and Behavioral Health - Health Care Facilities Regulation - FY 2018** - Transfer of \$67,534 from the Reserve category to the Department of Health Care Financing and Policy (DHCFP) health information technology (HIT) category to provide project management to support the development of a transformed health care delivery system, an integral part of HIT for Nevada Medicaid. Requires Interim Finance approval since the amount added to the DHCFP HIT category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM E. 53. Work Program #C41749**

Refer to motion for approval under Agenda Item E.

- 58. Department of Health and Human Services - Public and Behavioral Health - Health Care Facilities Regulation - FY 2018** - Transfer of \$215,520 from the Reserve category to the Federal Inspection Surveys category and \$23,276 from the Reserve category to the Division Cost Allocation category to contract with health-care facilities inspectors to assist in reducing the backlog of inspections. Requires Interim Finance approval since the amount added to the Federal Inspection Surveys category exceeds \$75,000. **RELATES TO ITEM E. 59. Work Program #C41750**

Agenda Item E-58 was discussed in conjunction with Agenda E-59. Refer to testimony and motion for approval under Agenda Item E-59.

- 59. Department of Health and Human Services - Public and Behavioral Health - Health Care Facilities Regulation - FY 2019** - Transfer of ~~\$260,844~~ **\$431,041** from the Reserve Category to the Federal Inspection Surveys category and ~~\$28,174~~ **\$46,552** from the Reserve category to the Division Cost Allocation category to contract with health care facilities inspectors to assist in reducing the backlog of inspections. Requires Interim Finance approval since the amount added to the Federal Inspection Surveys category exceeds \$75,000. **RELATES TO ITEM E. 58. Work Program #C41836. REVISED 11-6-17.**

Amy Roukie, Administrator, DPBH, DHHS, introduced Ross Armstrong, Deputy Administrator, DPBH, DHHS; and Paul Shubert, Health Bureau Chief, DPBH, DHHS.

Ms. Roukie said Work Programs C41750 and C41836 provided for the funding of a contract vendor, selected through the RFP process, to supply trained and certified surveyors to augment current staff and assist the Bureau of Health Care Quality and Compliance (HCQC) staff in performing inspections. With the division's expanding role as new facilities came online, HCQC inspectors had to divert regularly scheduled inspections to allow time to inspect new facilities so the facilities could begin billing the Centers for Medicare and Medicaid Services (CMS) for services.

Assemblywoman Carlton asked for clarification about the sanctions and fines put in place by the CMS. Ms. Roukie replied that the division historically had a difficult time recruiting surveyors, specifically nurse surveyors. In the past, the division contracted with former employees to perform inspections due to difficulty recruiting and maintaining qualified facility inspection personnel. She said the CMS put sanctions in place due to the backlog of inspections. In the agency's plan of correction, the CMS advised that the division obtain a vendor to augment inspection staff. Ms. Roukie said the division was unaware that utilizing a vendor to augment staff was an option. The division identified a vendor through the RFP process, and the contract was scheduled for review at the next meeting of the Board of Examiners.

Mr. Shubert said the sanctions applied to the HCQC were for non-attainment in meeting the required workload as the State Survey Agency (SSA) for the CMS. He said federal funding provided to the agency to perform facility inspections on behalf of the CMS had been reduced, because the division failed to meet the required workload over the past several years.

In response to a question from Assemblywoman Carlton, Mr. Shubert confirmed that the agency received a reduced reimbursement amount over the past several years, because the SSA workload was not met. He said there were several reasons why a survey may not have been performed by the division. For example, home health agencies were given voluntarily “deemed status,” which did not require a survey of the facility by the SSA. However, the same facility could relinquish its deemed status, which would require a survey by the division as the SSA. Mr. Shubert said the division was not always informed in a sufficient amount of time to schedule and complete a survey of the facility.

Assemblywoman Carlton asked if the issue of the division’s non-performance as SSA had ever been disclosed on the legislative record, because she was unaware of the issue. She found it disconcerting that sanctions were being applied. It was a significant matter, yet the Legislature had not been informed over the course of three legislative sessions.

Mr. Shubert replied that full disclosure of expenditures and revenue was included in each of the division’s budgets; however, he was unsure if the budgets included a line item indicating the amount of funds withheld for non-performance. Assemblywoman Carlton said the issue would need to be discussed over the next year.

Assemblyman Sprinkle agreed with many of the concerns expressed by Assemblywoman Carlton. He asked why the division was approaching the Committee now, after more than six years of being fined for non-performance. Ms. Roukie replied that the issue had evolved over time. Although the agency had been remiss in performing surveys as scheduled, the prioritization of the division’s workload included responding to complaints in a timely manner to avoid immediate jeopardy or concern of harm, and bringing new facilities online to expand capacity.

Ms. Roukie said she was not privy as to why the matter had not been addressed in the past. It was her understanding that the division was not informed until recently that an outside agency could be used to assist in performing surveys on behalf of the CMS. Ms. Roukie said it took approximately two years to train an inspector to the level necessary to perform inspections, even in a team capacity. Because of that, the agency often lost candidates during the arduous training process. Ms. Roukie noted that the division was currently staffed at a higher level than ever before. The agency had hoped to have a more stable workforce; however, the workforce remained unstable, while the workload continued to expand.

Assemblyman Sprinkle appreciated the level of difficulty involved in the training process for inspectors. Knowing the importance and sensitivity of the job only added to his frustration about the agency failing to address the problem for so many years. Much like Assemblywoman Carlton, he did not recall hearing testimony on the matter during a legislative session. Instead, the agency was bringing a rather disturbing issue to the IFC. Assemblyman Sprinkle restated his question regarding why the division was approaching the Committee about the issue now.

Ms. Roukie said she was advised of the issue when she became the Division Administrator. She reiterated that the division was unaware that an outside agency could be used to augment surveying staff, or that such an agency even existed. Generally a temporary contractor was not permitted to handle specialized work such as health care facility inspections. Ms. Roukie said the division was approaching the Committee now, because a solution had been found to address the issue. Much like in other states, the division would use an outside agency to augment staff and address the workload.

Ms. Roukie said it was also her understanding that because the budget was not supported by the General Fund, it was passed on consent and may not have been discussed by the money committees; therefore, concerns such as non-compliance and sanctions may not have been disclosed. In hindsight, she said the division probably should have brought the issue to the attention of the money committees. Ms. Roukie reiterated that the facility surveyor was a unique position requiring specialized training. The agency was encouraged by the fact that agencies were available that could provide facility surveyors approved by the CMS.

Assemblyman Sprinkle said he appreciated the mea culpa. He thought the agency needed to be much more transparent on the issue in the future.

Assemblywoman Benitez-Thompson noted the estimated annual cost of the contract was approximately \$431,000, with 29 inspections performed per year at various facility types. She asked if the length of the contract was two years. Ms. Roukie said that was correct. She added that the contractor would be used to address the backlog, and if the agency continued to need the services of the vendor, the contract ceiling was \$431,000. She said the cost would probably be built into the 2019-21 biennium budget as an ongoing need.

Assemblywoman Benitez-Thompson noted the agency's backlog included a total of 238 facilities. She said 29 inspections per year was only one-fifth of that total, which was a small step toward reducing the backlog. She noted that the greatest need for inspections were residential facilities for groups, with a backlog of 63 facilities; however, it did not appear the contractor would be assisting with that backlog. She asked for further clarification.

Ms. Roukie said the addition of contract surveyors would allow the division to divide the workload, which would provide time for division staff to perform inspections of residential facilities for groups.

Ross Armstrong, Deputy Administrator, DPBH, DHHS, added that six facility categories were covered by the contract and those inspections would be performed on behalf of the CMS. As a result, state inspectors would have time to perform inspections for other facility categories, such as residential facilities for groups. Mr. Armstrong noted that 83 percent of facilities received timely inspections. He said inspections were delayed on 238 facilities, but those facilities were not included in the backlog.

In answer to a question from Assemblywoman Benitez-Thompson, Mr. Shubert said the facility types covered in the contract were facilities that were inspected on behalf of the CMS. He said those particular facility types required a large number of surveyors to be onsite for a long period of time, usually a week, and several more days were required to write the inspection report. On the other hand, surveys of residential facilities for groups required approximately one day to perform the survey and write the report. Mr. Shubert said utilizing contract surveyors to perform inspections on behalf of the CMS would allow time for state inspectors to address the backlog of state-licensed facilities that were overdue for inspections.

Assemblywoman Benitez-Thompson found it disturbing to hear about the division's non-compliance and the sanctions put in place by the CMS. She did not recall hearing about the issue during her time on committees that focused on veterans and people with special needs, nor during a committee that focused specifically on residential group homes and skilled-nursing facilities. Assemblywoman Benitez-Thompson said there would have been a desire by the Legislature to problem solve and assist with the issue, and she hoped to move forward in that spirit.

Mr. Shubert said over the past several years the division had met its statutory mandate for conducting surveys of residential facilities for groups. Although the division was currently experiencing inspection delays, that would be corrected by the end of the fiscal year.

Senator Spearman recalled that staffing issues were mentioned during her time on the health care committee. During deliberations on S.B. 482 (2017 Legislative Session), she recalled discussing the impact the CMS star rating would have on staff if the requirements of the bill were implemented all at once. She asked if the division's request would assist with the implementation of the CMS star rating.

Mr. Shubert replied that the division recently filled several Health Facility Inspector vacancies. He noted the division had experienced a vacancy rate as high as 35 percent in the past. Although the division still needed to improve on recruiting



and retaining staff, the current vacancy rate was down to 8 percent. Mr. Shubert said the division anticipated meeting its workload within the two-year contract period, if the new inspectors could be retained.

Assemblyman Edwards said the agency's situation did not seem as bad as he originally thought. He said many state agencies did not allow enough flexibility in a contract to deal with matters as they arose. Consequently, agencies often needed to request funding from the Committee. He asked if the division's contract allowed for flexibility. Ms. Roukie replied that through this particular issue, the division learned that a contract needed to be maintained to prevent a recurrence. She said the division worked with State Purchasing to define the parameters of the two-year contract. Ms. Roukie said the division would inquire as to whether the contract could be extended without going through the RFP process.

Assemblyman Edwards recommended designing the contract similar to that of a federal contract, with a base year plus four optional years, which would allow the agency to access the contract as services were needed and make changes when necessary.

Assemblywoman Carlton replied that the state adhered to a two-year budget cycle; therefore, the division could not budget for money that was not yet available. She said the Legislature would work with the division during the budget cycle to renew the contract.

Assemblywoman Titus remarked that the agency had continued to perform facility inspections. For example, the lab in Assemblywoman Titus' office, as well as the long-term care unit where she was medical director, were both surveyed recently. She asked if the contract was already active, and whether the contract surveyors would report to the division or the CMS.

Ms. Roukie replied that the contract was expected to be reviewed at the next meeting of the Board of Examiners. With regard to the contractor, it was Ms. Roukie's understanding that the contract surveyors would be under the direct supervision of the division. She said the division's corrective plan with the CMS indicated the division needed to seek approval from the CMS before proceeding with the contract.

In response to a question from Assemblywoman Titus, Ms. Roukie said the contract surveyors were certified to perform inspections for the CMS.

Assemblyman Sprinkle said he appreciated the agency coming before the IFC to express its concerns, regardless of the timing. He said the division and the Committee could begin working together to resolve the matter, because the issue was relevant and important to the safety of Nevadans. Assemblyman Sprinkle moved to approve the work programs with the requirement that the agency provide

the Committee with an update on the progress of inspections and a plan to prevent future inspection delays and backlogs.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE AGENDA ITEMS E-58 AND E-59 AND REQUIRE THE AGENCY TO PROVIDE A SIX-MONTH PROGRESS REPORT ON THE ELIMINATION OF THE BACKLOG AND A PLAN TO PREVENT FUTURE INSPECTION DELAYS AND BACKLOGS.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 60. Department of Health and Human Services - Public and Behavioral Health - Biostatistics and Epidemiology - FY 2018** - Addition of \$831,868 in federal Prescription Drug Overdose Prevention grant funds to improve safe prescribing practices and prevent prescription drug overuse, misuse, abuse and overdose. Requires Interim Finance approval since the amount added to the RX Drug Overdose Prevention category exceeds \$75,000. **Work Program #C41694**

Refer to motion for approval under Agenda Item E.

- 61. Department of Health and Human Services - Public and Behavioral Health - Biostatistics and Epidemiology - FY 2018** - Addition of \$228,257 in federal National Violent Death Reporting System grant funds to collect and combine statewide violent death information and disseminate it by county to support violence prevention efforts. Requires Interim Finance approval since the amount added to the National Violent Death Reporting category exceeds \$75,000. **Work Program #C41695**

Refer to motion for approval under Agenda Item E.

- 62. Department of Health and Human Services - Public and Behavioral Health - Chronic Disease - FY 2018** - Addition of \$125,000 in State Public Health-Payer Partner Collaborative to Improve Cardiovascular Health Outcomes project funds from the Association of State and Territorial Health Officials (ASTHO) to work with targeted populations to improve cardiovascular outcomes. Requires Interim Finance approval since the amount added to the ASTHO Cardiovascular Health category exceeds \$75,000. **Work Program #C42040**

Refer to motion for approval under Agenda Item E.

- 63. Department of Health and Human Services - Public and Behavioral Health - Emergency Medical Services - FY 2018** - Addition of \$250,000 in Highway Safety Improvement Program funds transferred from the Department of Public Safety,

Office of Traffic Safety to upgrade and improve the data management system. Requires Interim Finance approval since the amount added to the Traffic Safety grant category exceeds \$75,000. **Work Program #C39890. WITHDRAWN 11-13-17.**

Refer to motion for approval under Agenda Item E.

- 64. Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2018** - Addition of \$957,919 in federal Strategic Prevention Framework Partnership for Success (SPF/PFS) grant funds to continue to support programs, policies and practices used to reduce the prevalence of prescription drug misuse/abuse by people 12 to 25 years old through implementation of a comprehensive prevention strategy of community education, social marketing/media, physician training, and drop boxes/Take-Back events through 13 funded coalitions. Requires Interim Finance approval since the amount added to the SPF/PFS grant category exceeds \$75,000. **Work Program #C41742**

Refer to motion for approval under Agenda Item E.

- 65. Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2018** - Addition of \$2,729,183 federal Community Mental Health Services (CMHS) block grant funds to continue to promote healthy behaviors and reduce the impact of substance use and co-occurring disorders for Nevada's residents and communities by planning, funding and coordinating statewide substance abuse service delivery. **Requires Interim Finance approval since the work program involves the allocations of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing and since the amount added to the CMHS Block Grant category exceeds \$75,000. Work Program #C41744**

Julia Peek, Deputy Administrator, DPBH, DHHS, said Work Program C41744 related to the Community Mental Health Services Block Grant, which provided services for individuals in Nevada with serious mental illnesses. She noted that a public hearing was also held at the Behavioral Health Commission to provide another opportunity to highlight the funding.

Agenda Item E-65 involved the allocation of block grant funds, which required a public hearing. Chair Woodhouse opened the public hearing. There being no requests to testify, Chair Woodhouse closed the public hearing.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE  
AGENDA ITEM E-65.

SENATOR SPEARMAN SECONDED THE MOTION.

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

66. **Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2018** - Deletion of \$21,833 in federal Cooperative Agreement to Benefit Homeless Individuals (CABHI) grant funds and the transfer of \$56,650 from the CABHI grant category to the Personnel Services category to realign the grant authority and support a full-time Health Program Manager to oversee all mental health planning and housing projects for the program. Requires Interim Finance approval since the amount transferred from the CABHI grant category exceeds \$75,000. **Work Program #C42044**

Refer to motion for approval under Agenda Item E.

67. **Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2018** - Addition of \$5,864,750 in federal Substance Abuse Prevention and Treatment (SAPT) block grant funds to promote healthy behaviors and reduce the impact of substance use and co-occurring disorders for Nevada's residents and communities by planning, funding and coordinating statewide substance abuse service delivery. **Requires Interim Finance approval since the work program involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing and since the amount added to the SAPT Block Grant category exceeds \$75,000. Work Program #C41747**

Julia Peek, Deputy Administrator, DPBH, DHHS, said Work Program C41747 related to the Substance Abuse Prevention and Treatment Block Grant, which supported substance abuse treatment services and primary prevention services in the community. She noted that a public hearing was also held at the Behavioral Health Commission to provide another opportunity to highlight the funding.

Assemblywoman Bustamante Adams asked if a breakdown of funds was available specifying how much money was distributed to Southern Nevada, and how much money remained in Clark County. Ms. Peek replied that she did not have the information immediately available, but would provide it to the Committee.

Assemblywoman Diaz recalled earlier testimony by Montone White of Dunamis Process stating that his organization provided youth services to address the opioid epidemic; however, he noted a lack of services in the community for individuals between the ages of 18 and 25. She asked how Dunamis Process could receive funding to assist in its efforts to help the community.

Ms. Peek replied that in addition to Work Program C41747, Work Program C41742 also related to a similar issue. She said the Strategic Prevention Framework Partnership for Success grant provided funds to continue to support programs used

to reduce prescription drug misuse and abuse by people 12 to 25 years old. Ms. Peek provided her e-mail address (jpeek@health.nv.gov) and stated she would follow up with Mr. White to determine which coalition and efforts were in his community, and connect him with the appropriate individuals.

Agenda Item E-67 involved the allocation of block grant funds, which required a public hearing. Chair Woodhouse opened the public hearing. There being no requests to testify, Chair Woodhouse closed the public hearing.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE  
AGENDA ITEM E-67.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 68. Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2018** - Transfer of \$250,000 from the Professional Services category to the Mobile Outreach Safety Team category to consolidate the funds available to provide mental health services using a mobile unit into one expenditure category. Requires Interim Finance approval since the amount transferred to the Mobile Outreach Safety Team category exceeds \$75,000. **RELATES TO ITEM E. 69. Work Program #C41733**

Refer to motion for approval under Agenda Item E.

- 69. Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2019** - Transfer of \$250,000 from the Professional Services category to the Mobile Outreach Safety Team category to consolidate the funds available to provide mental health services using a mobile unit into one expenditure category. Requires Interim Finance approval since the amount transferred to the Mobile Outreach Safety Team category exceeds \$75,000. **RELATES TO ITEM E. 68. Work Program #C41819**

Refer to motion for approval under Agenda Item E.

- 70. Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2018** - Transfer of \$349,896 from the Personnel Services category to the Maintenance of Buildings and Grounds category to update Rawson Neal Hospital with the necessary anti-ligature devices to be compliant with current federal and Joint Commission requirements. Requires Interim Finance approval since the amount transferred to the Maintenance of Buildings and Grounds category exceeds \$75,000. **Work Program #C41912**

Refer to motion for approval under Agenda Item E.

71. **Department of Health and Human Services - Welfare and Supportive Services - Administration - FY 2018** - Addition of \$371,763 in federal Supplemental Nutrition Assistance Program (SNAP) grant funds to improve and automate collection and reporting of the SNAP Employment and Training (E & T) outcomes by enhancing system functionality, system interface with the Department of Employment, Training and Rehabilitation and data storage. Requires Interim Finance approval since the amount added to the SNAP E & T Data grant category exceeds \$75,000. **Work Program #C41885**

Refer to motion for approval under Agenda Item E.

72. **Department of Health and Human Services - Welfare and Supportive Services - Child Assistance and Development - FY 2018** - Addition of \$74,992 in federal Program Review and Evaluation (PR & E) grant funds to develop a framework for evaluating children's success through early childhood and into the K-12 school system. **Requires Interim Finance approval since the work program involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing and since the amount added to the PR & E grant category exceeds 10 percent of the legislatively approved amount for that category. Work Program #C41732**

Nova Murray, Deputy Administrator, Division of Welfare and Supportive Services (DWSS), DHHS, said Work Program C41732 related to the Child Care and Development Program. The division requested to balance forward funds from FY 2017 to FY 2018 with no change in purpose. She said the Program Review and Evaluation grant looked at community-based interventions for Nevada's future.

Agenda Item E-72 involved the allocation of block grant funds, which required a public hearing. Chair Woodhouse opened the public hearing. There being no requests to testify, Chair Woodhouse closed the public hearing.

SENATOR SPEARMAN MOVED TO APPROVE  
AGENDA ITEM E-72.

ASSEMBLYWOMAN MONROE-MORENO SECONDED  
THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

73. **Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2018** - Addition of \$229,058 in federal Family Violence Prevention and Services Act grant funds to promote awareness of and to continue statewide direct services to victims of family violence, domestic violence, dating violence and their children. Requires Interim Finance

approval since the amount added to the Family Violence category exceeds \$75,000. **Work Program #C40192**

Refer to motion for approval under Agenda Item E.

- 74. Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2018** - Addition of \$637,730 in federal Adoption and Legal Guardianship Incentive Payment grant funds to continue to provide incentives for finding permanent homes for children in foster care through adoption and legal guardianship. Requires Interim Finance approval since the amount added to the Adopt/Legal Guardian Incentive category exceeds \$75,000. **Work Program #C40350**

Refer to motion for approval under Agenda Item E.

- 75. Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2018** - Addition of \$63,832 in federal Victim Assistance Discretionary Grant Training Program for Victims of Crime Act (VOCA) grant funds to provide training and technical assistance for victim assistance grantees and others who work with crime victims. Requires Interim Finance approval since the cumulative amount added to the VOCA Training category exceeds \$75,000. **Work Program #C42036**

Refer to motion for approval under Agenda Item E.

- 76. Department of Health and Human Services - Child and Family Services - Victims of Domestic Violence - FY 2018** - Addition of \$781,402 in Victims of Domestic Violence funds to support statewide programs that serve victims of domestic violence. Requires Interim Finance approval since the amount added to the Domestic Violence Aid Grants category exceeds \$75,000. **Work Program #C41784**

Refer to motion for approval under Agenda Item E.

- 77. Department of Health and Human Services - Child and Family Services - Review of Death of Children - FY 2018** - Addition of \$14,141 in fees from the issuance of certified copies of certificates of death and transfer of \$54,055 from the Reserve category to the Review of Death of Children category to support statewide child death review activities. Requires Interim Finance approval since the amount added to the Review of Death of Children category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C41786**

Refer to motion for approval under Agenda Item E.

- 78. Department of Corrections - Correctional Programs - FY 2018** - Addition of \$251,378 in federal Title I Part D Youth Offender Program grant funds transferred

from the Nevada Department of Education to provide continuing education and skills training necessary for inmates to successfully reintegrate into the community upon release. Requires Interim Finance approval since the amount added to the Youthful Offender Grant category exceeds \$75,000. **Work Program #C41821**

Refer to motion for approval under Agenda Item E.

- 79. Department of Public Safety - Highway Safety Grants Account - FY 2018 -** Addition of \$513,900 in federal U.S. Department of Transportation, Federal Motor Carrier Safety Administration (FMCSA), High Priority grant funds to support the Badge On Board safety enforcement and public information program. Requires Interim Finance approval since the amount added to the FMCSA Badge on Board Grant category exceeds \$75,000. **Work Program #C41780**

Refer to motion for approval under Agenda Item E.

- 80. Department of Public Safety - Division of Parole and Probation - FY 2018 -** Transfer of \$600,000 from the Personnel Services category to the Information Services category to pay for additional programming hours needed to complete the development and implementation of the new Offender Tracking Information System. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds \$75,000. **Work Program #C41923**

Jim Wright, Director, Department of Public Safety (DPS), introduced Shannon Rahming, Administrator, Division of Enterprise Information Technology Services (EITS), Department of Administration; and David Haws, Deputy Administrator, EITS, Department of Administration.

Mr. Wright said EITS was the information services provider for the DPS as of July 2013. He said Work Program C41923 requested the transfer of \$600,000 from the Division of Parole and Probation (P&P) Personnel Services category to a special use category to continue the upgrade of the Offender Tracking Information System (OTIS).

Mr. Wright said OTIS was a case management system utilized by P&P. The OTIS project was initially projected to cost approximately \$1.7 million; however, the actual cost increased to \$1.9 million over the 2015-17 biennium. He said EITS recommended upgrading the system to remove OTIS from the unsupported USoft platform; incorporate a couple new modules for accounting and fiscal purposes; protect the database; and track performance measures and recidivism. Mr. Wright noted the new program was referred to as the "super" OTIS. He said regular meetings were held throughout the upgrade process, including monthly steering committee meetings, and weekly and biweekly work group sessions. Mr. Wright noted that he attended several meetings to monitor the project's progress. In June 2017, it was determined that the super OTIS was not ready for implementation. Focus groups immediately began working to identify the issues,



and several restructuring proposals were submitted to complete the super OTIS project for an additional \$1.7 million over the next year.

Mr. Wright said Work Program C41923 was intended to keep the project moving due to the important nature of the program. He said funds from the Personnel category would be used to allow the project to progress until a Contingency Account request could be submitted to the IFC at its February 2018 meeting. Mr. Wright said the agency would continue to look for additional savings to offset the amount of the Contingency Account request.

Mr. Wright chose to present the work program to the Committee personally due to the importance of the project. He noted that several DPS and EITS staff were available to answer questions from the Committee.

Assemblywoman Spiegel thanked the agency for bringing the matter to the attention of the Committee. She asked what the total project cost was for the super OTIS. She also asked for additional background on the original OTIS proposal from 2015, and how that estimate compared to the revised estimate. Mr. Wright replied that in the previous biennium, the super OTIS was estimated to cost \$1.7 million; however, the actual cost was \$1.9 million. He said the proposed fix to complete the project would add an additional \$1.7 million for an estimated total of \$3.9 million.

In response to a question from Assemblywoman Spiegel, Natalie Wood, Chief, P&P, DPS, said the off-the-shelf case management product in 2015 cost approximately \$10 million. She said the decision to remain in-house using EITS offered a substantial reduction in the anticipated cost, plus EITS could build on the current system.

Assemblywoman Edwards found it concerning that the updated project cost was double the original amount. He said the OTIS update began in 2013 when it was determined the system had reached its end-of-life. Funds were allocated in 2015 to begin the project. Since that time, additional funds had been allocated for the project. He asked why the cost was severely underestimated, and if someone was being held accountable for the oversight.

David Haws, Deputy Administrator, EITS, Department of Administration, said projects such as OTIS were complicated. He said the original project cost estimate was based on a technology investment request (TIR) that did not accurately reflect all the requirements of the application. The scope of the OTIS project was actually much larger than what was anticipated in the initial TIR, and the code was written based on EITS' understanding of the scope. The former legacy OTIS program ran on the USoft platform, which was a 15-year-old application with very little documentation. Because the original TIR lacked detailed system requirements, design sessions were held between EITS and subject matter experts at P&P so that EITS could gain a better understanding of the project.

scope. Mr. Haws said as the target completion date of July 2017 approached, it became clear that many parts of the application remained incomplete; therefore, more input was sought from P&P. Subsequently, it was determined that approximately 541 additional requirements were necessary to allow the application to function properly.

Mr. Haws said EITS overlooked some best practices on the initial project. For example, it was customary to understand the full scope of the project before beginning the coding process. He said P&P did not sign off on the original project requirements, and EITS began coding without a true understanding of the application size. EITS then took a step back and met with P&P and additional subject matter experts to ensure that EITS fully comprehended the project scope. As a result, the number of requirements was narrowed down to items of utmost importance that must be complete before the super OTIS program went live.

Mr. Haws said if cues were missed along the way, it was due to inexperience on the part of EITS as far as not utilizing project management best practices and failing to ensure that project management staff had proper oversight. He said one of the project challenges was that certain pieces were managed by EITS, while others were managed by DPS; therefore, the project lacked a cohesive management view.

Assemblyman Edwards noted that \$2.2 million was expended for project costs, which exceeded the \$2.1 million approved by the Legislature. He wondered if that was a violation of *Nevada Revised Statutes*. Sheri Brueggemann, Senior Fiscal Officer, DPS, replied that \$1.7 million was budgeted; however, \$1.9 million was authorized via work programs at the end of FY 2017.

Assemblyman Edwards noted that an additional \$345,000 was authorized during the 2015-16 Interim, which increased the total to \$2.1 million. Ms. Brueggemann replied that the additional \$345,000 was requested in the current fiscal year and included \$74,000 in EITS charges for July through September 2017 and \$109,000 in master service agreement (MSA) charges also for July through September 2017. She said the total charges in Category 26 exceeded the authorized amount; however, those invoices had not been paid.

In answer to a question from Assemblyman Edwards, Ms. Brueggemann confirmed that the division's request would cover the outstanding invoices in addition to a portion of the funds required to complete the case management system. She added that the requested funds would cover \$600,000 of the additional \$2 million needed to finish the super OTIS project. The exact total would be available in February.

Assemblyman Edwards thought it would be better for the division to request the funds in February when the total cost was known. Ms. Brueggemann replied that the \$600,000 would allow the project to continue immediately. She noted that the

project would come to a standstill if the funds were not approved, and the division would lose its MSAs.

Assemblyman Sprinkle asked what assurances could be offered to the Committee demonstrating that EITS had the ability to complete the project.

Mr. Haws replied that EITS had recently done several things to increase the likelihood of success on the super OTIS project. He said the original team assigned to the super OTIS project lacked enough experienced project management staff. EITS had since added several experienced members to the team, including Mr. Haws, who had 35 years of information technology (IT) experience, as well as an IT Chief with extensive project experience. Additionally, EITS hired a project manager to supervise project management staff. He noted the new project management supervisor was currently instituting best practices.

Mr. Haws said EITS also requested services from Gartner Inc. for other ongoing EITS projects. Gartner produced project management best practice artifacts that must be used, and would now be used, on a large project like OTIS. He thought EITS' failure was not recognizing the true size of the project. Mr. Haws said the timeframe for the OTIS project should have been two years; however, technical development did not begin until further into the project. He said the project managers did the best they could in the allotted time, but the focus was on completing the coding portion, not necessarily verifying that all the requirements were being met, or that testing and training occurred. Mr. Haws said P&P signed off on the project scope and requirements of the updated project, and EITS was keeping track of those requirements as tasks were completed. He said EITS was taking earnest steps to do the right thing.

Mr. Haws said EITS was scrutinizing the details of the super OTIS project, ensuring that training was in place and the new application was accepted, but other high-priority requirements could surface, which may interrupt the project. Additionally, the timeframe was very tight. He said P&P was eager to have the application live as soon as possible, and EITS was working diligently to accommodate the deadline. EITS was applying its best skills and best practices, but there were still risks associated with the project.

Assemblyman Sprinkle remarked that it would be prudent for EITS to require a detailed, signed agreement on all projects regardless of the client.

Assemblyman Sprinkle asked why the project should even continue at this point. Mr. Wright replied that the OTIS program was vital to P&P and the initiatives approved by the Legislature. He explained that OTIS was the case management system used to track probationers and parolees, and provide reports to the Legislature. He was unhappy about the situation with OTIS; however, the money that was already invested in the project would not go to waste. Mr. Wright commended the new EITS team that inherited the OTIS project. The new team

had assessed the project, and he thought EITS was headed in the right direction. He said it was unfortunate that the project cost increased, but the work that had been done would still be utilized.

In answer to a question from Assemblyman Sprinkle, Mr. Wright stated that the current system was vulnerable and could fail at any point.

Assemblyman Oscarson said he was regularly supportive of the DPS. After listening carefully to EITS' testimony, he agreed with other Committee members that the situation with OTIS was unfortunate. He was concerned about the agency requesting funds for a project that was still considered a risk; yet he understood the vital need for the OTIS program. Assemblyman Oscarson asked if there was a better vendor or a different approach that could be used. He also asked if the data was proprietary, or if it was owned by the DPS.

Mr. Wright said he did not like bringing bad news to the Committee. He said it was a difficult situation, because the program was vital to P&P and used for day-to-day business. Like any large IT project, there was always a risk involved. Mr. Wright did not think it was feasible to abandon the project for a more viable program. An off-the-shelf program was extremely expensive, and the cost would continue to increase with modifications. He relied on EITS to provide the best information possible and that EITS' projections would get the division where it needed to be.

Assemblyman Oscarson believed Mr. Wright was sincere. He said Mr. Wright's integrity and word were impeccable. However, hearing that the project was a risk caused Assemblyman Oscarson significant concern. He thought the entire issue was problematic.

Chair Woodhouse asked if there were other EITS-managed projects behind schedule or over budget.

Shannon Rahming, Chief Information Officer and Administrator, EITS, Department of Administration, said EITS was currently managing a total of approximately 100 internal and development projects. She said approximately 35 to 40 projects were actively being worked on. Ms. Rahming said all projects had a life cycle and sometimes the projects were behind or ahead of schedule. She said the OTIS project and one other DPS project were currently behind schedule.

Ms. Rahming noted that all previous coding done for the OTIS program would still be used. Additionally, the artifacts and best practices being put in place would be utilized for every other EITS project. She said the best practices would ensure that project scopes were clearly defined, and charters must be agreed to and signed before work would begin. She said the best practices would ensure that EITS knew exactly what to expect for each project, and roles and responsibilities would be clearly defined.

Ms. Rahming said some of EITS' other projects were also behind schedule. She said there were many factors that could cause a project to fall behind schedule. Vendor negotiations frequently caused a delay in internal and infrastructure-type projects. At times, contracts could take months to finalize due to negotiations of terms and conditions. She said EITS was trying to utilize MSAs rather than contracts, because terms and conditions did not have to be renegotiated, and other agencies could utilize the agreement.

Ms. Rahming said some of the DPS projects were over budget. Additionally, she thought the Computerized Criminal History project may exceed its budget, but that had not been determined. She indicated that EITS also had to adjust the timeline of several projects. For example, EITS may work on certain aspects of a project sooner than anticipated as time allowed. Ms. Rahming said certain projects could be temporarily stalled if project funding was delayed.

Assemblyman Sprinkle moved to approve Agenda Item E-80; however, he recommended transferring the Personnel Services authority to a special use category instead of the Information Services category.

Assemblyman Edwards thought it was imperative for the Committee to receive regular status updates given the history of the project. He recommended that the agency provide updates at every IFC meeting. Chair Woodhouse agreed, but recommended quarterly status reports.

ASSEMBLYMAN SPRINKLE MOVED TO AMEND  
AGENDA ITEM E-80 TO TRANSFER THE PERSONNEL  
SERVICES AUTHORITY TO A SPECIAL USE  
CATEGORY INSTEAD OF THE INFORMATION  
SERVICES CATEGORY AND REQUIRE THE AGENCY  
TO PROVIDE QUARTERLY STATUS REPORTS TO  
THE INTERIM FINANCE COMMITTEE.

SENATOR KIECKHEFER SECONDED THE MOTION.

Senator Kieckhefer said the Committee was obviously frustrated with the status of the OTIS project. The Legislature appropriated funds so the division could add staff, reduce ratios, and improve working conditions and public safety. He said he would not approve a request from a private vendor that failed to use best practices or receive approval before beginning the project, but the Committee did not have that option. Senator Kieckhefer hoped a lesson had been learned and the situation would not happen again.

Senator Goicoechea agreed with Senator Kieckhefer's comments.

Assemblywoman Carlton remarked that the \$600,000 request was only the beginning and would not fix the problem. The agency would be requesting more

funds at a later date. She thought it was important for the Committee to stay involved in the matter.

Assemblywoman Diaz said it was not always cost effective to select the less expensive option. Sometimes it was better to spend more money initially to provide the appropriate tools to state agencies so residents were served efficiently. She was concerned that the current program would crash and require even more time to correct. She said, in today's society, technology was robust and an important tool for servicing people. Assemblywoman Diaz said it was important to keep in mind how P&P was servicing clients, and how clients' lives were impacted by investments such as the OTIS program. She thought it was important for state government to be efficient, which meant providing state agencies with the appropriate and optimal tools, even if those tools were costly.

THE MOTION PASSED UNANIMOUSLY.

Chair Woodhouse called a recess at 11:48 a.m. The meeting was reconvened at 12:07 p.m.

- 81. Department of Public Safety - Investigation Division - FY 2018** - Addition of \$1,089,897 in federal Homeland Security grant authority to align federal grant authority for ongoing activities associated with the collection, analysis and dissemination of criminal and threat information at the Nevada Threat Analysis Center. Requires Interim Finance approval since the amount added to the State Homeland Security Program Grant category exceeds \$75,000. **Work Program #C41935**

Refer to motion for approval under Agenda Item E.

- 82. Department of Public Safety - Office of Traffic Safety - Highway Safety Plan and Administration - FY 2018** - Addition of \$48,000 in National Highway Traffic Safety Administration (NHTSA) grant funds to fund data collections activities associated with the Crash Report Sampling System. Requires Interim Finance approval since the amount added to the Fatality Analysis Reporting System exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C41826**

Refer to motion for approval under Agenda Item E.

- 83. Department of Public Safety - Justice Assistance Act - FY 2018** - Addition of \$270,237 in federal Residential Substance Abuse Treatment (RSAT) grant authority to support the agency's RSAT programs; \$67,483 in federal Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART) grant authority to support ongoing SMART program activities associated with the digitizing and indexing of hard copy sex offender registry files; \$1,002 in federal National Crime Statistics Exchange Implementation (NCS-X) grant authority to

support NCS-X program activities associated with preparing the state to transition from the Summary Reporting System to the Incident-Based Reporting system; \$49,233 in federal Forensic Science Improvement (FSI) grant authority to fund agency activities associated with monitoring state forensic laboratories; \$549,946 in federal National Criminal History Improvement Program (NCHIP) grant authority to fund improvements in the state's electronic fingerprint capabilities and to complete the correlation project between Nevada state criminal history records and FBI records; \$469,348 in National Instant Criminal Background Check System Act Record Improvement Program grant authority to support the agency efforts associated with improving the accuracy of information contained in the state's Computerized Criminal History System; \$180,304 in Reimbursement revenue to support the activities associated with the state's 1122 Purchasing Program; and deletion of \$254 in federal Prison Rape Elimination Act grant authority to align state and federal authority. Requires Interim Finance approval since the amount added to the NCHIP Grant category exceeds \$75,000. **Work Program #C41893**

Refer to motion for approval under Agenda Item E.

- 84. Department of Conservation and Natural Resources - Nevada Natural Heritage - FY 2018** - Addition of \$222,683 in federal U.S. Environmental Protection Agency (EPA) grant funds to support the development of Nevada's wetland program through data mapping, management and springsnail species conservation activities. Requires Interim Finance approval since the amount added to the EPA Grant category exceeds \$75,000. **Work Program #C41759**

Refer to motion for approval under Agenda Item E.

- 85. Department of Conservation and Natural Resources - Environmental Protection - Air Quality - FY 2018** - Addition of \$20,997 in Transfer of Chemical Accident Prevention Program fees and \$62,989 in Transfer of Air Quality Management Account fees to support additional in-state travel in an effort to meet program goals and to ensure compliance with state and federal regulations. Requires Interim Finance approval since the amount added to the In-State Travel category exceeds \$75,000. **Work Program #C41872**

Refer to motion for approval under Agenda Item E.

- 86. Department of Conservation and Natural Resources - Environmental Protection - Waste Management and Corrective Action - FY 2018** - Transfer of \$100,000 from the Reserve category to the Certification category to continue the conversion of the Certification Program's database to an online database system. Requires Interim Finance approval since the amount transferred to the Certification category exceeds \$75,000. **Work Program #C41832. WITHDRAWN 11-17-17.**

- 87. Department of Conservation and Natural Resources - Environmental Protection - State Revolving Fund Administration - FY 2018** - Addition of \$51,075 in federal U.S. Environmental Protection Agency Safe Drinking Water State Revolving Fund (SRF) grant funds and transfer of \$25,344 from the Reserve category to the Drinking Water SRF 10 percent Set Aside category to continue water infrastructure improvement activities. Requires Interim Finance approval since the amount added to the Drinking Water SRF 10 percent Set Aside category exceeds \$75,000. **RELATES TO ITEM E. 88. Work Program #C40551**

Refer to motion for approval under Agenda Item E.

- 88. Department of Conservation and Natural Resources - Environmental Protection - Safe Drinking Water Program - FY 2018** - Addition of \$76,419 in Transfer of Safe Drinking Water State Revolving Fund (SRF) and \$30,346 in Transfer of federal U.S. Department of Energy grant funds to continue water infrastructure improvement activities. Requires Interim Finance approval since the amount added to the Federal Drinking Water SRF Grant category exceeds \$75,000. **RELATES TO ITEM E. 87. Work Program #C41681**

Refer to motion for approval under Agenda Item E.

- 89. Department of Conservation and Natural Resources - Environmental Protection - State Revolving Fund Administration - FY 2018** - Addition of \$100,000 in federal U.S. Environmental Protection Agency grant funds to support a technical assistance provider to assist newly found public water systems proceed with proper permitting and monitoring requirements. Requires Interim Finance approval since the amount added to the Drinking Water State Revolving Fund 10 percent Set Aside category exceeds \$75,000. **RELATES TO ITEM E. 90. Work Program #C41843**

Refer to motion for approval under Agenda Item E.

- 90. Department of Conservation and Natural Resources - Environmental Protection - Safe Drinking Water Program - FY 2018** - Addition of \$100,000 in Transfer from the State Revolving Fund (SRF) to support a technical assistance provider to assist newly found public water systems proceed with proper permitting and monitoring requirements. Requires Interim Finance approval since the amount added to the Federal Drinking Water SRF Grant category exceeds \$75,000. **RELATES TO ITEM E. 89. Work Program #C41859**

Refer to motion for approval under Agenda Item E.

- 91. Department of Conservation and Natural Resources - Environmental Protection - Water Quality Planning - FY 2018** - Addition of \$98,854 in federal U.S. Environmental Protection Agency (EPA) grant funds to continue water quality program activities including distribution of required monetary allocations to



designated Clean Water Act (CWA) planning agencies. Requires Interim Finance approval since the amount added to Federal CWA Section 604B EPA Grant category exceeds \$75,000. **Work Program #C41868**

Refer to motion for approval under Agenda Item E.

- 92. Department of Conservation and Natural Resources - Environmental Protection - Water Quality Planning - FY 2018** - Addition of \$460,642 in federal U.S. Environmental Protection Agency (EPA) grant funds to enhance the existing state water quality and biological monitoring programs and to participate in a nationwide statistical survey. Requires Interim Finance approval since the amount added to Federal Clean Water Act Section 106MI EPA Grant category exceeds \$75,000. **Work Program #C41883**

Refer to motion for approval under Agenda Item E.

- 93. Department of Conservation and Natural Resources - Environmental Protection - Water Quality Planning - FY 2018** - Addition of \$2,358,269 in federal U.S. Environmental Protection Agency (EPA) grant funds to implement the Nonpoint Source Pollution Management Program. Requires Interim Finance approval since the amount added to the Federal Clean Water Act Section 319H EPA grant category exceeds \$75,000. **Work Program #C41884**

Refer to motion for approval under Agenda Item E.

- 94. Department of Conservation and Natural Resources - Environmental Protection - Water Quality Planning - FY 2018** - Addition of \$358,571 in federal U.S. Environmental Protection Agency (EPA) grant funds to support the implementation of required water quality protection programs. Requires Interim Finance approval since the amount added to the Federal 106 EPA grant category exceeds \$75,000. **Work Program #C41940**

Refer to motion for approval under Agenda Item E.

- 95. Department of Wildlife - Conservation Education - FY 2018** - Addition of \$978,540 in federal U.S. Fish and Wildlife Service grant funds to support shooting range construction and enhancements. Requires Interim Finance approval since the amount added to the Hunter Education category exceeds \$75,000. **Work Program #C41788**

Refer to motion for approval under Agenda Item E.

- 96. Department of Wildlife - Game Management - FY 2018** - Addition of \$245,191 in federal U.S. Fish and Wildlife Service grant funds and \$81,731 in Transfer Sportsmen Revenue to continue game and predator management programs.

Requires Interim Finance approval since the amount added to the Predator Management Projects category exceeds \$75,000. **Work Program #C41807**

Refer to motion for approval under Agenda Item E.

- 97. Department of Wildlife - Fisheries Management - FY 2018** - Addition of \$241,023 in federal U.S. Fish and Wildlife Service grant funds and \$80,342 in Transfer Sportsmen Revenue to continue hatchery operations. Requires Interim Finance approval since the amount added to the Sportfish Production/Distribution category exceeds \$75,000. **Work Program #C40847**

Refer to motion for approval under Agenda Item E.

- 98. Department of Wildlife - Fisheries Management - FY 2018** - Addition of \$193,720 in federal U.S. Fish and Wildlife Service grants funds and \$64,574 in Transfer of Aquatic Invasive Species (AIS) fees to continue program activities including public education, watercraft inspection and decontamination. Requires Interim Finance approval since the amount added to AIS Outreach and Inspection category exceeds \$75,000. **Work Program #C41766**

Refer to motion for approval under Agenda Item E.

- 99. Department of Wildlife - Habitat - FY 2018** - Addition of \$191,669 in Dream Tag Projects grant funds to support wildlife habitat restoration projects in wildfire burn areas. Requires Interim Finance approval since the amount added to the Dream Tag Projects category exceeds \$75,000. **Work Program #C41808**

Refer to motion for approval under Agenda Item E.

- 100. Department of Wildlife - Habitat - FY 2018** - Addition of \$177,289 in federal U.S. Fish and Wildlife Service wildlife restoration grant funds, \$37,528 in federal U.S. Fish and Wildlife Service sportfish grant funds and \$71,606 in Transfer Sportsmen Revenue to support the continuation of Wildlife Management Area (WMA) program objectives. Requires Interim Finance approval since the amount added to the WMA System category exceeds \$75,000. **Work Program #C41799**

Refer to motion for approval under Agenda Item E.

- 101. Department of Wildlife - Habitat - FY 2018** - Addition of \$1,997,827 in federal U.S. Department of the Interior grant funds to continue habitat restoration projects and to begin a new bat conservation project. Requires Interim Finance approval since the amount added to the Nevada Partners for Conservation and Development Program category exceeds \$75,000. **Work Program #C41838**

Refer to motion for approval under Agenda Item E.

- 102. Department of Wildlife - Habitat - FY 2018** - Addition of \$142,500 in federal U.S. Fish and Wildlife Service grant funds and the addition of \$107,500 in Transfer of Trout Stamps fees to support the Mason Valley Wildlife Management Area (WMA) water system improvement project. Requires Interim Finance approval since the amount added to the WMA System category exceeds \$75,000. **Work Program #C41857**

Refer to motion for approval under Agenda Item E.

- 103. Department of Veterans Services - Office of Veterans Services - FY 2018** - Addition of \$100,000 in federal Transportation of Veterans in Highly Rural Areas grant funds to allow the department to provide transportation services to veterans in rural areas. Requires Interim Finance approval since the amount added to the Elko and Nye Transportation Services category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C41906**

Refer to motion for approval under Agenda Item E.

- 104. Department of Public Safety - Justice Assistance Act - FY 2018** - Addition of \$1,000,000 in federal U.S. Department of Justice, Edward Byrne Memorial grant funds for Las Vegas Metro overtime costs associated with the Las Vegas Route 91 Harvest Music Festival tragedy. Requires Interim Finance approval since the amount added to the Byrne Emergency Grant - Las Vegas Shooting exceeds \$75,000. **Work Program #C42117. RECEIVED AFTER SUBMITTAL DEADLINE, 11-16-17**

Refer to motion for approval under Agenda Item E.

## RECLASSIFICATIONS

Refer to motion for approval under Agenda Item E.

AGENCY	AGENCY/ ACCOUNT NUMBER	POSITION NUMBER	PRESENT CLASS, CODE, GRADE, SALARY	PROPOSED CLASS, CODE, GRADE & SALARY
Secretary of State Commercial Recording	040/1050	0080	Administrative Assistant III Code: 2.211 Grade: 27/01 Employee/Employer Paid Retirement \$34,681.68	Program Officer II Code: 7.647 Grade: 33/01 Employee/Employer Paid Retirement \$44,474.40
Department of Administration – EITS	180/1387	0002	Telecom Coordinator II Code: 6.969 Grade: 38/10 Employer Paid Retirement \$72,203.04	IT Professional III Code: 7.925 Grade: 40 Employer Paid Retirement \$79,114.32

Department of Administration – EITS	180/1387	0008	Telecom Coordinator II Code: 6.969 Grade: 38/10 Employer Paid Retirement \$72,203.04	IT Professional III Code: 7.925 Grade: 39/10 Employer Paid Retirement \$75,543.84
Department of Administration – EITS	180/1387	0009	Telecom Coordinator II Code: 6.969 Grade: 38/10 Employer Paid Retirement \$72,203.04	IT Professional III Code: 7.925 Grade: 39/10 Employer Paid Retirement \$75,543.84

#### **F. STATEMENT OF CONTINGENCY ACCOUNT BALANCE.**

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, LCB, referred the Committee to the summary of Contingency Account balances on page 349 in Volume II of the meeting packet ([Exhibit B](#)). The balance of the unrestricted General Fund portion of the Contingency Account was \$16.4 million. He said the allocation requests before the Committee under Agenda Item G totaled approximately \$1 million; therefore, if those requests were approved, the balance of the unrestricted General Fund would be reduced to approximately \$15.4 million. The balance of the unrestricted Highway Fund was approximately \$1.7 million, and there were no Highway Fund requests before the Committee. Mr. Krmpotic said the balance of the restricted portion of the General Fund was approximately \$16.1 million. There was one request before the Committee for \$682,684 to the Desert Research Institute for the Nevada State Cloud Seeding program. The funds were set aside in the Contingency Account under legislation approved during the 2017 Legislative Session. If the request was approved, the balance of the restricted General Fund would be reduced to \$15.4 million.

#### **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. Office of the Governor – Office of Workforce Innovation – Nevada P20 Workforce Reporting – Request for an allocation of \$250,000 to fund data partner planning for the Nevada P20 to Workforce Research Data System.  
**WITHDRAWN 11-29-17.**
2. Office of the State Controller – Request for an allocation of \$178,580 to complete a Business Intelligence project and online checkbook and to conduct a data review to ensure the security of personal information.

Ron Knecht, State Controller, Office of the State Controller (OSC), introduced James Smack, Chief Deputy Controller, OSC.

Mr. Knecht said the OSC was requesting \$178,580 from the Contingency Account to complete the replacement for Oracle Discoverer as well as the online checkbook. He said \$150,000 would be used to continue the services of the MSA contractor, the point person on the project development for the duration of the project. The remaining funds would be used to onboard an MSA consultant to perform an in-depth review of the data housed in the Advantage accounting system. He said the data in the Advantage accounting system would populate in the Business Intelligence System, Open Text and the online checkbook. Mr. Knecht said a savings of \$31,420 was available in another budget category, which reduced the total cost from \$210,000 to \$178,580.

Mr. Knecht noted that the project was originally budgeted for \$1.4 million over FY 2016 and FY 2017. If the requested funds were approved, the total amount spent on the project would be \$883,548, representing a savings to taxpayers of \$515,953 from the original budget allocations in those fiscal years. He said Mr. Smack would provide additional details, including a breakdown of monies spent to date on the project.

James Smack, Chief Deputy Controller, OSC, said the OSC spent the past two years working on the Business Intelligence System and online checkbook, which were nearing completion. The OSC originally requested \$1.315 million in FY 2016 and \$84,087 in FY 2017 to complete the project. In FY 2016, the OSC purchased the Open Text software solution for \$415,338 and spent \$93,960 on a MSA contract. Mr. Smack said the OSC returned \$939,157 to the General Fund in FY 2016 primarily due to savings from the initiative. In FY 2017, the OSC spent \$164,250 on the MSA contractor for the product development and neared completion on the project. He said the \$84,087 allocated to the Business Intelligence project was used to fund the MSA, along with savings realized in other areas, without requesting additional funds from the IFC.

Mr. Smack said as FY 2018 approached, OSC IT staff discovered data and security issues during an in-house data review. Consequently, the OSC wanted to onboard an MSA contractor to perform a security assessment and review of all data housed in the Advantage accounting system since FY 2006. He said the assessment was a necessary precaution to provide the best possible security against a data breach. Mr. Smack said the new MSA contractor would work with the current contractor to mask data appropriately prior to going live with the online checkbook. The OSC hoped to accomplish four things with the new MSA contractor:

- Ensure governmental compliances both on a state and federal level
- Ensure credibility
- Prevent fraud
- Improve processes

Mr. Smack said the online checkbook was an important replacement for Oracle Discoverer. He said Discoverer was the current reporting program; however, Oracle had not provided support for Discoverer in six years when the program reached its end-of-life. If Discoverer failed prior to going live with the Business Intelligence project, the state would be without a critical reporting solution for state agencies. He said the MSA contractor handling the Business Intelligence project and online checkbook would also be working with OSC IT staff to mitigate and test all the reports, and provide training for OSC staff and state agencies. Mr. Smack said the OSC would coordinate with state training staff to develop a new class that would be delivered virtually and in a classroom setting.

In answer to a question from Assemblywoman Benitez-Thompson, Mr. Smack replied that the current MSA contractor began around January or February 2016.

Assemblywoman Benitez-Thompson asked for details about discussions during the 2017 Legislative Session concerning the Business Intelligence System and online checkbook. Mr. Smack replied that there was little discussion regarding the Business Intelligence project during the 2017 Legislative Session; however, significant discussion occurred during the 2015 Legislative Session when the OSC requested the initial funding of \$1.315 million for FY 2016 and \$84,087 in FY 2017.

Mr. Smack said during the 2017 Legislative Session, the OSC testified that the Business Intelligence project was anticipated to go live in FY 2017. However, at the end of May 2017, during a review of data collected since FY 2006, the OSC identified data components and security issues that could pose problems in the future. For example, sensitive information, such as full credit card numbers, was located in the comment fields within the Advantage accounting system. He noted that it was no longer current practice to include sensitive information in the comment fields. Mr. Smack said the OSC had not experienced a security breach, but certain processes were no longer considered good business practice today due to large security breaches experienced by companies like Target and Verizon. The OSC wanted to ensure that sensitive information was masked so it would not inadvertently appear in reports run by state agencies.

Mr. Knecht added that insertion of the secure data would now violate restrictions concerning Personal Identification Information (PII) and non-public information, or Personal Confidential Information (PCI). He said the OSC ran the system and provided it for use by state agencies. Mr. Knecht said it seemed prudent at the time to use comment fields for information such as credit card numbers; however, because that data now violated PII and PCI restrictions, the OSC needed to mask the information to avoid it being unintentionally released to the public.

Assemblywoman Benitez-Thompson asked if the contract would be extended through an amendment. Mr. Smack replied that the contract was actually an MSA through State Purchasing. The OSC would like to extend the services of the current MSA contractor that was building the product using the Open Text software solution. In addition, the OSC would like to hire another MSA contractor for two months to act as an external auditor to specifically review the OSC data. The cost of the additional contractor would be \$60,000.

ASSEMBLYWOMAN TITUS MOVED TO APPROVE  
AGENDA ITEM G-2.

SENATOR GOICOECHEA SECONDED THE  
MOTION.

THE MOTION PASSED. (Assemblywoman Benitez-Thompson and Assemblywoman Carlton opposed the motion. Assemblyman Hambrick was not present for the vote.)

3. Department of Education – Request for an allocation of \$208,159 to replenish the Contingency Account for Special Education Services (NRS 388.5243).

Steve Canavero, State Superintendent, Nevada Department of Education (NDE), introduced Brett Barley, Deputy Superintendent, NDE; and Will Jensen, Education Programs Director, NDE.

Mr. Canavero said the NDE was requesting \$208,159 to replenish the Contingency Account for Special Education Services. In 2015, the Legislature transitioned from the unit-based funding formula to a per-pupil amount for special education funds to school districts. At the same time, a contingency account of \$5 million was established for special and unique circumstances. The NDE could disburse funds from the Special Education Services Contingency Account to reimburse school districts and charter schools for extraordinary program expenses and related services for students with significant disabilities. Mr. Canavero stated that during the 2017 Legislative Session changes were made to the Contingency Account for Special Education Services. He said \$3 million was rolled into the per-pupil formula for students with disabilities above the 13 percent cap, and \$2 million remained in the Special Education Services Contingency Account for the NDE to award based upon successful application from school districts and charter schools with extraordinary expenses related to students with significant disabilities. He said the NDE reimbursed three districts a total amount of \$208,159 in FY 2017. Mr. Canavero noted that Will Jensen, Education Programs Director, NDE, worked collaboratively with a number of state agencies to ensure that the legislative intent for the funds was mutually agreed upon.

ASSEMBLYWOMAN CARLTON MOVED TO  
APPROVE AGENDA ITEM G-3.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.  
(Assemblyman Hambrick was not present for the  
vote.)

#### 4. Department of Corrections

- a) Request for an allocation of \$234,372 to fund the addition of five full-time permanent positions, two temporary contracted support positions and other associated costs for Fiscal Year 2018 to implement Senate Bill 268 (2017 Legislature).

James Dzurenda, Director, Department of Corrections (NDOC), said he would provide information for those without a law enforcement background to understand how inmates were identified when they entered a local jail or correctional facility in the State of Nevada.

Mr. Dzurenda explained that the first thing a person was asked for upon arrest was identification. If the person did not have identification, or refused to provide it, the individual was asked for their name, and booked under that name. When the individual was fingerprinted during the booking process, those fingerprints were compared to the national database. If the individual's fingerprints were not in the registry, the individual was booked under the name provided at the time of the arrest. After the person was sentenced, the court provided the NDOC with a document identifying the inmate under the name given at the time of arrest. That name would be used to track the inmate through the prison system, including sentencing and eligibility for release or parole.

Mr. Dzurenda explained that the NDOC provided inmates with photo identification under the name given at the time of arrest, but that information was not verified by the police, the courts, or the NDOC. If that individual was arrested again after their release from prison, the individual may give a different name, and go through the same process; however, the fingerprints would match the fingerprints provided during the first arrest. Still, the identity for the current arrest would be linked to the name provided at the time of the current arrest, because that was the name the court would use on the minimus. He said a note would be included on the inmate's record indicating that an alias was being used. He noted that it was common for offenders to use 12 to 16 different aliases. Mr. Dzurenda said, upon release after the current sentence was served, the inmate would be provided with a photo identification under the name given during the most recent arrest.



Mr. Dzurenda explained that an individual may give a false name because their true identity may reveal warrants, outstanding child support or alimony, or illegal residency. He said an individual could use a new alias at each arrest, and it was not unusual for an offender to have many aliases. The only true way to determine an inmate's identity was through a birth certificate.

Mr. Dzurenda said Senate Bill 268 (2017 Legislative Session) did not allow the release of an offender into the community with NDOC identification, because it was not verified identification. A department audit revealed that only a little over 10 percent of the inmate population actually had verified identification. About 90 percent of the inmate population, or 11,000 inmates, did not have verified identification, which affected the department in many areas. For example, the National Sexual Assault Kit Initiative (SAKI), Second Chance Act, and Workforce Investment Act (WIA) grants required that an inmate have a verified identification card upon release.

Mr. Dzurenda said the NDOC could not turn an inmate over to the Division of Parole and Probation (P&P) if the inmate's photo identification had not been verified. He explained that P&P would not be able to place parolees in homes or jobs without verified identification. Therefore, parole could be denied for a large number of inmates. In addition, the Social Security Administration indicated it would not allow inmates employed within the prison system to receive pay without a Social Security number.

Mr. Dzurenda said the NDOC was requesting five full-time employees and two part-time contract employees to perform the function of identifying verification. The five full-time employees would begin the process of verifying identification for current inmates. If an inmate was cooperative, and if the department was able to obtain a birth certificate, the process could take about six to nine months. He said the Mexican consulate and Puerto Rico only provided birth certificates to individuals who appeared in person. Some offenders refused to reveal their true identity; however, if an inmate wanted to be paroled, they would have to cooperate, because verified identification was required for parole.

Mr. Dzurenda estimated that about 80 percent of the prison population would request to be verified so as not to hinder the parole process, in addition to the benefit a verified identification would have on their success in the community. He said the department would begin verifying the identification of the current inmate population, and then focus on verifying the identity of new inmates. The five full-time positions would work with current inmates to start the process of verifying identification. The temporary contract personnel would work at High Desert State Prison and Northern Nevada Correctional Center, which were the two prison intake locations.

Mr. Dzurenda said there was much at jeopardy if inmates did not have verified identities, such as grant funding and parole. In addition, he believed that verifying identification was the right thing to do for the safety of the community. Also, inmates would benefit, because verified identification was required for parole and for successful integration in the community after discharge.

Assemblyman Sprinkle said he interpreted S.B. 268 as requiring the NDOC to provide verified identification cards to inmates, *if requested*. He asked Mr. Dzurenda if he agreed, and whether that would reduce the number of staff necessary to meet the mandate of the bill. Assemblyman Sprinkle said the issues mentioned by Mr. Dzurenda could be legitimate, but would probably need to be addressed during the 2019 Legislative Session rather than by the IFC.

Mr. Dzurenda agreed that the language of the bill did not mandate that the department provide verified identification to every inmate. He said about 80 percent of offenders asked for help getting parole, which he assumed would be the same number to request verified identification cards. He explained that a condition of parole could be that the parolee seek employment, which required identification. He said inmates would either complete their entire prison sentence, or request that the department provide verified identification.

Assemblyman Sprinkle asked why that concern was not raised when the bill was heard during the 2017 Legislative Session so that it could have been addressed at that time. He was very uncomfortable changing the language in a statute during the interim, or providing funds to the department based on the assumptions presented. Assemblyman Sprinkle asked why a fiscal note was not prepared by the NDOC for S.B. 268.

Mr. Dzurenda said the department was not required to do anything to be in compliance with the bill, which was why there was not a fiscal note. He explained that, since the 2017 Legislative Session, the department applied for several large grants in excess of \$3.0 million that required verified identification for inmates upon release. If the requirement was not met, the grant funding would be lost. In addition, he believed it was important to stop falsely identifying offenders being released into the public. He agreed that the department did not have to provide inmates with verified identification unless requested by the inmate. He noted that about 10 percent of the inmate population had already requested and received verified identification.

Continuing, Mr. Dzurenda explained that in order for inmates to be successful in the community, they needed verified identification. He expected an increase in the number of inmates requesting verified identification when inmates were denied parole for not having it.

Mr. Dzurenda said verified identification was needed to stop victimization in the community, and to help inmates gain employment. Mr. Dzurenda explained that the department was in compliance since inmates were not requesting validated identification.

Assemblyman Sprinkle said he potentially agreed with those arguments, and would be happy to work with the department during the interim on a bill for the 2019 Legislative Session; however, because the department was in compliance with the statute, a request from the IFC was not appropriate.

David Tristan, Deputy Director, NDOC, said prior to the passage of S.B. 268, the NDOC Director could provide an inmate with an NDOC identification card that was accepted by the Department of Motor Vehicles (DMV). Although the name on the identification might not be accurate, it was accepted because it was based on documentation from the courts. However, with the passage of S.B. 268, the NDOC was prohibited from issuing an identification card unless the inmate's true identity had been validated.

Mr. Tristan noted that many inmates had multiple aliases, and the NDOC was unable to ferret out an inmate's true identity. If the department did nothing, inmates would be released with no identification whatsoever. He said statute required an individual to provide identification if they were approached by a police officer for suspicious behavior. If identification was not presented, the individual could be detained until the police determined the identity of the individual. He said offenders would be leaving prison without the ability to identify themselves.

Mr. Tristan said a time study to determine how long it would take to perform each verification request through the birth certificate process was used to prepare the Contingency Account request. He said the department's original request was for 11 positions, but the department was asked to reduce the number of positions, so the number was decreased to 7. Two of the positions were changed to contract staff so those positions could be eliminated at the end of the contract, if necessary.

Mr. Tristan said, if inmates were released without identification, the department would be taking a big step backward in reducing recidivism, providing reentry and mental health services, improving public safety, and utilizing the SAKI grant. He said parolees would not be able to obtain Medicaid without an identification card. He understood the frustration of Committee members and was grateful for the support the department had received so far in its effort to reduce recidivism. However, if the positions were not approved, the department would still be in compliance with the statute, but inmates would be released without the identification necessary to obtain services such as Medicaid.

Mr. Tristan implored the Committee to approve the request. He said the cost was reduced as much as possible. He said the department did not have additional resources, and was as lean as possible. He said the NDOC could not perform the verified identification function without additional resources. He added that he did not know why a fiscal note was not processed the way it should have been.

Senator Kieckhefer said when the Legislature passed a bill requiring a department to perform a particular function, resources were provided; however, no resources were requested by the NDOC to perform this function. He said the fiscal note process was an opportunity for the department to communicate what was needed to perform the mandate of the bill. He said there was uncertainty about the fiscal note that was provided. Senator Kieckhefer said S.B. 268 was effective October 1, 2017. He asked if the department was currently releasing inmates without an identification card unless the inmate's identity had already been verified. Mr. Tristan replied that he issued a memo to the wardens requesting that they continue issuing photo identification cards temporarily until the matter regarding identification verification could be resolved.

Mr. Tristan said the NDOC quantified its need for resources to perform this requirement. The time study revealed that the least amount of labor time required for identification verification was about two hours. The average time exceeded two hours, and it sometimes took six to eight hours to complete the identification verification process from beginning to end. The department initially requested 11 positions, but that was reduced to 7 based on the assumption that each request would take approximately two hours to process.

Senator Kieckhefer said he understood that the identification verification process for inmates in the prison system was time consuming, and that NDOC personnel would be contacting every state in the nation and multiple countries to obtain original documents for inmates in order to meet this standard. He asked whether the Parole Board was currently denying requests for parole from inmates without verified identification.

Mr. Tristan said the wardens were still providing identification cards for inmates; however, he would not advise the NDOC Director to continue the practice. He knew the department was going to request resources from the IFC, and he did not want to release inmates without identification in the meantime.

Senator Kieckhefer asked if there was a law prohibiting the Parole Board from granting parole to an inmate without verified identification. Mr. Tristan responded that he did not know if there was such a statute, but NRS 171.123 required citizens to have identification. He added that it was

particularly important for parolees to have identification, because they must identify themselves to parole agents and probation officers.

Assemblywoman Spiegel said the fiscal note submitted with the S.B. 268 indicated that a projected average of 5,889 inmates were due to be released per year. She said the request to the Committee for funding was to provide verified identification for all inmates, not just the number being released. She asked if the NDOC intended to begin the inmate identification verification process upon intake, or work to provide verified identification for inmates scheduled to be released that year.

Mr. Tristan said the NDOC received and paroled approximately 12,000 inmates per year. The process of providing verified identification would be performed at both ends of the system. When all current inmates had verified identification, the process would continue for inmates during the intake process. He said only about 12 percent of the current inmate population had birth certificates, so there was a backlog. Mr. Tristan said the reason the department wanted to initiate the process upon intake was because it took an average of three to six months to obtain a birth certificate. He said it would be more difficult to verify the identification of inmates from foreign nations or Puerto Rico. For example, the Mexican consulate would provide a birth certificate, but the individual must go to the consulate in person. If the individual was unable to go to the consulate, they would be provided with a consular identification card, which was not always accepted as verified identification.

Mr. Tristan added that the department did not know how long of a sentence an inmate would serve. Sometimes an inmate was eligible for parole upon arrival to the prison system, while other inmates were sentenced to life without the possibility of parole, which was why the process of verifying identification must begin on the front end.

Assemblywoman Spiegel asked how much it would cost to get through the backlog and continue working on the back end until the Legislature could discuss the issue during the 2019 Legislative Session.

Mr. Tristan said the request was pared down considerably. He said two positions would work on the backlog, two positions would work at each of the intake centers, and one position would work at Florence McClure Women's Correctional Center. He said it would be extremely difficult to process the paperwork with only two positions for the entire system.

Assemblyman Oscarson asked how many of the inmates being released were Nevada residents. Mr. Dzurenda replied that as of the 2017 Legislative Session, 28 percent of inmates either had no address, or were not Nevada

residents. A percentage ranging from 25 percent to 28 percent was consistent over the years.

Assemblyman Oscarson said 70 percent of inmates were Nevada residents. He asked about the process to obtain birth certificates for inmates who were residents of Nevada.

Mr. Dzurenda replied that when an inmate requested help with the verified identification application process, the department would send the application to the town or city where the inmate was born.

Assemblyman Oscarson said the Department of Health and Human Services may be a good resource to provide birth certificates for inmates born in Nevada, and Mr. Dzurenda agreed.

Assemblyman Edwards recalled testimony during the 2017 Legislative Session regarding the number of inmates eligible for parole who could not be released due to lack of resources. He said that led to overcrowding, which required additional resources to transfer inmates to an out-of-state facility. He said if the verified identification process resulted in inmates being released on parole who would have otherwise stayed in the prison system due to lack of verified identification, approving the request would solve several problems and was the best practice to be implemented. He would rather start the process now rather than wait until the 2019 Legislative Session. He said the verified identification process would mitigate several problems and save taxpayers money.

Mr. Dzurenda agreed that verified identification would solve quite a few problems, and the department would not risk the potential of losing millions of dollars in grant funds. For example, \$3.0 million in Second Chance Act grant funds would be unavailable due to inmates being released without verified identification. He said there was a public safety aspect as well. The NDOC wanted to ensure inmates were positively identified for law enforcement and the community.

Assemblyman Edwards said providing verified identification was the appropriate thing to do for inmates who had served their time and met the criteria for parole.

Assemblywoman Carlton did not recall testimony during the 2017 Legislative Session indicating that verified identification was a requirement of the department's grant funding.

Mr. Dzurenda said the SAKI grant was new. He said the department had been providing identification that met the requirements of the Second Chance Act grant; however, S.B. 268 did not permit the NDOC to provide

identification unless it was verified. If the NDOC did not provide inmates with any identification because it lacked the resources to verify identification, the department would be in violation of the Second Chance Act grant requirements for the second year.

Assemblywoman Carlton asked if there was a conflict between the grant and the statute. She noted that the statute required the NDOC to provide verified identification only if requested by an inmate. She asked if the grant required verified identification.

Mr. Dzurenda explained that if inmates were released without identification, it was a violation of the Second Chance Act grant requirements in the second year. He expected that when inmates discovered there could be an issue with parole without verified identification, there would be a large number of requests, which he estimated to be about 80 percent of the prison population.

Assemblywoman Carlton said she understood that the second year of the Second Chance Act grant required the department to provide identification, but the grant did not require verified identification. The statute required that, if an inmate asked for identification, it had to be verified. If there was no request, the inmate could use the identification that was provided to them in the past.

Mr. Dzurenda clarified that S.B. 268 did not permit the NDOC to provide any type of identification unless it was verified.

Assemblywoman Carlton said as she understood it, the department could still provide the identification that had been provided to inmates in the past. She asked if the grant requirements were discussed in the hearings for S.B. 268. Mr. Dzurenda replied that at the time of the discussion, the language for the second year of the Second Chance Act grant and the SAKI grant was not available, which was why the topic of grant funding was not discussed during the hearings for S.B. 268. He said it was clear in the language of the bill that the NDOC could not provide any identification to an offender unless it was verified, which required a birth certificate.

Assemblywoman Carlton said the Committee did not want to slow down the process of inmates being discharged from the prison system. She said the Committee was receiving mixed messages, and she was uncertain what was required of the department.

Brenda Erdoes, Legal Counsel, Legislative Counsel Bureau, said S.B. 268 did not allow the department to provide identification if it could not be verified. Unfortunately, the Code of Federal Regulations (CFRs) pertaining

to the grant was not immediately available to her, but she offered to research the matter.

Chair Woodhouse suggested that the item be deferred until the IFC meeting in February 2018 so that the CFRs could be reviewed.

In response to a question from Assemblywoman Bustamante Adams, Mr. Dzurenda replied that deferring action on the department's request would affect the grants. In addition, he would need to send a memorandum to inmates and staff that the department would no longer be able to issue any type of identification. As a result, that would immediately affect the Parole Board's decisions on granting parole to inmates eligible for release, and would also affect the SAKI and Second Chance Act grants.

Senator Kieckhefer noted that 10 percent of inmates already had birth certificates. Birth certificates for other inmates could be obtained using existing resources. Therefore, a blanket statement that the department could not issue identification cards was not accurate.

Mr. Dzurenda said that was correct for a small percentage of inmates. He said the NDOC would do its best to provide verified identification, but did not have enough staff to perform the process for 12,000 inmates. He said the time study referenced earlier determined that existing staffing levels were not adequate to perform the process. He was unsure that even the seven requested positions dedicated to the function would be enough to complete the task.

Mr. Tristan added that every service in the community required identification. For example, mental health services, medication-assisted substance abuse treatment and Medicaid. Additionally, an inmate could not obtain housing without some form of identification. Mr. Tristan said the statute prohibited the department from providing identification until an inmate's identity was verified. While about 12 percent of the inmate population did have birth certificates, the majority of inmates who exited the prison system would not be able to access services in the community, which would directly impact the Second Chance Act grant.

Mr. Tristan said Nevada was the flagship state for the Second Chance Act grant program. The NDOC was training other states on how to put into place a grant to reduce recidivism. The department went from the bottom in regard to grant administration, to the leader in the nation. He said this decision would directly impact how the NDOC would manage the grant, because it required wraparound community services, such as drug treatment, housing and employment. Mr. Tristan said every part of the Second Chance Act grant would be impacted.



Senator Spearman said there were several issues that arose during the 2017 Legislative Session regarding changes the NDOC intended to implement. She did not mean to impugn the professionalism, planning or foresight of the previous administration; however, during the presession budget overview presentations, several issues arose, including the placement of severely mentally ill patients in solitary confinement for more than five years. She did not know whether the verified identification issue was discussed at that time, but part of the problem could be that the department was working to accomplish things that should have been done previously.

Chair Woodhouse asked how many inmates were participating in the grant program. Mr. Dzurenda replied that the grant would affect any inmate being discharged into the community. He said about 88 percent of the inmate population would either be discharged or precleared for release in the next 16 years. He said the department would research the information to provide the Committee with more accurate figures.

Assemblywoman Carlton said the last thing the Committee wanted was to put up barriers to prevent inmates who have completed their sentences from leaving prison and starting a new life. She recalled that in the past, the state did not provide those inmates with any identification. The interfaith councils of both Southern and Northern Nevada testified before the Legislature on the need to provide these services to people leaving prison. She would prefer that the two contract employees assist in the validation of identification for inmates leaving the prison system. In the meantime, the Committee would need information about the grants to learn whether verified identification was required for inmates entering the prison system. She was unsure if the department could tell the Committee how many inmates entered the prison system with a driver's license. She said there were many unanswered questions, and she would not want the Committee to make a decision without adequate information. She reiterated that the Committee did not want to slow down the parole process for inmates.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE  
THE REQUEST FOR TWO CONTRACT EMPLOYEES,  
AND DEFER THE DECISION CONCERNING  
PERMANENT EMPLOYEES TO THE NEXT MEETING  
OF THE INTERIM FINANCE COMMITTEE.

SENATOR KIECKHEFER SECONDED THE MOTION.

Mr. Krmpotic requested that the department confer with Fiscal staff about the cost for the two contract positions so that the Committee could approve a specific amount of Contingency Account funding which would be included in the resolution.

Chair Woodhouse said the motion would be deferred until later in the meeting so that Fiscal staff and the NDOC could determine the cost.

The Committee returned to the discussion of Agenda Item G-4a.

Mr. Krmpotic said that he and Cindy Jones, Assembly Fiscal Analyst, met with Fiscal staff in Carson City, upon meeting with NDOC staff. He said the department requested that the Committee fund two contractors and two state workers. The department explained that the state positions were needed to access the federal background check system, the National Crime Information Center (NCIC), which was tightly controlled by the Federal Bureau of Investigation (FBI). The FBI required that state employees access the system, not contract staff. In addition, one contractor would be located in Northern Nevada, and the other in Southern Nevada, which was why two state employees were necessary.

Mr. Krmpotic said Fiscal staff requested that the department provide a dollar amount for the positions. In the meantime, the Committee may want to receive more information on the need for NCIC access, because testimony emphasized that the positions would be working to obtain birth certificates, which was not associated with NCIC data.

Assemblywoman Carlton asked for an explanation about the need for NCIC data.

Mr. Dzurenda explained that when the department discovered an inmate used an alias at the time of arrest, the department was required to access the NCIC to find out if there were pending warrants or arrests in another name. The FBI determined who would be certified to perform background checks, and audited the department to assure that contract employees were not accessing the data. Contract employees could not be certified by the FBI to do background checks, which was why the NDOC requested state employees; when the verified identity of an inmate was complete, a state employee would need to perform a background check.

Assemblywoman Carlton noted that background checks were not mentioned by the department in earlier testimony.

Mr. Dzurenda said the state employees requested by the department would be performing a range of duties that had not been mentioned, such as follow up, background checks, and notifications to P&P.

Assemblywoman Carlton said the Committee did not realize there were other issues besides the lack of birth certificates. She asked if the other duties were presented to Fiscal staff during discussions about the

department's request. She asked if there was anything else the Committee should know before making a decision.

Mr. Dzurenda said, once identity was verified, a background check must be performed. Then, someone had to apply to the DMV to get the identification for the inmate's release. He added that the NDOC was trying to obtain Social Security cards, birth certificates and other documents to help offenders obtain employment upon release. Offenders could not gain employment without a Social Security card, permanent address or identification.

Assemblywoman Carlton noted that a Social Security card was not necessary to perform a background check. She asked if it was mandated in a grant or in statute that a background check was necessary for parole. Mr. Dzurenda noted that the department's original request indicated that an NCIC background check would have to be performed for inmates whose identity was verified.

Assemblywoman Carlton asked if that request was based on requirements of the grant, or statute.

Mr. Dzurenda was not certain, but believed that statute required the department to perform a background check on any individual that was incarcerated. If the department discovered an inmate was using an alias, the background of that inmate should be uncovered for public safety reasons. For example, the inmate could be wanted for murder.

Assemblywoman Carlton said she believed the department was trying to solve every problem with the solution of verified identification. She said she wanted inmates to have identification, and for them to be released from prison when they were eligible. She did not want the Committee to create a barrier for inmates being paroled, but she was unsure background checks was necessary.

Assemblyman Sprinkle expressed frustration with the process. He agreed with Assemblywoman Carlton's comments, which was why he offered to address the policy issue during the 2019 Legislative Session. He noted the request that the department submitted did not address the topics that had been discussed by the Committee; rather, the request was to fulfill the mandate of S.B. 268. He stated that it had been made clear that the NDOC could do that.

Assemblyman Sprinkle noted that the Committee asked the NDOC for a dollar amount to add two contract positions. He did not think that it was appropriate for the department to return with a counter offer to the motion.

Senator Kieckhefer asked whether the state or the FBI performed the background checks. He did not understand why the FBI had control over who could perform background checks in the State of Nevada.

Mr. Tristan said the state performed background checks using the NCIC, which was controlled by the FBI. The background check could reveal criminal history that was not in an inmate's probation summary report, and could also indicate whether the inmate had been arrested under an alias. Staff that utilized the NCIC to perform background checks must be certified with the FBI. When the FBI agreed to allow the state to use the NCIC system, a contract was entered into. The FBI audited the department to ensure only state employees were accessing the system.

Senator Kieckhefer asked about the department interfacing with the DMV. He understood S.B. 268 prohibited the issuance of identification unless it had been verified, but the bill did not require the DMV to issue the identification.

Mr. Dzurenda said the DMV testified in the hearings for S.B. 268 that it would be responsible for issuing the identification, as long as the requirements of the Nevada Administrative Code (NAC) were met. The NAC indicated that the NDOC could verify identification. The DMV then indicated it would be responsible for issuing identification cards to offenders. He clarified that the identification card would be a state identification, not a driver's license.

Senator Kieckhefer asked if the department would be outsourcing all of the department's identification cards to the DMV.

Mr. Dzurenda said the NDOC would issue a minimal number of identification cards. He noted that check cashing agencies would not accept identification issued by NDOC, but would accept a state identification issued by the DMV.

Senator Kieckhefer said ultimately, the 2017 Legislature passed a bill that mandated the department to do something that was not funded, even though it was known there would be a funding requirement. He said Committee members should be cognizant of that during future legislative sessions.

Assemblywoman Carlton said she appreciated that, but the Legislature used the information provided in the limited amount of time that it had. She did not believe there was a hard fiscal note associated with the bill. Assemblywoman Carlton said she was comfortable with her original motion to approve two contract positions for six months to assist in the validation of current inmate identification, which was documented in the request received

by the Committee. Approval of two contract positions would assure that barriers were not put into place to prevent inmates from being paroled. She said, if necessary, the Committee could have more discussions on the topic at the IFC meeting in February.

Chair Woodhouse recapped that the original motion was made by Assemblywoman Carlton and seconded by Senator Kieckhefer. She asked Fiscal staff for the cost of two contract employees. Mr. Krmpotic stated that the cost for the two contract positions would be \$80,226.

Assemblywoman Spiegel asked if that was the cost of the two contract positions between now and February 2018. Mr. Krmpotic explained that the expense would be for the remainder of the fiscal year, which was six months.

Assemblywoman Spiegel said she understood that only state employees could perform the background checks necessary to provide documentation required for an inmate's release. She asked whether the NDOC would use existing staff to focus on the background checks through the NCIC, and use contract staff to perform other work. Mr. Dzurenda replied that would be all the department could do. He added that there would be an expense for overtime, because there was not enough existing staff to perform background checks.

Chair Woodhouse suggested that, if the motion passed, the department work with Fiscal staff to draft an agenda item for the IFC meeting in February that covered the issues raised by the Committee.

Senator Ratti said she understood that because there were too many unanswered questions and peripheral issues, Committee members did not feel comfortable moving the process forward. She said there were two critical items that must be addressed prior to the IFC meeting in February: 1) inmates due for release before the next IFC meeting needed identification; and 2) the grants could not be jeopardized. The other issues could be managed, even though there would be a delay.

Senator Ratti asked if the addition of two contract employees would allow the NDOC to meet the needs of inmates scheduled for release between now and February, and if the department would be able to comply with the requirements of the grants.

Mr. Dzurenda explained that the two contract employees would need to meet with each inmate scheduled for release from any one of the 18 prison facilities across the state; therefore, he could not guarantee that inmate releases would not be delayed. He said in order to comply with the

requirements of the grants, the department could delay discharge of inmates without verified identification.

Senator Ratti said she understood that the consequence of giving the Committee additional time to gather more information was that the release of some inmates may be delayed. Mr. Dzurenda said that was correct, because the Parole Board could deny a request if an inmate did not have verified identification. He explained that 5,000 inmates were released annually. Each of those inmates required an NCIC check, but the department did not have enough staff to do the work. He said the NDOC would do whatever it could to perform background checks.

THE MOTION PASSED. (Assemblyman Kramer opposed the motion. Assemblywoman Benitez-Thompson and Assemblyman Hambrick were not present for the vote.)

- b) Request for an allocation of \$375,056 to fund the addition of five full-time permanent positions, two temporary contracted support positions and other associated costs for Fiscal Year 2019 to implement Senate Bill 268 (2017 Legislature).

This item was withdrawn.

5. Department of Public Safety

- a) Nevada Highway Patrol – Request for an allocation of \$53,577 for actual and projected dignitary protection activity through the end of Fiscal Year 2018.

John O'Rourke, Colonel, Division of Highway Patrol (DHP), Department of Public Safety (DPS), introduced John McCuin, Administrative Services Officer, DHP, DPS.

Mr. O'Rourke said the DHP was requesting an allocation of \$53,577 from the IFC Contingency Account to cover the cost of dignitary protection services. He explained that the Route 91 Harvest Music Festival shooting in Las Vegas in October 2017 prompted unanticipated visits from President Trump and Vice President Pence, which amounted to approximately \$34,000 in dignitary protection services. The division anticipated the requested funds would be sufficient for the remainder of the current fiscal year.

Senator Kieckhefer asked if the division's projections for FY 2019 took into account the 2018 election. He thought the cost of dignitary protection services would increase due to a high-profile Senate race, which would prompt visits from dignitaries. Mr. O'Rourke replied that the division's projections did not include dignitary protection services for the period

leading up to the 2018 election. He said it was difficult to establish projections for the Visiting Dignitary Protection category due to unexpected events such as the Route 91 Harvest Music Festival shooting; however, the division was willing to assist with dignitary protection services whenever necessary.

ASSEMBLYMAN OSCARSON MOVED TO  
APPROVE AGENDA ITEM G-5A.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.  
(Assemblyman Hambrick was not present for the  
vote.)

- b) Division of Emergency Management – Request for an allocation of ~~\$122,250~~ **\$346,100** to cover projected costs associated with providing security during the upcoming New Year's Eve activities in Clark County.  
**REVISED 11-9-17.**

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

Mr. Cage said the DEM was requesting \$356,952 from the IFC Contingency Account to support efforts to provide public safety and security for the New Year's Eve event in Las Vegas.

In response to a question from Chair Woodhouse, Mr. Cage clarified that the division initially requested \$346,100; however, an additional amount of \$10,852 was identified after the request was submitted, which increased the total to \$356,952.

SENATOR PARKS MOVED TO APPROVE  
AGENDA ITEM G-5B.

ASSEMBLYMAN OSCARSON SECONDED  
THE MOTION.

THE MOTION PASSED UNANIMOUSLY.  
(Assemblyman Hambrick was not present for the  
vote.)

- H. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO ASSEMBLY BILL 518, SECTION 68 (2017 Legislature)** (Note: IFC may approve a different amount for an allocation than the amount requested). Nevada System of Higher Education – Desert

Research Institute – Request for an allocation of \$682,684 to support the Nevada State Cloud Seeding program.

Frank McDonough, Meteorologist and Program Manager, Desert Research Institute (DRI), Nevada System of Higher Education (NSHE), said the state funded a statewide cloud seeding program from the 1980s through the winter of 2009 when the program was suspended due to budget shortfalls. The program was reinstated during the 2017 Legislative Session through Assembly Bill (A.B.) 518, Section 68, and cloud seeding was scheduled to begin in the 2018-2019 winter season. Mr. McDonough said the DRI was requesting an early release of program funding in the amount of \$682,684 to significantly improve the buildup period and success of the project.

SENATOR KIECKHEFER MOVED TO APPROVE  
AGENDA ITEM H.

ASSEMBLYWOMAN SPIEGEL SECONDED THE  
MOTION.

THE MOTION PASSED UNANIMOUSLY.  
(Assemblywoman Benitez-Thompson and Assemblyman  
Hambrick were not present for the vote.)

#### **I. STATEMENT OF DISASTER RELIEF ACCOUNT BALANCE.**

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, LCB, referred the Committee to page 15 in Volume III of the meeting packet ([Exhibit C](#)). He said the current balance of the Disaster Relief Account was \$8,270,421. If the request by the DEM for \$231,663 was approved, the unobligated balance of the Disaster Relief Account would be reduced to \$8,038,758.

#### **J. REQUEST FOR APPROVAL OF A GRANT FROM THE DISASTER RELIEF ACCOUNT PURSUANT TO NRS 353.2755 – Department of Public Safety – Division of Emergency Management – Request approval of a grant in the amount of \$231,663 from the Disaster Relief Account to reimburse Douglas County for costs associated with the flash flood events that occurred in July 2015.**

Caleb Cage, Chief, DEM, DPS, said the division's request for \$231,663 from the Disaster Relief Account was due to a flash flooding event in Douglas County in July 2015. The division had been working with Douglas County and the county's Chief Financial Officer over the last 18 months to complete the county's Disaster Relief Account application. Mr. Cage noted that representatives from Douglas County and the DEM were available to answer questions from the Committee.

Justin Luna, Administrative Services Officer, DEM, DPS, added that the request for \$231,663 was 50 percent of Douglas County's total recovery costs from the July 2015 flood event.



In response to a question from Chair Woodhouse, Mr. Cage confirmed that the requested funds were a grant award, not a loan.

Assemblywoman Titus asked if the requested funds were for flood recovery costs incurred by Douglas County. Mr. Cage confirmed that the funds were for expenses incurred by Douglas County for public infrastructure repairs, not for individual assistance to private property owners.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO  
APPROVE AGENDA ITEM J.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY. (Assemblywoman Benitez-Thompson and Assemblyman Hambrick were not present for the vote.)

**K. ESTABLISHMENT OF SALARY FOR UNCLASSIFIED SIGN LANGUAGE INTERPRETERS OF THE AGING AND DISABILITY SERVICES DIVISION OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES – SENATE BILL 443, SECTION 4 (Chapter 528, Statutes of Nevada 2017).**

Dena Schmidt, Administrator, Aging and Disability Services Division (ADSD), DHHS, introduced Todd Myler, Administrative Services Officer, ADSD, DHHS.

Ms. Schmidt said Senate Bill (S.B.) 443 (2017 Legislative Session) required the ADSD, to the extent funds were available, to employ one or more sign language interpreters in the unclassified service of the state. Section 4 of S.B. 443 required the Division of Human Resource Management (DHRM) to examine the duties and responsibilities of the interpreter positions and submit a recommended salary. Ms. Schmidt said the DHRM recommended a salary of \$78,987 annually, which equated to \$37.83 per hour for the unclassified sign language interpreter positions.

Assemblyman Oscarson said the process of locating sign language interpreters to provide services during legislative meetings had been a process over several legislative sessions. Assemblyman Oscarson, Assemblywoman Benitez-Thompson, LCB Director Rick Combs and several others worked diligently to ensure that the deaf and hard of hearing community was served during legislative sessions. Assemblyman Oscarson thanked the division for its efforts.

ASSEMBLYMAN OSCARSON MOVED TO APPROVE  
AGENDA ITEM K.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY. (Assemblywoman Benitez-Thompson and Assemblyman Hambrick were not present for the vote.)

## **L. INFORMATIONAL ITEMS.**

The Committee expressed interest in hearing testimony on Agenda Items L-2b, Department of Education; L-6b(2), DHHS, ASD; L-6e, DHHS, DCFS; L-6f, DHHS, Division of Health Care Financing and Policy (DHCFP); and L-7, Department of Corrections.

1. GOVERNOR'S FINANCE OFFICE – Budget Division – Quarterly report of the agency activity relating to contracting with current or former employees of the state for the period ending September 30, 2017, pursuant to NRS 333.705(5).

There was no discussion on this item.

### **2. DEPARTMENT OF EDUCATION**

- a) Quarterly report on the status of Class-Size Reduction Variances for the period ending March 31, 2017, of the 2016-17 school year, pursuant to NRS 388.700(5).

There was no discussion on this item.

- b) Update on the College and Career Readiness Pathways Diploma Program.

Steve Canavero, State Superintendent, NDE, said over the past several years the state worked to align graduation requirements with postsecondary readiness, including direct entry into credit-bearing course work. Additionally, the State Board of Education worked to create multiple and equal pathways for high school students to achieve postsecondary readiness and career readiness.

Mr. Canavero said the NDE was asked to develop a plan on how to award the incentive grants included in Assembly Bill 7 (2017 Legislative Session). He said Brett Barley, Deputy Superintendent, NDE, would provide details regarding how incentive grants would be awarded.

Brett Barley, Deputy Superintendent, NDE, said A.B. 7, Section 41.5 prescribed the State Board of Education authority to adopt regulations for the College and Career Readiness Pathways Diploma. He said a regulation workshop was held and a subcommittee of the State Board of Education had been established. The State Board of Education was scheduled to meet in a week to prescribe the College and Career Readiness Pathways Diploma.

Mr. Barley said Section 41.57b in A.B. 7 stated that the State Board of Education shall adopt regulations to provide reimbursement to a public high school or school district for costs associated with the administration or provision of an assessment, credential, certificate or certification required for receipt of a college and career ready high school diploma. Mr. Barley said a line item was included in the budget for the College and Career Ready Assessment, which was the ACT test used in Nevada; however, the state did not fund an assessment for career readiness. He said the State Board of Education was considering the National Career Readiness Certificate, also provided by the ACT. Mr. Barley said \$1.4 million was allocated in FY 2018 and \$1.5 million in FY 2019 to offset the costs to school districts and entities approved by OWINN that were aligned with high-demand, high-wage industries to make the assessment so students could be placed on a path for the new diploma types.

Mr. Barley said the NDE was meeting with school district superintendents to receive input regarding the reimbursement process. He said the reimbursement rates, as outlined in the department's plan, provided the following reimbursements:

- \$200 for students who attempted and passed an approved assessment;
- \$100 for students who attempted, but did not pass an approved assessment; and
- \$200 for each student who obtained a College and Career Readiness Pathways Diploma.

Mr. Barley said, because the program began midway into FY 2018, program participation and reimbursements would increase in FY 2019.

Mr. Barley stated that A.B. 7 also instructed the department to conduct a public awareness campaign to inform students, parents and guardians, business owners and the general public about the College and Career Readiness Pathways Diploma Program. He said \$60,000 of the \$2.9 million allocated for the program was used for a communications campaign to make people aware of the program. The \$60,000 was matched by a New Skills for Youth grant to double the impact of the department's communication efforts.

Mr. Barley said S.B. 516 (2017 Legislative Session) instructed the Governor's Workforce Development Board's industry sector councils to identify the credentials and assessments. As a result, there would be a tight connection with industries so the department would know for sure whether the program was beneficial for students.

3. NEVADA SYSTEM OF HIGHER EDUCATION – Quarterly report on the progress made by the University of Nevada, Reno School of Medicine in obtaining federal approval for the research program on the medical use of marijuana, as well as the

status of activities and information received through the program, for the period ending September 30, 2017, pursuant to NRS 453A.600.

There was no discussion on this item.

4. DEPARTMENT OF BUSINESS AND INDUSTRY – Housing Division – Notice to combine two part-time Administrative Assistant positions to a single full-time position within the Housing Inspection and Compliance budget.

There was no discussion on this item.

5. DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS – Division of Tourism – Report on the results and findings of the independent reviewer, including the validity of the return on investment for the Spring/Summer Awareness advertising campaign (letter of intent, 2017 Legislature).

There was no discussion on this item.

6. DEPARTMENT OF HEALTH AND HUMAN SERVICES
  - a) Director's Office – Annual report for the Office of Community Partnerships and Grants for the period ending June 30, 2017, pursuant to NRS 430A, and 439.

There was no discussion on this item.

- b) Aging and Disability Services Division –
    - 1) Quarterly report for the Senior Rx and Disability Rx Prescription Caseload Data, for the period ending September 30, 2017, pursuant to NRS 439.630(1)(c).

There was no discussion on this item.

- 2) Home Delivered Meals Program – Update on program implementation through Fiscal Year 2018.

Dena Schmidt, Administrator, ADSD, DHHS, said the Home Delivered Meals Program in Nevada provided an essential service to vulnerable individuals across the state. During the 2017 Legislative Session, the Governor's recommended budget included increased funding for the program. Furthermore, the Legislature provided additional funding, which demonstrated the state's support of the Home Delivered Meals Program.

Ms. Schmidt said, since the end of the 2017 Legislative Session, the ADSD had been working with agencies that provided home delivered meal service about ways to use the additional funds to address the waitlist. As a result, the division would be implementing a rate increase of 50 cents for all fixed fee providers across the state effective January 1, 2018. Ms. Schmidt said

the increased rate would allow providers to increase capacity and serve all eligible individuals on the waitlist, which was approximately 350 people.

Chair Woodhouse thanked the agency and the Governor's staff for working with the Legislature to find a way to implement the program as intended.

Assemblywoman Carlton echoed the comments of Chair Woodhouse. She said it took time to work out all the details when funding a new program. Now that the issues had been resolved, people in need of home delivered meals could be served. Assemblywoman Carlton added that oftentimes individuals who received home delivered meals had little contact with the outside world, which made the service even more important.

Senator Spearman also expressed her appreciation to the division, and agreed with the comments made by Chair Woodhouse and Assemblywoman Carlton.

Senator Spearman said a number of social service agencies may be impacted if a tax reform bill was passed by the federal government. She thought tax reform might increase the need for home delivered meals, and she wondered if there were other entities to assist if that need did increase. She thought it was important for the agency to consider those possibilities moving forward, and Ms. Schmidt agreed.

- c) Division of Public and Behavioral Health – Follow-up report regarding the Rawson-Neal hospital, including an update on the status of the D-Pod unit closure, Rapid Stabilization patient services, and wait times for inpatient civil psychiatric caseloads.

There was no discussion on this item.

- d) Division of Welfare and Supportive Services – Information on implementation of the federal SSI payment increases scheduled for January 2018 (letter of intent, 2017 Legislature).

There was no discussion on this item.

- e) Division of Child and Family Services – Report on the specialized foster care programs implemented in Clark County and Washoe County for Fiscal Years 2016 and 2017 (letter of intent, 2017 Legislature).

Reesha Powell, Child Welfare Deputy Administrator, Division of Child and Family Services (DCFS), DHHS, said during the 2017 Legislative Session, the Joint Subcommittee on Health and Human Services issued a letter of intent to the DCFS requesting updated information about the implementation of specialized foster care programs in the urban counties of Washoe and Clark.

The DCFS submitted the requested information on October 31, 2017, per the letter of intent. Subsequently, the division had to resubmit the monthly claims for Basic Skills Training (BST) after discovering errors in the original report. Ms. Powell explained that the original report captured the period of an entire year rather than just the time a child spent in specialized foster care. She remarked that was just one indication of the challenges the division faced in gathering the required data. She said the Unity system utilized by the DCFS did not communicate well with the Medicaid system. As a result, it was difficult to match the child welfare population with Medicaid data. Ms. Powell noted that the division was working through those challenges.

Ms. Powell said now that the report had been developed, the division intended to provide quarterly reports to the counties so the information could be monitored and discussed more frequently, which would help identify and address discrepancies immediately instead of after the fact. Along those lines, the Washoe County Human Services Agency conducted a review of specialized foster care youth. The review indicated that BST was billed; however, the service was billed by outside providers, not specialized foster care providers or placement providers. Additionally, two youth had not been “in dated” in the division’s Unity system so they were not part of the specialized foster care program when the BST was billed. Ms. Powell said the child welfare agencies were working with Medicaid to amend the state plan to establish a level system for specialized foster care so that a provider had the ability to bill Medicaid directly for medically-necessary services. She said the amended state plan would be brought to the IFC for final approval after the public workshop process was complete and the Centers for Medicare and Medicaid Services had approved the revised plan.

Ms. Powell said the outcome report was not yet available; however, the report would be submitted by the January 31, 2018, deadline. She had hoped to provide the Committee with some of the outcome information at the meeting today, but the system challenges mentioned earlier prevented that from happening. Ms. Powell noted that county directors and assistant directors were available to answer questions from the Committee.

Assemblyman Sprinkle recalled that one of the standout issues discussed during the 2017 Legislative Session was that Washoe County did not accept BST, when in fact, Washoe County did accept BST. He thought the confusion was because outside agencies billed for BST rather than the agency itself. He asked for further clarification.

Amber Howell, Director, Washoe County Human Services Agency, said a couple providers in Washoe County that did not have placement of a child billed for BST, and the BST was paid through Medicaid. She noted that since 2015, Washoe County had been diligent about complying with the law by not

allowing its providers to bill for BST. She said the county continued to have good outcomes.

Assemblyman Sprinkle asked if the BST funds were paid to the provider, or if they were received in the county's budget. Ms. Howell replied that Medicaid paid the provider directly for BST.

Assemblyman Sprinkle said funding for Washoe County was based on a projected specialized foster care population of 136 youth; however, it appeared that the program total for FY 2017 was 106 youth. Ms. Howell replied that Washoe County had a total of 176 youth in specialized foster care in FY 2017.

In answer to a question from Assemblyman Sprinkle, Jill Marano, Assistant Director, Clark County Department of Family Services (CCDFS), said the 2015 Legislature approved full implementation of the specialized foster care and advanced foster care programs for the CCDFS.

Ms. Marano said there were currently 20 advanced foster care homes in Clark County. She said the county's goal was 30 advanced foster care homes; however, it was difficult to recruit homes that were willing, able and ready to provide services for high-needs children. She said the CCDFS continued to recruit families and was optimistic about reaching the goal of 30 advanced care foster homes. Ms. Marano said the CCDFS was fully staffed; employees had been trained using the Together Facing the Challenge model; and policies and procedures were in place. She said the county was on course with the advanced foster care program.

Ms. Marano said the county continued to work closely with Medicaid and the state regarding the specialized foster care program. She said the CCDFS was in full support of the level system, which would allow the county to transition away from the BST funding structure, and move to a funding structure more sustainable and appropriate for children in the program.

Assemblyman Sprinkle asked the county's timeframe for transitioning to the new funding structure. Ms. Marano replied that the county intended to transition to the new funding structure when the revised Medicaid state plan was approved, which would likely occur by the end of FY 2018, or the beginning of FY 2019; however, she deferred to the DCFS or DHCFP for confirmation.

Assemblyman Sprinkle said it was possible the CCDFS would have the new funding structure in place by the 2019 Legislative Session, and Ms. Marano agreed.

- f) Division of Health Care Financing and Policy – Status update on the federal reauthorization of the Children's Health Insurance Program (CHIP).

Marta Jensen, Administrator, DHCFP, DHHS, introduced Ellen Crecelius, Chief Financial Officer, DHCFP, DHHS.

Ms. Jensen said Title XXI funding for the Children's Health Insurance Program (CHIP) had not been reauthorized by Congress for Federal Fiscal Year (FFY) 2018. The division was currently utilizing funding from FFY 2017, which was originally expected to be exhausted by the end of December 2017; however, the date was moved up to December 15, 2017, based on current projections and expenditures. Fortunately, on November 29, 2017, the DHCFP received redistribution funds for December 2017 and January 2018 from the CMS in the amount of \$5.6 million per month. Ms. Jensen said the additional funding would allow the CHIP to remain open until mid-February 2018. The division was hopeful Congress would reauthorize Title XXI funding by that time. As a precaution, staff was developing a work program for the February IFC meeting to seek continued funding for the program.

Ms. Jensen said approximately 27,000 children were enrolled in the Nevada Check Up program, which equated to about \$4.7 million in expenditures per month. She said approximately 13,100 children were part of the "CHIP-to-Medicaid" population. She explained that the CHIP-to-Medicaid population were children enrolled in the Nevada Check Up program who now qualified for Medicaid due to the increased federal poverty level. Although children in the CHIP-to-Medicaid population were transferred to the Medicaid program, the Nevada Check Up funding allotment still funded expenditures for those children. Ms. Jensen said the redistribution funding was retroactive to October 1, 2017, with a Federal Medical Assistance Percentage (FMAP) of 99.03 percent; therefore, the majority of CHIP expenditures were paid federally. She said the CHIP-to-Medicaid population was a mandatory group; therefore, even if Title XXI funding for CHIP was not reauthorized, the DHCFP still had to maintain eligibility of those children, because they qualified for Medicaid. Consequently, the current FMAP of 99.03 percent would be reduced to the general FMAP, which was approximately 65 percent, and the DHCFP would be responsible for the difference. Ms. Jensen said current expenditures for the CHIP-to-Medicaid population were approximately \$1.8 million per month.

Ms. Jensen said two other programs were also funded by the Nevada Check Up program. She said approximately \$550,000 was paid to the Division of Public and Behavioral Health (DPBH) on a quarterly basis for immunizations. She explained that the DPBH purchased vaccines that were supplied to DHCFP providers for children in the Nevada Check Up program. Additionally, the DHCFP health savings initiative provided approximately \$5,000 per month for school-based services to screen at-risk children for behavioral or mental health issues so that those issues could be addressed early.



Ms. Jensen said approximately 27,000 children in Nevada were receiving health care because of the CHIP. Those children were more likely to maintain good health, and less likely to have traumatic or chronic conditions if they had health care from an early age. For that reason, the DHCFP and the Governor's Office wanted to continue funding the program.

Assemblyman Sprinkle said he worked closely with Ms. Jensen and Richard Whitley, Director, DHHS, on the funding issue for CHIP. Assemblyman Sprinkle said division and department staff were doing an excellent job staying up-to-date on the constant changes. He commended staff for their efforts to ensure that the CHIP population maintained health insurance.

Assemblywoman Titus agreed with Assemblyman Sprinkle's comments. She said it was difficult to keep up with the rules and regulations and ensure that children had access to care.

Assemblywoman Titus noted that the DHCFP spent approximately \$165,740 per month on immunizations, and Ms. Jensen said that was correct. Assemblywoman Titus asked if that amount was just to purchase the vaccines, or if the cost included administering the drug. She also asked if any vaccines were being wasted. Ms. Jensen said she did not have that information available, but would obtain it from the DPBH and provide it to the Committee.

Assemblywoman Titus remarked that vaccines were incredibly expensive, but the cost of the illnesses was much more expensive. She wanted to ensure the funds were being spent wisely.

7. DEPARTMENT OF CORRECTIONS – Director's Office – Quarterly report on the capacity issues and transfer of inmates out of state for the period ending September 30, 2017 (letter of intent, 2017 Legislature).

David Tristan, Deputy Director, NDOC, said the 2017 Legislature approved the transfer of 200 inmates to an out-of-state facility. He said the majority of those inmates had been transported from Nevada to CoreCivic, Inc. in Arizona. The NDOC was working closely with CoreCivic. Several systems were still being established, but processes to address inmate grievances, discipline, classification and housing had been instituted. Mr. Tristan said the NDOC was working to ensure that inmates had all the same services they received in Nevada.

Mr. Tristan said several minor incidents, such as fist fights, had been reported by CoreCivic. Also, one inmate was being returned to Nevada for eye surgery. He explained that, prior to transferring the inmates to Arizona, the NDOC checked classification levels, housing and enemy lists, and performed a medical and psychological screening of every inmate; however, one inmate's eye issue was inadvertently overlooked.

Assemblywoman Titus asked how the NDOC documented inmate identification. Mr. Tristan replied that the NDOC used the inmate's judgement of commitment to document identification, which could be an alias.

In response to a question from Assemblywoman Titus, Mr. Tristan replied that CoreCivic requested that the NDOC provide the judgement of commitment, intake information and medical information for each inmate being transferred to Arizona.

Senator Parks asked if an NDOC staff member would remain onsite at the Arizona facility. Mr. Tristan replied that a Case Worker 2 was responsible for meeting the buses in Arizona and ensuring that all inmates were processed according to NDOC policies and procedures. The case worker would also visit the facility on occasion to perform audits. Likewise, a member of the NDOC medical staff would visit periodically to ensure that inmates were receiving the appropriate medical and mental health treatment.

Senator Parks asked for an update regarding the renovation of Housing Unit 8 at Southern Desert Correctional Center (SDCC) and the improvements at Northern Nevada Correctional Center (NNCC).

John Borrowman, Deputy Director, NDOC, replied that reconstruction of SDCC Housing Unit 8 was scheduled to begin in December 2018; however, preliminary tasks were complete. He said the ADA retrofit project at NNCC was scheduled to begin in February 2018. Several aspects of the project timeline had to be adjusted; however, the start date had not been compromised.

8. DEPARTMENT OF PUBLIC SAFETY – Parole and Probation – Quarterly report on the status of the agency's pre-sentence investigations backlog for the period ending September 30, 2017 (letter of intent, 2017 Legislature).

There was no discussion on this item.

9. NEVADA DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES – Division of State Lands – Semiannual report on the status of the state's Environmental Improvement Program (EIP)/Fund to Protect the Lake Tahoe Basin (FPLTB) for the period ending June 30, 2017, pursuant to Chapter 514, Statutes of Nevada 1999.

There was no discussion on this item.

10. NEVADA DEPARTMENT OF WILDLIFE – Wildlife Trust Fund – Semiannual report concerning the investment and expenditure of the money in the Wildlife Trust Fund for the period ending June 30, 2017, pursuant to NRS 501.3585.

There was no discussion on this item.

11. DEPARTMENT OF TRANSPORTATION - Report on the activities of the Advisory Committee on Transportational Storm Water Management and the implementation and efficacy of the department's storm water program pursuant to NRS 408.439 (11).

There was no discussion on this item.

12. DEPARTMENT OF VETERANS SERVICES
  - a) Annual report detailing the expenditures made from gift funds for the Veterans Home in Southern Nevada and Northern Nevada for Fiscal Year 2017 pursuant to NRS 417.145(9).
  - b) Annual reports detailing the expenditures made from the Gift Account for Veterans for Fiscal Year 2017 pursuant to NRS 417.115(6).

There was no discussion on these items.

13. 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).

There was no discussion on this item.

#### **M. PUBLIC COMMENT.**

There was no public comment.

#### **N. ADJOURNMENT.**

Chair Woodhouse adjourned the meeting at 2:25 p.m.

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Senator Joyce Woodhouse, Chair  
Interim Finance Committee

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