MINUTES OF THE APRIL 11, 2018
MEETING OF THE
INTERIM FINANCE COMMITTEE
Carson City, Nevada

Chair Joyce Woodhouse called a regular meeting of the Interim Finance Committee (IFC) to order at 9:54 a.m. on April 11, 2018, in Room 4100 of the Nevada Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer Office Building, 555 East Washington Avenue, Las Vegas, Nevada.

COMMITTEE MEMBERS PRESENT:
Senator Joyce Woodhouse, Chair
Assemblywoman Maggie Carlton, Vice Chair
Senator Kelvin Atkinson for Senator Aaron Ford
Senator Moises Denis
Senator Heidi Gansert
Senator Pete Goicoechea
Senator Ben Kieckhefer
Senator David Parks
Assemblyman Nelson Araujo
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Irene Bustamante Adams
Assemblywoman Olivia Diaz
Assemblyman Chris Edwards
Assemblyman Jason Frierson
Assemblyman John Hambrick
Assemblyman Al Kramer for Assemblyman James Oscarson
Assemblyman Keith Pickard
Assemblywoman Ellen Spiegel
Assemblyman Michael Sprinkle
Assemblywoman Heidi Swank
Assemblywoman Robin Titus

COMMITTEE MEMBERS EXCUSED:
Senator Aaron Ford
Assemblyman James Oscarson

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

EXHIBITS:
Exhibit A: Meeting Packet – Volume I
Exhibit B: Meeting Packet – Volume II
Exhibit C: Meeting Packet – Volume III
Exhibit D: Meeting Packet – Volume IV
Exhibit E: Handout for Agenda Item J – Appointment of Member to the Committee on Industrial Programs

A. ROLL CALL.

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

B. PUBLIC COMMENT.

Linda Haigh, Director and Founder, Adopt a Vet Dental (AAVD) Program, said she was excited to have the opportunity to thank the Committee personally and report the outcome of the AAVD Program since receiving state funding in 2017.

Ms. Haigh said the AAVD Program hired two critical staff members: a full-time dental manager and part-time dental assistant. She said those key positions improved the overall efficiency of the program. Additionally, the program treated 150 veterans, compared to 48 for the same period one year ago.

Ms. Haigh said in 2017 the AAVD Program began a dental clinic which operated one day per week at Truckee Meadows Community College's (TMCC) Dental Clinic to meet the increasing dental care demand among veterans. The dental manager oversaw the operation of the AAVD dental clinic at TMCC. Ms. Haigh said the AAVD dental clinic provided care to 62 additional veterans who would otherwise still be waiting for dental care. She said a retired oral surgeon was on staff at the clinic, which allowed 24 of the 62 patients to receive emergency dental care rather than waiting two or more weeks for an appointment with a community oral surgeon. Due to limited time and space at the dental clinic at TMCC, the William N. Pennington Foundation provided a grant to TMCC to build an independent AAVD dental clinic, which would expand the availability of the clinic, thus providing dental services to even more veterans. Ms. Haigh said AAVD Program representatives were excited and grateful for the new clinic; however, expenditures would have to be monitored, because operating costs were expensive.

Ms. Haigh said the AAVD Program increased veteran pre-screening orientations from once per quarter to monthly, which increased the number of veterans that were placed with community dentists from 44 to 88. Additionally, two more rural counties were added to the program for a total of 12 Northern Nevada counties. She noted more than 29 percent of Nevada's veterans resided in those 12 counties.

Ms. Haigh said the AAVD Program expanded its office space by adding a larger two-person office that provided privacy while working on cases, speaking with veterans and performing visual oral exams. A new part-time program assistant allowed for better tracking of program performance statistics. Ms. Haigh said the AAVD Program would reach a milestone during the current quarter by having treated 1,000 veterans over the past eight years. Considering the average case took 4 to 12 months to complete, that accomplishment required a considerable amount of effort and expense; but it was worthwhile when patients were pain-free and smiling again.

Ms. Haigh said the Northern Nevada Veterans Legislative Symposium was held on March 24, 2018, and sponsored by the Nevada Department of Veterans Services. She said the AAVD Program was voted as the number one issue among common statewide priorities to move forward.

Ms. Haigh said the AAVD was working with Assemblyman Edwards and Chere Pedersen to implement a dental program like AAVD in Southern Nevada. She said the AAVD provided its program model, including policy and procedures, protocol, forms, etc., and offered ongoing assistance whenever needed.

Ms. Haigh said state funding had made an incredible impact on the program's ability to treat more veterans in a timely manner. The AAVD Program provided a solution to the overwhelming epidemic of oral health disease among veterans. Ms. Haigh said continued financial support by the 2019 Legislature would help sustain the program.

Jim Snyder, Veteran Advocate, AAVD, thanked the Legislature for its support of the AAVD Program, especially Assemblywoman Carlton who encouraged AAVD representatives to request additional funding.

Mr. Snyder said the AAVD Program had helped six World War II combat veterans since September 2017. He noted that two of those veterans landed on Iwo Jima and witnessed the raising of the United States flag. He said, as a Marine, it was special to hear their stories.

Mr. Snyder said the AAVD had increased outreach to the Veterans Administration (VA). He said 98 percent of referrals to the AAVD Program came from the VA. The program had worked hard to build relationships with VA social workers and case managers, which was beneficial for the program. Additionally, the AAVD Program had an incredible working relationship with the TMCC Resource Center, which assisted veterans in finding the necessary resources in their community. Mr. Snyder said as dental care was completed, veterans typically became more social and felt encouraged to work again. He said he had received dental care and could personally testify that it was an amazing experience.

Mr. Snyder said the AAVD Program had a record number of intakes in January 2018. The waiting list was reduced to 88 veterans, but word of the program spread and the waiting list increased to 144 veterans. Mr. Snyder stated that qualifications for the

AAVD Program included income, length of service, Nevada residency and lack of dental insurance. He said the current age range for the program was between 27 and 97 years old, but the number of younger veterans in the program was increasing.

Mr. Snyder said AAVD representatives spoke with legislators during the 2017 Legislative Session. He was hopeful for another opportunity during the 2019 Legislative Session.

Chair Woodhouse said the AAVD Program was a great program. She thanked Ms. Haigh and Mr. Snyder for providing the Committee with an update.

C. APPROVAL OF MINUTES OF THE FEBRUARY 8, 2018, MEETING.

SENATOR PARKS MOVED TO APPROVE THE MINUTES OF THE FEBRUARY 8, 2018, MEETING.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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

1. **Department of Corrections - Prison Medical Care - FY 2018** - Addition of $2,622,782 in Transfer from Prison Store to provide reimbursement of paid medical claims during Fiscal Year 2018. Requires Interim Finance approval since the amount added to the Inmate Driven category exceeds $75,000. **RELATES TO ITEMS D. 2 and 3**. **Work Program #C42722**

   Agenda Items D-1 through D-10 were discussed together. Refer to testimony and motion to deny under Agenda Item D-10.

2. **Department of Corrections - Inmate Welfare Account - FY 2018** - Addition of $2,622,782 in Transfer from Offenders Store Account to provide reimbursement of paid medical claims during Fiscal Year 2018. Requires Interim Finance approval since the amount added to the Transfer to Medical Co-Pays category exceeds $75,000. **RELATES TO ITEMS D. 1 and 3**. **Work Program #C42754**

   Agenda Items D-1 through D-10 were discussed together. Refer to testimony and motion to deny under Agenda Item D-10.

3. **Department of Corrections - Offenders' Store Fund - FY 2018** - Transfer of $2,622,782 from Retained Earnings category to the Transfer to Inmate Welfare Account category to provide reimbursement of paid medical claims during Fiscal Year 2018. Requires Interim Finance approval since the amount transferred to the Transfer to Inmate Welfare Account category exceeds $75,000. **RELATES TO ITEMS D. 1 and 2**. **Work Program #C42763**

   Agenda Items D-1 through D-10 were discussed together. Refer to testimony and motion to deny under Agenda Item D-10.

4. **Department of Corrections - Offenders' Store Fund - FY 2018** - Transfer of $3,187,918 from Retained Earnings category to the Transfer to Inmate Welfare category to continue required inmate hospital coverage through the end of the fiscal year. Requires Interim Finance approval since the amount transferred to the Transfer to Inmate Welfare category exceeds $75,000. **RELATES TO ITEM D. 5**. **Work Program #C42772**

   Agenda Items D-1 through D-10 were discussed together. Refer to testimony and motion to deny under Agenda Item D-10.

5. **Department of Corrections - Inmate Welfare Account - FY 2018** - Addition of $3,187,918 in Transfer from Offenders Store to continue required inmate hospital coverage through the end of the fiscal year. Requires Interim Finance approval since the amount added to the Inmate Hospital Coverage category exceeds $75,000. **RELATES TO ITEMS D. 4, 6, 7, 8, 9, 10**. **Work Program #C42773**

   Agenda Items D-1 through D-10 were discussed together. Refer to testimony and motion to deny under Agenda Item D-10.

6. **Department of Corrections - High Desert State Prison - FY 2018** - Addition of $1,896,853 in Transfer from Inmate Welfare to continue required inmate hospital coverage through the end of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **RELATES TO ITEM D. 5**. **Work Program #C42774**

   Agenda Items D-1 through D-10 were discussed together. Refer to testimony and motion to deny under Agenda Item D-10.

7. **Department of Corrections - Southern Desert Correctional Center - FY 2018** - Addition of $187,136 in Transfer from Inmate Welfare to continue required inmate hospital coverage through the end of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **RELATES TO ITEM D. 5**. **Work Program #C42775**

   Agenda Items D-1 through D-10 were discussed together. Refer to testimony and motion to deny under Agenda Item D-10.

8. **Department of Corrections - Lovelock Correctional Center - FY 2018** - Addition of $307,695 in Transfer from Inmate Welfare to continue required inmate hospital coverage through the end of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **RELATES TO ITEM D. 5**. **Work Program #C42782**

   Agenda Items D-1 through D-10 were discussed together. Refer to testimony and motion to deny under Agenda Item D-10.

9. **Department of Corrections - Florence McClure Women's Correctional Center - FY 2018** - Addition of $496,237 in Transfer from Inmate Welfare to continue required

inmate hospital coverage through the end of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **RELATES TO ITEM D. 5**. **Work Program #C42784**

Agenda Items D-1 through D-10 were discussed together. Refer to testimony and motion to deny under Agenda Item D-10.

10. **Department of Corrections - Northern Nevada Correctional Center - FY 2018** - Addition of $205,237 in Transfer from Inmate Welfare to continue required inmate hospital coverage through the end of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **RELATES TO ITEM D. 5**. **Work Program #C42785**

Agenda Items D-1 through D-10 were discussed together.

James Dzurenda, Director, Nevada Department of Corrections (NDOC), discussed the department's projected shortfall of $20 million and proposed changes to reduce it to $2 million. He said it was important to note that NDOC did not add correctional officers to the department's overall legislatively approved positions. The department was challenged with federal and state statute changes, conditions of confinement compliance, and lawsuits, which added a significant workload to each institution and increased the need for resources.

Mr. Dzurenda said the federal Prison Rape Elimination Act (PREA) was instituted in 2012. Many NDOC institutions and facilities required placement of additional correctional officers in certain areas to ensure line-of-sight and sound observance. In lieu of additional correctional officers, some existing correctional officers were reassigned from legislatively designated posts to locations with limited visibility. Additionally, several correctional officers were assigned the responsibility of investigating potential PREA violations as required by federal law. With the support of the Governor and Legislature, the NDOC was installing cameras approved during the 2017 Legislative Session to mitigate the need for staff in certain locations.

Mr. Dzurenda said lawsuit settlement agreements caused the annual number of in-service training hours to increase from 28 to 40 hours per year. Consequently, 12 hours of overtime were accrued by each correctional officer to obtain the required training hours, which was not included in the most recent shift relief factor study. Mr. Dzurenda said law enforcement agencies historically accrued overtime by utilizing existing staff to fill vacant public safety positions, and NDOC was no exception. The NDOC had an average of 500 individuals annually who joined the ranks of the law enforcement community as peace officers. *Nevada Revised Statutes* required each correctional officer to attend the Peace Officer Standards and Training (POST) Academy, which was six weeks in length, or 120,000 hours. Mr. Dzurenda noted that while each new correctional officer was being paid to attend the POST Academy, another correctional officer was being paid overtime to cover the vacant post of the officer in training. He said POST Academy and in-service training amounted to approximately $6 million per year in overtime costs.

Mr. Dzurenda stated that the NDOC initiated computer-based training (CBT) to reduce overtime expenditures. He said CBT provided staff with self-directed learning for basic training courses and reduced POST training from eight to six weeks. Mr. Dzurenda said training was critical to ensuring staff was educated on constitutional rights, due process, self-defense tactics, and the new use-of-force policy. The use-of-force policy replaced shotguns with 40 millimeter launchers, thereby decreasing the number of use-of-force incidents from an historical average of 200 to zero in the past year.

Mr. Dzurenda stated that the number of overnight hospital stays increased by 1,944 admission days since FY 2014. Previously, overnight hospital stays required that each inmate be supervised by six law enforcement officers per 24 hours, or two officers per shift for all three shifts. In an effort to reduce overtime costs, the policy concerning overnight hospital stays was changed. With the policy change, medical transportation and guarding staff operated on straight time. Additionally, the revised medical guarding policy permitted one inmate per correctional officer for up to four inmates, with an additional roving officer for every four inmates. By maximizing the medical guarding team, overtime costs would be reduced with each overnight hospital stay. Mr. Dzurenda said in FY 2017 there was a total of 3,491 inmate hospital days, or 83,784 hours, which required at least two correctional officers per hour, depending on the inmate's classification. By utilizing inmate consolidation and vacant positions from Ely State Prison to cover non-budgeted, non-legislatively approved post assignments for hospital transportation and guarding, the department anticipated a savings of approximately $3 million in overtime costs.

Mr. Dzurenda said many federal mandates, such as the Affordable Care Act (ACA), Americans with Disabilities Act (ADA) and Health Insurance Portability and Accountability Act (HIPAA), required changes in policies, operations and supervision of medically-disabled and mentally ill inmates. To ensure a smooth flow of operation, facilities changed their schedules to 8, 10 and 12-hour shifts as a way to split coverage and provide an incentive that would encourage retention of correctional officers. Mr. Dzurenda noted the NDOC turnover rate for law enforcement officers was one of the highest in the state. He stated that the department did not have enough staff to address all the additional federal mandates without modifying coverage. In addition to the federal mandates, the increased inmate population required the department to relocate more inmates, which placed an additional burden and increased risk on correctional officers. He noted that many of the federal mandates reduced the available time required by correctional officers to complete ancillary duties, such as cell searches for contraband or non-authorized material, which provided an opportunity for inmates to exploit the limited number of correctional officers and obtain illegal contraband and weapons.

Continuing, Mr. Dzurenda said the NDOC relocated 198 inmates in December 2017, which allowed Ely State Prison to close a close-custody unit. He explained that

close-custody units required a high level of supervision due to the type of offenses committed by inmates housed in those units. Mr. Dzurenda said Ely State Prison generated a large amount of overtime due to difficulty in filling vacant positions; however, the institution was able to reduce overtime by transferring nearly 50 inmates previously in segregation and closing a unit. He said vacancies at Ely State Prison were utilized for hospital guard duties, transportation and increased segregation in close-custody units at Northern Nevada Correctional Center and High Desert State Prison.

Mr. Dzurenda said the department initially planned to maximize minimum-security facilities by reclassifying inmates using a one-point discretion in the classification regulation, because minimum-security facilities were the most cost effective. He said many minimum-security custody inmates had exclusionary criteria, such as escape attempts and violent acts, which precluded them from being housed in conservation camps for the safety of inmates, staff and the public. It was critical that violent offenders or child predators did not walk away from minimum-security facilities. Mr. Dzurenda noted a change in the type of inmates entering the prison system. Similar to that of the Las Vegas Metropolitan Police Department, NDOC was experiencing a decline in the number of new inmates; however, more inmates were being sentenced for violent crimes. Consequently, those inmates were assigned higher classification levels, which prevented the department from maximizing space at conservation camps.

Mr. Dzurenda said the department began analyzing regulations and policies in the fall of 2017 to address operations and overtime. During a review of every post at every facility, Mr. Dzurenda observed that over the years, each facility had begun utilizing shift relief positions included in the legislatively approved post charts to assist with added responsibilities and training. As a result, shift relief officers were not available to cover posts for sick, annual or workers compensation leave, or training. Instead, overtime was utilized to cover posts, or posts were relocated. Mr. Dzurenda said he instituted procedure changes to reduce expenditures after he became aware of the amount of overtime being accrued within the department; however, not all overtime reduction methods could be sustained long term without repercussions. Therefore, Mr. Dzurenda requested an audit of the post charts with the assistance of LCB Fiscal Division and Governor's Finance Office (GFO) staff. The goal of the audit was to determine how positions were being utilized and compare that to the legislatively approved post charts to determine the level of staffing required to run each facility safely and securely. Upon completion of the audit, the NDOC would approach the 2019 Legislature with its findings to discuss whether the legislatively approved post charts should be revised.

Mr. Dzurenda said the department's mission was to improve public safety; provide a safe and secure environment and proven rehabilitation initiatives; and reduce community victimization and recidivism. To honor that mission, NDOC Deputy Directors and Wardens were authorized to modify staffing to ensure the safety and security of inmates, correctional officers and the public while minimizing overtime through a temporary reduction of non-essential activities.

Mr. Dzurenda said the NDOC submitted Agenda Items D-1 through D-10 after exhausting all internal fiscal solutions. He stated that the department had reduced overtime costs since FY 2017 and reduced the projected deficit by millions of dollars. The department was still facing a shortfall, but intended to offer suggestions that would help balance the budget to cover remaining department functions.

Assemblywoman Carlton said she recently spoke with NDOC correctional officers after Mr. Dzurenda had spoken with them about the overtime policy, because she wanted to ensure the officers had accurate information. She indicated the correctional officers had safety concerns due to recent changes within the prison system. She said the officers were under the impression they could not speak freely about safety issues due to a non-disclosure agreement. She asked if NDOC employees were required to sign a non-disclosure agreement that prevented them from discussing safety issues with the Department of Justice, Prison Commissioners or Legislators. Assemblywoman Carlton said the issue needed to be clarified, because employees should feel comfortable expressing their concerns.

Mr. Dzurenda replied that NDOC staff was welcome to have discussions with individuals inside and outside the department. He said staff was not permitted to attend hearings or speak with legislators or other individuals during work hours; however, they were permitted to do so on their own time. Mr. Dzurenda indicated that he addressed the importance of open communication at meetings of the Nevada Corrections Association and American Federation of State, County and Municipal Employees. He noted that it was helpful for the department when staff voiced their concerns. Mr. Dzurenda said if there was a non-disclosure agreement, it was not approved by him. He said he could provide clarification in writing to NDOC staff to alleviate any misunderstanding.

Assemblywoman Carlton said it was critical for safety issues to be addressed immediately, and Mr. Dzurenda agreed.

Sheila Lambert, Management Analyst, NDOC, stated that NDOC staff were only required to sign a non-disclosure agreement related to HIPAA.

Senator Gansert thought the audit of NDOC posts was a good idea. She thanked the department for bringing the idea forward.

Chair Woodhouse asked Brenda Erdoes, General Counsel, Legislative Counsel Bureau (LCB), to address the Committee's legal authority to act on the NDOC work program requests related to the use of funds from the Offenders' Store Fund to reimburse direct inmate medical claims.

Brenda Erdoes, General Counsel, LCB, said there were legal concerns with the medical portion of the department's requests. She said the Prisoners' Personal

Property Fund was a trust fund closely related and connected to the Offenders' Store Fund; therefore, it was important to consider the statutes that controlled those funds. The medical portion of the work program requests related to NRS 209.221, subsection 5. She said subsection 5 authorized the use of money in the Offenders' Store Fund to cover medical costs of offenders who did not have funds available in their personal property fund; however, the authority was very specific, and permitted on an offender-by-offender basis. Ms. Erdoes said language in the statute stated that funds in the Offenders' Store Fund, as determined by the Director, could be used to defray a portion of the costs paid by the department for medical care for, but not limited to, expenses for medical and pharmacy for specific offenders. Ms. Erdoes said the department failed to provide the names of the offenders for whom the funds would be used; therefore, she did not believe it would be lawful for the Committee to approve the requests.

Assemblywoman Carlton said, having considered the department's 15-day expeditious action work programs, she agreed the Committee should not approve Agenda Items D-1, D-2 and D-3. She stated that the Committee did not disagree with the program itself. Assemblywoman Carlton said the department could request funds from the IFC Contingency Account to cover the costs. She encouraged the department to obtain the appropriate backup documentation and work with LCB Fiscal Division staff to go through the proper channels.

ASSEMBLYWOMAN CARLTON MOVED TO DENY AGENDA ITEMS D-1, D-2 and D-3.

SENATOR KIECKHEFER SECONDED THE MOTION.

Assemblyman Frierson said he recognized that circumstances that occurred over several administrations led the department to its current situation. He said the issue needed to be addressed through proper channels. Assemblyman Frierson said he reviewed NRS 209.221 back to its inception in 1977 and shared the concerns of others about interpreting the statute in a manner that was inconsistent with how it had been interpreted in the past. He said the Committee empathized with the fact that it was difficult to determine the circumstances that led the department to be in the current situation, and answers would be required eventually. He thought the audit was a positive step toward obtaining answers. Assemblyman Frierson said once the request went through the appropriate channels, there could be discussion about providing for the department's current needs and preventing the problem from recurring in the future.

Assemblywoman Bustamante Adams recalled past discussions concerning the department's lack of cooperation in providing LCB Fiscal Division staff with necessary information. She hoped that issue was resolved, because it was important for the Committee to receive the appropriate information.

THE MOTION PASSED UNANIMOUSLY.

Chair Woodhouse asked Ms. Erdoes to opine on the department's legal authority to use Offenders' Store Funds to reimburse Correctional Officer overtime costs for inmate hospital coverage.

Ms. Erdoes said NRS 209.221, subsection 3 stated that all money in the Offenders' Store Fund must be expended for the welfare and benefit of all offenders. She said subsequent subsections outlined the specific authority for which the funds may be expended; however, overtime costs were not included. Ms. Erdoes noted there was one limited exception in NRS 209.221 that permitted funds from the Offenders' Store Fund to reimburse correctional officers' salaries for visitation posts.

Ms. Erdoes stated that in the past, legislative change was required to utilize the Offenders' Store Fund for any purpose not authorized in the subsections of NRS 209.221. She noted that the statute was amended during the 2017 Legislative Session to include an additional authorized use of the funds. Prior to that, NRS 209.221 had not been amended since the 2010 Special Session. Consistent with this opinion, she said a special session provision was available for that express purpose. Ms. Erdoes said she did not believe it would be lawful for the department to utilize Offenders' Store Funds to reimburse overtime costs.

Assemblywoman Carlton recalled A.B. 6 of the 2010 Special Session. She had serious concerns about using inmate funds to pay for correctional officers. She did not think the Committee should approve Agenda Items D-4 through D-10. Assemblywoman Carlton recommended the department request IFC Contingency Account funds to cover the overtime costs.

> ASSEMBLYWOMAN CARLTON MOVED TO DENY AGENDA ITEMS D-4 THROUGH D-10.
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> SENATOR KIECKHEFER SECONDED THE MOTION.
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> THE MOTION PASSED UNANIMOUSLY.

Chair Woodhouse instructed the department to work expeditiously with its staff and LCB Fiscal Division staff to resolve the issues discussed at today's meeting.

At the end of the meeting, Assemblywoman Carlton stated that she had received an e-mail from Sheila Lambert, Management Analyst, NDOC, apologizing for providing incorrect information earlier in the meeting regarding the department's non-disclosure agreements. She said Ms. Lambert previously indicated that the only non-disclosure agreement NDOC employees were required to sign was related to HIPAA; however, the department did, in fact, require employees to sign another type of non-disclosure agreement. Assemblywoman Carlton said she would investigate the matter further. She said the Committee would address the issue with the NDOC

at a later date; however, she wanted the information on the record for today's meeting.

Chair Woodhouse said Committee members would receive a copy of Ms. Lambert's e-mail referenced by Assemblywoman Carlton.

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

The Committee expressed interest in hearing testimony on the following items: Agenda Items E-1 and E-2, Office of the Governor, State Energy Office; E-17, Department of Education; E-19, Department of Education; E-53, Department of Health and Human Services (DHHS), Aging and Disability Services Division (ADSD); E-54, E-56, E-57 and E-58, DHHS, Division of Health Care Financing and Policy (DHCFP); E-90 and E-91, Department of Employment, Training and Rehabilitation (DETR), Employment Security Division (ESD); E-95, E-96, E-97 and E-98, NDOC; E-126, Department of Education; E-127, DHHS, Director's Office, E-128; Department of Public Safety (DPS), Investigation Division; and Position Reclassification Number 0023, Department of Education.

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-43 and E-44; DHHS, Director's Office; E-45, DHHS, Director's Office; E-65, DHHS, Division of Public and Behavioral Health (DPBH); E-77, DHHS, Division of Child and Family Services (DCFS); and E-80, DHHS, DCFS.

> ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE REMAINING WORK PROGRAM REVISIONS AND POSITION RECLASSIFICATIONS.
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> SENATOR KIECKHEFER SECONDED THE MOTION.
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> THE MOTION PASSED UNANIMOUSLY.

1. **Office of the Governor - State Energy Office - Renewable Energy Account - FY 2018** - Addition of $600,000 in Volkswagen Settlement funds to support the expansion of the Nevada Electric Highway (NEH) project. Requires Interim Finance approval since the amount added to the NEH category exceeds $75,000. **RELATES TO ITEMS E.2 and L.12.c.1**. **Work Program #C42572.**

   Agenda Items E-1, E-2 and L-12c(1) were discussed together. Refer to testimony and motion for approval under Agenda Item E-2.

2. **Office of the Governor - State Energy Office - Renewable Energy Account - FY 2019** - Addition of $3,131,104 in Volkswagen Settlement funds and transfer of $596,221 from the Reserve category to the Energy Programs category to support the expansion of the Nevada Electric Highway (NEH) project. Requires Interim Finance

approval since the amount added to the NEH category exceeds $75,000. **RELATES TO ITEMS E.1 and L.12.c.1**. **Work Program #C42608**

Agenda Items E-1, E-2 and L-12c(1) were discussed together.

Jeff Kinder, Deputy Administrator, Division of Environmental Protection (DEP), Department of Conservation and Natural Resources (DCNR), introduced Dr. Danilo Dragoni, Chief, Bureau of Air Quality Planning, DEP, DCNR.

Assemblywoman Titus asked how often the electric vehicle (EV) charging stations were utilized and if the usage justified expanding the number of charging stations. Angie Dykema, Director, State Energy Office (SEO), replied that there were currently four EV charging stations deployed as part of the Nevada Electric Highway (NEH) initiative. She said three charging stations were along Highway 95 and one was in Panaca, near the Utah border. Ms. Dykema said she would provide the Committee with specific usage patterns through January 2018.

In response to a question from Assemblyman Edwards, Ms. Dykema replied that charging stations were not an industry requirement. The SEO had taken on the NEH initiative, because it was a state goal. She said the NEH was part of Nevada's strategic planning framework that was established with the Governor and his cabinet a couple of years ago. The estimated completion date of the statewide electric highway system was 2020.

Continuing, Ms. Dykema said the VW settlement funds were received by the state as a result of the VW scandal; however, the settlement funds were not part of the General Fund. She stated that 15 percent of the VW settlement funds were allocated for EV charging infrastructure to accommodate the increasing number of EVs on the roads.

Assemblyman Edwards asked if the industry would have expenditures related to the NEH or if taxpayer dollars would cover the cost. Ms. Dykema replied that taxpayer dollars would not be used for the NEH project. She said only the vendor used to purchase necessary equipment for the initiative would benefit financially.

Assemblyman Edwards asked if there were other ways the state could benefit from the VW settlement funds besides the NEH initiative, which had a limited customer base. Ms. Dykema reiterated that 15 percent of the VW settlement funds had to be used for EV charging infrastructure; therefore, the funds would go to waste if they were not used for the charging stations.

Assemblywoman Swank asked if it was possible to collect demographics on individuals who utilized EV charging stations. She thought the information may be useful for promoting travel to Nevada. Ms. Dykema said she was uncertain how demographics could be tracked; however it might be possible with the assistance of the utility providers that would be hosting the charging stations.

Assemblywoman Carlton asked how much of the 15 percent in VW settlement funds dedicated to EV charging infrastructure had been expended to date. Ms. Dykema replied that the agency was seeking authority to begin utilizing the funds, but to date, none of the funds had been expended. Ms. Dykema stated that the existing charging stations were deployed using State Energy Program Formula Grant funds through the U.S. Department of Energy (DOE).

Assemblywoman Carlton asked who would own the charging stations. Ms. Dykema replied that the agency was currently targeting energy service providers. She said the SEO would award subgrants to utility providers that would either directly own and operate the charging stations themselves, or through an agreement with specific private commercial host sites. Ms. Dykema said both ownership models had been utilized along Highway 95 between Reno and Las Vegas during Phase 1 of the NEH. She noted that both ownership models had been successful.

Assemblywoman Carlton remarked that the NEH infrastructure would be built using federal dollars received through the VW settlement; however, a private, for-profit company would benefit in the long term. She asked what private commercial host sites would charge drivers to utilize the charging stations.

Ms. Dykema replied that the VW settlement funds, not the DOE grant funds, would be used to deploy the new charging stations. She said private commercial host sites would own the charging stations. In instances where private commercial host sites were not available, the state would host the charging stations through a right-of-way at a rest area.

Assemblywoman Carlton said she agreed with the NEH initiative, but she had concerns about for-profit companies benefitting financially from infrastructure built with federal dollars. She was unsure whether there was a discussion on the matter and how the decision was made to utilize for-profit entities. She did not know why the charging stations did not belong to the state. Assemblywoman Carlton indicated that many changes would occur in the energy industry over the next couple of years. She said there was uncertainty about which utility companies would be servicing Nevada and what their impact would be on the state.

Ms. Dykema replied that the private commercial entities hosting the charging stations would not be earning much of a profit. They would be permitted to charge for parking at the EV charging stations, but would also be required to maintain the charging stations for five years, keeping them open and accessible to the public. She said owning and operating charging stations was more of a utility role, which was not a role the state was in a position to undertake. Ms. Dykema said she was uncertain that private commercial entities would profit at all due to “demand charges,” which could result in the entity losing money. She said the charging stations had to be in locations with 24-hour access to the public, in a safe environment, and with amenities available for the public to access while their vehicle was charging.

Chair Woodhouse asked how the SEO would oversee and coordinate EV charging stations purchased by VW settlement funds versus EV charging stations installed pursuant to the Electric Vehicle Infrastructure Demonstration Program (EVIDP) established in S.B. 145 (2017 Legislature).

Ms. Dykema replied that the SEO was working closely with the Public Utilities Commission of Nevada (PUCN) as well as all of the stakeholders in the NV Energy annual plan docket currently open before the PUCN. In NV Energy's annual plan filing, the company proposed that it would issue an incentive to help the state deploy EV charging stations within NV Energy service territory. The amount of VW settlement funds allocated for the NEH would not be adequate to cover the entire state; therefore, the SEO was collaborating with NV Energy to coordinate the incentive proposed in S.B. 145 as part of the EVIDP to take advantage of what was authorized in the bill. Ms. Dykema noted that NV Energy would offer a number of other EV programs through the EVIDP.

Assemblyman Pickard asked if private commercial host sites could restrict access after the five-year public access requirement, or if the NEH would be available for use at any time by anyone traveling on the highway.

Ms. Dykema replied that the initial warranty for the charging stations usually expired after five years. As a condition of receiving a subgrant from the SEO, host sites would be required to operate and maintain the charging station for five years and provide access to the public. She said EVs were new and the transportation sector was being transformed. As EV charging stations were deployed, more people would access them. Ms. Dykema said the government could not provide ongoing subsidies. She said the concept was to incentivize the charging infrastructure to expand the NEH so Nevada would be connected with surrounding states. She said Nevada was a gateway from California, which had a thriving EV market.

Assemblyman Pickard said the NEH was another component of the public highway system. He noted that Nevada did not allow toll roads. Ultimately, the state was providing infrastructure, which would be passed along to private entities that would charge drivers for use of that infrastructure. Assemblyman Pickard thought that was counterintuitive to the idea of creating an electric highway for public use.

Ms. Dykema replied that charging stations owned and operated by private commercial host sites were comparable to privately-owned gas stations that were available to the public. She said the state was not responsible for providing ongoing subsidies; however, the state was helping transform the transportation sector by using the VW settlement funds that were provided for the direct purpose of expanding EV infrastructure.

Senator Goicoechea said Valley Electric was likely the provider for the three charging stations located in the Valley Electric service territory. He asked if

the charging station in Panaca was located in Lincoln County, and Ms. Dykema said that was correct.

Senator Goicoechea said property owners would benefit in several years if a charging station was located on or near their property. Owners of gas stations and other public amenities would benefit financially if their local utility provider could be convinced to install an EV charging station near their business. He thought it was a questionable issue.

In response to a question from Senator Denis, Ms. Dykema said the 15 percent set aside for EV infrastructure was included in the VW settlement.

Senator Denis asked about the timeline for deploying the 19 new EV charging stations. Ms. Dykema replied that the SEO would award subgrants to rural electric co-ops after receiving authority from the IFC. Additionally, the PUCN was scheduled to vote on the NV Energy annual plan docket on July 1, 2018, which would determine how the SEO would proceed with NV Energy in coordinating S.B. 145 and the EVIDP incentives that would be available to the public. Ms. Dykema said the project would begin gradually, but increase after the initial round of subgrants were awarded. She reiterated that the completion date for the NEH was scheduled for 2020 in the strategic planning framework. The SEO wanted to proceed quickly and efficiently to make as much progress as possible in the beginning; however, the state had ten years to spend the VW settlement funds.

In answer to a question from Senator Gansert, Ms. Dykema replied that the rural electric co-ops would be issued subgrants, but had the option of owning and operating the charging stations or entering into a host site agreement with a private commercial entity. She noted that NV Energy was under the jurisdiction of the PUCN; therefore, prior approval from the commission was required. She said there may be an ownership model where a private commercial entity owned and operated the charging station initially with the utility assuming ownership in the future, but that would be decided by the service providers.

Senator Gansert asked if any entity could apply for a subgrant or if the decision was made by the SEO and PUCN. Ms. Dykema replied that the SEO would issue subgrants directly to the energy service providers. The SEO established a map with the general locations of the charging stations, which were every 50 miles along the highway corridors. She said the minimum requirements were included in the subgrant which would have to be adhered to by the entity that hosted the charging station.

Senator Gansert thought an open process was important, because there were financial advantages for businesses located adjacent to EV charging stations. She said the process needed to be appropriately vetted.

In response to a question from Senator Gansert, Ms. Dykema replied that the SEO required a minimum of one direct current (DC) fast charger at each charging station, which would charge an EV in 45 minutes. She said the agency incentivized level

two chargers during Phase 1 of the NEH, so they would be an optional add-on. The subgrants would be capped and the utilities would determine if they wanted two DC fast chargers, which were more conducive to highway travel, or one DC fast charger and a couple of level two chargers, which were slower chargers that required four to six hours to charge an EV.

Assemblywoman Swank said there was a common good that came from creating a sound transportation network in Nevada. She said it was not unprecedented that the state was using the VW settlement funds to establish charging stations that may become privately owned in the future. For example, the 2017 Legislature established support for rural gas stations to upgrade gasoline storage tanks to avoid leaks in the future. Assemblywoman Swank thought that type of relationship was good for everyone.

SENATOR DENIS MOVED TO APPROVE AGENDA ITEMS E-1 AND E-2.

ASSEMBLYMAN PICKARD SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Carlton opposed the motion. Assemblyman Edwards was not present for the vote.)

3. **Office of the Attorney General - Grants Unit - FY 2018 -** Addition of $269,887 in federal Services, Training, Officers, Prosecutors (STOP) Violence Against Women Act grant funds and transfer of $52,221 from the Personnel Services category to the STOP grant category, $19,076 from the Sexual Assault Services Program grant category to the STOP grant category and $1,412 from the Reserve for Federal Funds category to the STOP grant category to continue support for services to women who are victims of violence. Requires Interim Finance approval since the amount added to the STOP grant category exceeds $75,000. **Work Program #C42661**

   Refer to motion for approval under Agenda Item E.

4. **Office of the Attorney General - Grants Unit - FY 2018** - Addition of $246,120 in Sexual Assault Services Program (SASP) grants funds to continue support services and related assistance to victims of sexual assault. Requires Interim Finance approval since the amount added to the SASP grant category exceeds $75,000. **Work Program #C42668**

   Refer to motion for approval under Agenda Item E.

5. **Office of the Attorney General - State Settlements - FY 2018** - Addition of $58,422 in Settlement Income revenue to assist the Nevada Military Support Alliance in funding the expansion of the Veterans Guest House. Requires Interim Finance approval since the amount added to the Transfer to Veterans Home category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42607**

   Refer to motion for approval under Agenda Item E.

6. **Department of Administration - Fleet Services - FY 2018** - Transfer of $94,065 from the Reserve category to the Vehicle Operation category to cover costs of outside maintenance, gasoline expenditures, and vehicle supplies for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Vehicle Operation category exceeds $75,000. **Work Program #C42543**

   Refer to motion for approval under Agenda Item E.

7. **Department of Administration - Fleet Services Division - Fleet Services Capital Purchase - FY 2018** - Addition of $25,625 in Insurance Recoveries and transfer of $36,743 from the Reserve category to the Vehicle Purchase category to purchase three replacement vehicles. Requires Interim Finance approval since the amount added to the Vehicle Purchase category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42599**

   Refer to motion for approval under Agenda Item E.

8. **Department of Administration - State Library, Archives and Public Records - COOP Libraries Auto Network - FY 2018** - Transfer of $27,197 from the Personnel Services category to the Cooperative Libraries Automated Network (CLAN) Operating Expense category to support ongoing information technology service contracts and a new operational audit contract. Requires Interim Finance approval since the cumulative amount added to the CLAN Operating Expense category exceeds 10 percent of the legislatively approved amount for the category. **Work Program #C42666**

   Refer to motion for approval under Agenda Item E.

9. **Department of Administration - Nevada State Library, Archives and Public Records - Mail Services - FY 2018** - Transfer of $61,831 from the Equipment category to the Operating category to properly account for equipment leasing costs. Requires Interim Finance approval since the amount added to the Operating category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM E.10**. **Work Program #C42466**

   Refer to motion for approval under Agenda Item E.

10. **Department of Administration - Nevada State Library, Archives and Public Records - Mail Services - FY 2019** - Transfer of $61,831 from the Equipment category to the Operating category to properly account for equipment leasing costs. Requires Interim Finance approval since the amount added to the Operating category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM E.9**. **Work Program #C42474**

    Refer to motion for approval under Agenda Item E.

11. **Department of Administration - State Public Works Division - Marlette Lake - FY 2018** - Transfer of $40,925 from the Operating category to the Equipment category to fund the purchase and installation of freshwater circulation equipment for the Hobart Reservoir. Requires Interim Finance approval since the amount transferred to the Equipment category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42634**

    Refer to motion for approval under Agenda Item E.

12. **Department of Taxation - Marijuana Regulation and Control Account – FY 2018** - Transfer of $1,090,000 from the Reserve category to the Transfer to Marijuana Holding category to hold certain 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 Marijuana Holding category exceeds $75,000. **Work Program #C42078**

    Refer to motion for approval under Agenda Item E.

13. **Department of Taxation - Marijuana Regulation and Control Account – FY 2018** - Addition of $92,688 in Excise Tax - MMT revenue, addition of $3,305,230 in Excise Tax - Wholesale revenue, addition of $880,000 in Establishment Application Fees revenue, deletion of $267,501 in Establishment License Fees revenue, addition of $203,819 in Time and Effort Assessments revenue, addition of $93,750 in Civil Penalties revenue and addition of $110,625 in Treasurer's Interest Distribution revenue in order to align revenue authority to anticipated amounts and increase the amount to be transferred to the Distributive School Account at the close of FY 2018 and the amount to be reserved for balance forward to FY 2019. Requires Interim Finance approval since the amount added to the Transfer to Distributive School Account category exceeds $75,000. **Work Program #C42684. RELATES TO ITEM E. 14. WITHDRAWN 3-23-18.**

14. **Department of Education - Distributive School Account - FY 2018** - Addition of $6,962,573 in Marijuana funds transferred from the Department of Taxation for the operating of school districts and charter schools. Requires Interim Finance approval since the amount added to the Basic Support Aid to Schools category exceeds $75,000. **Work Program #C42689. RELATES TO ITEM E. 13. WITHDRAWN 3-23-18**

15. **Department of Education - School Remediation Trust Fund - FY 2018** - Addition of $2,363,671 in Prior Year Refunds revenue to provide authority to move funds that were deposited to the General Fund in error for the New Teacher Incentives program. Requires Interim Finance approval since the amount added to the New Teacher Incentives category exceeds $75,000. **Work Program #C42506**

    Refer to motion for approval under Agenda Item E.

16. **Department of Education - Teach Nevada Scholarship Program - FY 2018** - Addition of $207,539 in Prior Year Refunds revenue to provide authority to move funds that were deposited to the General Fund in error for the Teach Nevada Scholarship program. Requires Interim Finance approval since the amount added to the Teach Nevada Scholarship category exceeds $75,000. **Work Program #C42492**

    Refer to motion for approval under Agenda Item E.

17. **Department of Education - Assessments and Accountability - FY 2018** - Transfer of $1,309,466 from the Reserve category to the Diploma Pathways Aid-to-School category and transfer of $30,000 from the Reserve category to the Diploma Pathways Marketing category to fund the College and Career Ready High School Diploma Pathways program and marketing campaign pursuant to Assembly Bill 7 of the 2017 Legislative Session. Requires Interim Finance approval since the amount transferred to the Diploma Pathways Aid-To-School category exceeds $75,000. **Work Program #C42331**

    Steve Canavero, Superintendent, Department of Education (NDE), introduced Brett Barley, Deputy Superintendent, NDE, and Kristine Nelson, Director, Office of Career Readiness, Adult Learning and Education Options, NDE.

    Mr. Canavero said Work Program C42331 requested the transfer of funds from the Reserve category to the Diploma Pathways category. He said the funds resulted from Assembly Bill (A.B.) 7 (2017 Legislature), which required the department to create the College and Career Ready (CCR) diploma, which met the standard of entry for immediate credit-bearing course work for higher education and/or access to the workforce to align with livable wage careers. Mr. Canavero said the department established the CCR diploma and its requirements through regulations and the State Board of Education. The regulations were adopted by the Legislative Commission on February 27, 2018, under R076-17.

Mr. Canavero said the CCR diploma built upon the advanced diploma by requiring that additional units be taken in areas such as advanced placement, international baccalaureate, dual credits, career and technical education, work-based learning, world languages, etc. The CCR diploma included a college-ready endorsement and a career-ready endorsement, both of which provided academic course work as well as experiences or certificates that students could accrue to meet the standard of alignment, such as the Nevada System of Higher Education's (NSHE) guaranteed placement into credit-bearing course work or the workforce.

Mr. Canavero said the $1.3 million would be used to issue incentive grants and/or reimbursement for the cost of certificates to districts for students who were on track to earn a CCR diploma. He said the CCR diploma was new for the department and school districts. To determine the cost of reimbursements, the department worked with the Office of Workforce Innovation (OWINN) and industry sectors to identify certificate programs and determine the cost of those certificates. Additionally, the NDE collaborated with the State Board of Education to align experiences for students and determine the cost of those experiences. Mr. Canavero said the department queried the districts in January 2018 about the number of students anticipated to participate in the CCR diploma program. Kristine Nelson, Director, Office of Career Readiness, Adult Learning and Education Options, NDE, examined the cost of the certificates and determined the average cost to be approximately $200. Mr. Canavero noted that some districts did not respond to the department's query; therefore, the advanced diploma was used as a proxy. For those districts, the department used three-fourths of the advanced diploma number to determine the reimbursement for the direct cost of the certificates. He said certificates ranged in price. For example, the cost of the National Career Readiness Certificate was $4; however, the cost of coding-specific certificates was more expensive. In addition to offsetting costs related to certificates as well as the assessments to earn a certificate, A.B. 7 included a financial incentive to districts to increase awareness and initiative to provide the CCR diploma opportunity to all students. Mr. Canavero said, subsequently, the department arrived at a total cost of approximately $1.3 million, which would be used to reimburse districts in the summer of 2018 upon receipt of their report indicating the number of students that achieved the standard and participated in aligned certificates.

Assemblywoman Benitez-Thompson said the districts provided the NDE with the tentative number of students that would be taking and passing the assessment. She asked how long it would take for the districts to submit their final report and the NDE to issue reimbursement.

Kristine Nelson, Director, Office of Career Readiness, Adult Learning and Education Options, NDE, said due to the quick turnaround, the department drafted a formal guidance memorandum for the local education agencies (LEAs) (school districts and charter schools) regarding the process. The CCR diploma was available beginning with students graduating in 2018. Between June 2018 and August 2018, the LEAs

would submit a report to the NDE indicating the number of students that were issued the CCR diploma as well as associated costs for the required assessments or certifications for the career-ready endorsement. Ms. Nelson said the department would provide reimbursement and/or incentives to districts on a request-for-funds basis.

Assemblywoman Benitez-Thompson asked if the department would know by August 2018 how many students attempted and passed the assessment, and the reimbursement rate versus actual costs. Ms. Nelson said that was correct. She said the department had been working with the LEAs for a while; therefore, the districts and charter schools were aware of the process and protocols and ready to promote the new CCR diploma.

Assemblywoman Benitez-Thompson said it appeared students in advanced placement classes would be targeted for the CCR diploma; therefore, the LEAs already had a good indication of who would be taking the assessment. She asked why the agency still needed a marketing component.

Ms. Nelson said the formal solicitation process was used to hire the Abbi Agency to conduct a public awareness campaign for the New Skills for Youth (NSY) program as well as the CCR diploma. She noted that the CCR diploma was part of the NSY program. Ms. Nelson said an aggressive marketing campaign began in January 2018. The Abbi Agency's timeline and marketing plan was submitted to LCB Fiscal Division staff. She said without the marketing campaign, the only other method of making the CCR diploma known to students and parents was through school counselors; therefore, it was very important to have an aggressive marketing campaign.

In answer to a question from Assemblywoman Benitez-Thompson, Ms. Nelson replied that the marketing campaign was robust. She said students and parents were only two of the targeted populations that would be reached through the campaign. The campaign would also reach lawmakers and policymakers as well as business and industry. She said business and industry was an important population, because the CCR diploma had a work-based learning component; therefore, all stakeholders would be impacted by the marketing campaign.

Mr. Canavero said there was a connection between the CCR diploma and other college and career-readiness efforts in the state, which he thought was the underlying concern being addressed. He said the assessment was the final point at which a student would demonstrate readiness. Mr. Canavero said the NDE viewed areas such as school improvement, career and technical education, and grant making, through two very important lenses. The first lens was alignment with industry needs to make a value statement in regard to pathways that were informed by industries that represented the skills being sought. The skills could be obtained through postsecondary education or postsecondary training, which was required for a vast majority of industry jobs. Mr. Canavero said the second lens was access,

specifically schools and regions without access to particular elements of the pathway and incentivizing the growth of those elements so that all students would have access to the CCR diploma.

Senator Kieckhefer said he had concerns about the CCR Diploma Program when it was approved during the 2017 Legislative Session. He asked if the LEAs were receiving incentives or reimbursement.

Mr. Canavero replied that the LEAs were essentially receiving both an incentive and reimbursement. The state was incentivizing the experiences in high school with industry-aligned certificates and certifications. He said previously some high school experiences had not been informed about industry needs, and others were included in the career pathway work through the Office of Career and Technical Education. He said the establishment of OWINN in statute provided the NDE with a willing partner to lend an industry voice about existing demands of jobs through the Governor's Office of Economic Development and the intersection with industry needs through OWINN.

Mr. Canavero said by providing reimbursement, the department created a list of certificates and certifications that were vetted by industry and were of value. Additionally, the reimbursement reduced the barrier of entry for school principals and superintendents across the state to bring certificates and certifications into the schools. With regard to the incentive portion of the program, the department was encouraging reinvestment of the funds into the program to further expand student opportunities aligned with postsecondary advanced coursework, dual credit, or with regional industry needs.

In answer to a question from Senator Kieckhefer, Mr. Canavero replied that statute did not require funds to be reinvested into the program. He said the department was trying to establish intent of reinvesting the funds into the program through various discussions, including the discussion before the Committee today.

Senator Kieckhefer noted that a majority of the work was done at the school level. He asked if the funds were provided directly to the schools or the district. Brett Barley, Deputy Superintendent, NDE, replied that the districts would submit a report outlining the number of students who achieved the CCR diploma and the number of students that completed an aligned assessment. He said the funds for the incentive grant and reimbursement for costs associated with the CCR diploma would be sent to the districts.

Assemblywoman Bustamante Adams said she was excited that the concept of a work-ready community was expanding in Nevada. She asked how much of the $1.3 million would be applied to the marketing campaign. Additionally, she asked if the department was working with other entities to prevent duplicative marketing and ensure that funds were leveraged wisely.

Ms. Nelson replied that $30,000 of the $1.3 million would be used for the marketing campaign. She said the total amount of the campaign contract was $240,000, which was approved by the Board of Examiners (BOE) in October 2017. Ms. Nelson said the agency was collaborating with Manny Lamar, Executive Director, OWINN, and Brian Mitchell, Director, Office of Science, Innovation and Technology. She noted that Mr. Lamar and Mr. Mitchell were members of the steering committee for the NSY program. Ms. Nelson said NDE was working as a hub in the work of the NSY program toward work-based learning, employer engagement framework and other projects Nevada was working on to prepare students to become college and career ready. The agency's involvement had been very extensive with the NSY program, the Governor's Office and other groups that were sharing information to avoid working in silos or in conflict to avoid duplicative efforts.

In answer to a question from Assemblywoman Bustamante Adams, Ms. Nelson replied that the Abbi Agency was selected through the formal solicitation process, and the $240,000 contract was approved by the BOE in October 2017.

In response to a question from Senator Gansert, Mr. Barley replied that certain requirements had to be met to earn the CCR diploma. He explained that the CCR diploma coursework and grade point average requirements were aligned with the advanced diploma. Additionally, the CCR diploma included assessments, certificates and evidence of postsecondary readiness, such as advanced placement or dual credit classes. He clarified that the CCR diploma requirements applied to both the college-ready and career-ready endorsements.

Ms. Nelson added that the foundation of the CCR diploma was based on the advanced diploma, which required 24 units in total and a grade point average of 3.25. Of the 24 units, 2 units must include a variety of coursework including advanced placement, international baccalaureate, dual credit, career and technical education (CTE), work-based learning or world languages. Additionally, the student must obtain at least one of the associated endorsements, but could obtain both. Ms. Nelson said the college-ready endorsement was based on the NSHE non-remedial admissions guarantee policy. The career-ready endorsement allowed students to complete a state-board approved assessment, such as the ACT National Career Readiness Certificate (NCRC) or the Armed Services Vocational Aptitude Battery Test (ASVAB); earn a CTE Skills Attainment Certificate, which was outlined in NAC 389.803; or obtain an industry-recognized credential. She noted that the credential list was published by OWINN and vetted through the Governor's State Workforce Board and Industry Sector Councils.

Senator Gansert asked, if funds were limited, would the department prioritize reimbursements or incentives. Ms. Nelson replied that the amount to be expended would be known after the LEAs submitted their reports to the department in the summer of 2018. She thought the majority of the funds would be applied to the incentive piece, because the LEAs would receive an incentive grant for each pupil that obtained the CCR diploma. She said reimbursement of actual costs would

provide LEAs with fewer funds. For example, the ACT NCRC cost $4 per certificate, and there was no fee associated with the ASVAB. Ms. Nelson said the industry-recognized credential piece only applied to students obtaining the career-ready endorsement, or students who earned the college-ready endorsement and an industry-recognized credential. She said the reimbursement costs could range from $4 to an average of $200. Ms. Nelson reiterated that the department would not know for certain where the majority of the funds would be applied until the LEAs submitted their reports.

Senator Gansert said the curriculum was available, but if students did not choose it, there was no cost associated except for industry-recognized credentials. She suggested the department offer the incentive grant to cover start-up costs, which would encourage participation, and then switch to reimbursements if the costs were beyond the scope of available funds.

Senator Gansert asked if there was a way to ensure that incentive dollars were passed through to the schools versus the LEAs. She said the funds may be utilized for another purpose if provided to the districts. Mr. Canavero replied that the department could convey that request from the Committee and provide non-regulatory guidance to the districts on how to pass the funds through to the schools.

Assemblyman Edwards asked why the marketing campaign needed to be targeted at business and industry if it was already inherently involved in the process of developing the curriculum and qualifications to earn an endorsement. He thought the department was relying on the marketing campaign rather than using OWINN and other agencies to endorse the CCR diploma. Additionally, he questioned the need to incentivize a program that should speak for itself.

Mr. Canavero replied that the principal focus of the marketing campaign was to elevate the state's awareness and knowledge of the CCR diploma. He said the CCR diploma was a new diploma aligned with postsecondary readiness with a clear and novel approach to student-to-student and peer engagement, in addition to some ancillary benefits for employers. He said a number of months ago it became evident to him that it was beneficial for industry to be aware of NDE programs such as the CCR diploma. He said there was not an immediate demand from Tesla requesting the establishment and alignment of pathways; however, there was significant demand from small local manufacturing groups that experienced increased competition for employees with Tesla in the marketplace. At the request of local manufacturing groups, an advanced manufacturing pathway was quickly established to ensure the workforce was prepared to meet their needs and address the increased competition for employees. Mr. Canavero said not all industries were aware of the industry sector councils or channels through which they could reach OWINN, the Workforce Innovation and Opportunity Act Board, etc.

Mr. Canavero said, with regard to incentivizing the College and Career Readiness Diploma Pathways Program, large systems were difficult to change. He said policy, funding, a call to arms and moral imperative to prepare students for the future would

help motivate change. Additionally, reporting and accountability to the IFC regarding the progress of the program would also encourage change. Mr. Canavero said all of those combined factors would accelerate the ability of large systems across the state to lean toward this new work of aligned industry credentials offered in high school, which would blur the border between high school and work-based experiences through the work-based pilot program. He said a financial incentive was the final piece to accelerate opportunities provided to students.

Assemblyman Edwards recalled a recent report indicating that the Clark County School District was incorrectly utilizing funds intended for special education. Given that fact, he was skeptical that LEAs would use the funds in a manner that would promote the CCR diploma. He thought the funds would end up comingled in the Distributive School Account, and the department's intent would not be realized.

SENATOR DENIS MOVED TO APPROVE AGENDA ITEM E-17.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION PASSED. (Senator Kieckhefer and Assemblyman Edwards opposed the motion. Assemblyman Hambrick and Assemblywoman Titus were not present for the vote.)

18. **Department of Education - Assessments and Accountability - FY 2018** - Addition of ~~$59,639~~ ***$75,750*** in federal National Assessment of Educational Progress (NAEP) grant funds and $6,986 in federal National Co-op Stat System grant funds to align state authority with federal funds available to continue to assess Nevada students to provide student academic progress over time. Requires Interim Finance approval since the amount added to the NAEP Task Order category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42674. REVISED 3-20-18**

Refer to motion for approval under Agenda Item E.

19. **Department of Education - Data Systems Management - <u>FY 2019</u>** - Transfer of $45,031 from the Master Services Agreement (MSA) Contractors category to the Personnel Services category to fund the projected increase in salary costs related to reclassification of an Administrative Assistant position to a Business Process Analyst position. Requires Interim Finance approval since the amount transferred from the MSA Contractors category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM E. RECLASSIFICATION - DEPARTMENT OF EDUCATION**. **Work Program #C42300**

Steve Canavero, Superintendent, NDE, said the department was requesting the transfer of funds from the Master Services Agreement (MSA) Contractors category to the Personnel Services category for reclassification of an Administrative Assistant 3 to a Business Process Analyst (BPA) 3. He said there were several reasons for the

position reclassification, the first of which was to support the expansion of Infinite Campus (IC). Mr. Canavero said the 2015 Legislature provided funds to support the state's transition to a uniform student-information system. Prior to 2015, LEAs were utilizing a disparate set of systems while trying to communicate to the system utilized by the NDE. He said the department saw an opportunity for efficiency by merging all LEAs and the NDE on to a single student-information system. He said there were some issues with the merge initially, but ultimately, the student-information systems integrated well. Since the merge, the department received a growing number of requests for modifications to the IC. The IC Governing Board (Board), made up of state and district representatives, helped the NDE prioritize the list of modifications as well as items that impacted the statewide system, such as the addition of early childhood. He explained there was an increasing need to include early childhood in the IC due to the state's federal pre-K grant and focus on adding high-quality early childhood seats for three and four year olds. He said the addition of early childhood to the IC would significantly increase the workload for the new BPA.

Mr. Canavero said that since the 2017 Legislative Session, charter schools are now treated as individual districts in the IC, thereby reducing the likelihood that charter schools would see data belonging to other charter schools. Consequently, the number of school districts within the IC increased from 17 to approximately 32. Mr. Canavero said the State Public Charter School Authority (SPCSA) had its own staff to facilitate work, but when the number of entities doubled, the workload increased significantly for the NDE. He said the BPA would be responsible for the department's portion of the workload.

Mr. Canavero said another critical responsibility of the BPA was to oversee the Board. He explained that the Board assisted the department, the NDE Executive team, and Mr. Canavero's cabinet in understanding the status of current IC projects by listing, curating, prioritizing and managing the projects to ensure the department was working well with the vendor and districts by being responsive to their needs.

Mr. Canavero said the NDE did not anticipate a reduction in service under the MSA contract. The department thought the contract work could be sustained since the BPA would absorb the additional responsibilities.

Assemblywoman Benitez-Thompson asked why the department was requesting the position reclassification now instead of including it in the agency budget request for the 2019-21 biennium.

Mr. Canavero replied that the department made every attempt to develop a sound agency budget request; however, if something was overlooked and funds were available, he preferred to submit a request to the IFC. He said the duties of the BPA were urgent. The coordination of the IC priority list and ensuring the department was a good steward of the state's data system was critically important. He said the department did not foresee the increased workload with the addition of the charter

schools as individual districts within the IC. He thought the charter schools should have the flexibility to choose their own grading system rather than using a prescribed system; however, it created an urgent need for a position to manage the workload. Additionally, Mr. Canavero noted there was a serious need to prioritize the addition of an early childhood district within the IC to be responsive to Patricia Oya, Director of the Office of Early Learning and Development, and early childhood providers. He thought it was important to provide early childhood providers with appropriate, streamlined reporting rather than spending double the time using spreadsheets and other mechanisms. Mr. Canavero said if the Committee preferred to address the position reclassification during the 2019 Legislative Session, he would respect the decision; however, he was hopeful the request would be approved at the meeting today.

Assemblywoman Carlton said the requested funds were intended for the MSA contract. She said typically unused funds reverted to the General Fund to be used for other needs. Given the position reclassification request was directly related to workload created by the SPCSA, she asked why the department did not require the SPCSA to fund all or a portion of the position.

Mr. Canavero said there had been discussions about the SPCSA funding a portion of the BPA position; however, it was too early to differentiate between the department's responsibilities and those of the SPCSA. He was hopeful there would be more clarity going into the 2019 Legislative Session. At that point, the distinct needs of the SPCSA and the NDE would be more evident, which would help determine the individual cost borne by each agency.

Assemblywoman Carlton said the proposed reclassification of an Administrative Assistant 3 to a BPA 3 was a $20,000 annual increase, which she found concerning. She said the department was asking to use funds in a manner different from what was intended; therefore, she required more data before making a decision. She also found it concerning that the BPA 3 would create a fourth supervisory position within a group of nine employees.

Mr. Canavero replied that the Administrative Assistant 3 position had been vacant for quite some time. He said the vacancy provided an opportunity to modify the position in a way that would be more beneficial for the department and state. With regard to the employee-to-supervisor ratio, Mr. Canavero clarified that the BPA 3 would not have a supervisory role. Instead, the position would be supervised by Glenn Meyer, IT Manager, NDE. He noted there was an error in the organization chart that indicated workflow not authority, and that was the fault of the department.

Assemblywoman Carlton thought the department should obtain additional data and resubmit the request at a later date. She thought there should be a partnership with the SPCSA since a resource was being provided for its benefit.

Assemblywoman Diaz said she needed more clarity to understand the NDE's urgent need for a BPA 3. She asked how the department would specifically be impacted if

the Committee did not approve the position reclassification. She asked what decisions would be impacted due to the lack of data. Assemblywoman Diaz said it was critical to have a clear picture of where the state stood in order to move education forward in the state. She said additional data was helpful in making informed decisions.

Mr. Canavero said the NDE had a responsibility to the charter schools just like any other public school in the state; however, time spent responding to requests from charter schools impacted the department's ability to respond to requests from other public schools.

Mr. Canavero said the need for an early childhood tab within the IC was one of the reasons he was urging the Committee to approve the position reclassification request. Although the IC was a district system, there was a pre-K environment across the state and a federal pre-K grant that provided access to high-quality seats for children in poverty. Those seats were not always in traditional schools; therefore, establishing an early childhood tab would provide an access point for entering necessary information. In turn, the department would be able to see the quality of the center as well as student outcomes. Additionally, the site and students would be linked in the IC so that information could be passed through to the kindergarten level. For example, the BRIGANCE screener provided a mechanism for forwarding information to teachers in real time so they had as much information as necessary to appropriately serve a student from the beginning.

Mr. Canavero said it was important to have a staff member dedicated to the coordination of items on the priority list. He said a lot of communication and training was involved, especially for individuals outside of the K-12 system, such as Acelero Learning providers, who were providing early childhood experiences for students that were part of the federal pre-K program. He said a lot of training would be required in the beginning to help individuals outside the K-12 system understand how to use the IC. Additionally, login information, and safety and data privacy procedures would need to be addressed to establish an effective tool for early childhood education providers. Mr. Canavero said all of the projects he mentioned were high priority and would be supported by the new BPA.

Brett Barley, Deputy Superintendent, NDE, added that the list of requested IC modifications was lengthy. He said there were currently 15 items the department was working to address to be responsive to the needs of the districts. Oftentimes, the requests came from rural school districts that lacked the capacity to build out a solution on their own; therefore, the NDE provided technical assistant to implement the modifications. With regard to the increased workload related to the SPCSA, the department estimated that the BPA would spend at least 50 percent of its time responding to district needs, collaborating with the statewide coordinating council, and working on the early childhood tab; therefore, the responsibilities were much broader than charter school duties.

Glenn Meyer, IT Manager, NDE, said there was a state edition of the IC as well as separate editions for each district. Prior to the charter schools being regarded as individual districts in the IC, the SPCSA held the district edition and all the charter schools were underneath that district. The information in the district editions was uploaded nightly and synchronized to the state edition. With each charter school maintaining its own district edition, there were now 33 instances synchronizing to the state on a nightly basis, which involved a large management process and administration to ensure that all district instances synchronized to the state in real time. The department spent a significant amount of time monitoring the process to ensure the state received the required information.

Mr. Meyer said separating funding for a statewide system was risky. He said the IC had to remain a statewide system. If funding was not approved for an entity that was contributing funds to the statewide system, it would not be feasible to deactivate the IC for just that entity, nor could the entity stop using the program to save money. The IC had to remain intact in order to be a statewide system. Ultimately, splitting funding between entities could jeopardize the system.

Assemblyman Pickard said he shared Mr. Canavero's desire to address concerns quickly, because it reduced the likelihood of inheriting problems that could be avoided. He noted that the department provided a reasonable amount of data and input with the request. He asked if the department had other substantive information that would help the Committee reach a decision.

Mr. Canavero replied that the early childhood tab in the IC would encompass 450 providers and 2,000 additional students, with the possibility of exceeding 20,000 students over the next two years; therefore, it was a robust aspect of the state's collective intent to serve pre-K children. He said a better understanding of the department's responsibilities versus the responsibilities of the SPCSA was the one piece the department was unable to provide at the moment.

Assemblyman Pickard thought it may be better for the department to provide additional data concerning the individual responsibilities of the NDE and SPCSA in a follow-up discussion focused on performance review. He thought that would reduce the likelihood of inheriting new problems if the Committee postponed approval of the department's request. Mr. Canavero replied that the SPCSA and NDE were actively discussing their specific responsibilities. He agreed the discussion would likely occur before the Committee again.

In answer to a question from Assemblywoman Benitez-Thompson, Mr. Meyer replied that the decision to provide each charter school with its own district edition of the IC was made in December 2016. The decision was made in response to the need for charter schools to be more independent, produce their own report cards and transcripts, and configure the IC to their unique specifications. The charter schools felt the change was necessary for the sake of competiveness. Mr. Meyer said the implementation plan was released in February 2017, and conversations

began during the 2017 Legislative Session. The first two pilot districts were converted in April 2017, and the remaining charter schools were converted during the summer of 2017. He said the 2017-2018 school year was the first year all the charter schools were on their own independent IC instances.

Assemblywoman Benitez-Thompson noted the unintended financial consequence associated with each charter school having its own district edition of the IC. She asked if the additional costs would be ongoing. Mr. Canavero replied that a policy discussion may need to occur regarding the independent charter schools and the direct impact that had on how the NDE interfaced with them. Based on those discussions, there may be additional position requests from the SPCSA and/or the NDE. For example, each charter school could apply directly to the NDE for grant funds, independent of the SPCSA. He said that example would have an unanticipated financial impact on the NDE's operations. Mr. Canavero said those were the types of items currently being discussed that would largely inform the budget and/or a policy discussion during the 2019 Legislative Session.

Assemblyman Edwards noted that the department identified a problem within the agency and was being proactive by requesting $45,000 to correct that problem.

Assemblywoman Carlton said the issue at hand was not about the dollar amount requested by the NDE. She said it was the Committee's responsibility to review the material and ensure that funds were used in the appropriate manner. She said it was not within the Committee's purview to forego discussion of a work program based on the dollar amount. Assemblywoman Carlton said information was often revealed during work program discussions that might not have been known otherwise. For example, she did not realize that early childhood was a component of the work program. She said that information changed her opinion of the request. Also, a new dynamic was added to the request knowing the BPA position would probably not be implemented until May 2018, which would provide six months of information for the 2019 Legislature to review. Additionally, the BPA position may be modified during the 2019 Legislative Session.

Assemblywoman Carlton noted that in December 2016 the NDE and SPCSA agreed to provide each of the 28 SPCSA-sponsored charter schools their own district version of the IC. She said those costs were included in the NDE's current work program. Based on that, she wanted the department to provide additional information. Assemblywoman Carlton moved to approve the request, but said she still had concerns. She said there would be a lot of questions on this matter in the future. She indicated that the NDE would be required to provide updates on the issue before the 2019 Legislative Session so it could be determined how much the NDE and SPCSA would each pay toward the cost of the BPA position.

> ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM E-19 AND THE DEPARTMENT OF EDUCATION RECLASSIFICATION REQUEST FOR POSITION 0023.

SENATOR DENIS SECONDED THE MOTION.

In answer to a question from Senator Denis, Mr. Canavero replied that improved timeliness and quality of data collection for the charter schools and early childhood would occur soon if the BPA position were approved. He said the BPA would help resolve data flow issues and support the flexibility required by the charter schools.

Senator Denis said he liked that the BPA would help improve the timeliness of data collection, because the Legislature was often delayed in making decisions concerning education due to lack of data.

THE MOTION PASSED UNANIMOUSLY.

Chair Woodhouse called a recess at 12:25 p.m. The meeting was reconvened at 1:05 p.m.

20. **Department of Education - Gear Up - FY 2018 -** Addition of ~~$655,563~~ ***$298,593*** in federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant funds ***and transfer of $356,970 from Gear Up Scholarship Awards category to the Aid to Schools category to*** align state and federal authority to continue programs to improve educational opportunities for economically disadvantaged children. Requires Interim Finance approval since the amount added to the GEAR UP Aid to Schools category exceeds $75,000. **Work Program #C42601. REVISED 3-20-18**

Refer to motion for approval under Agenda Item E.

21. **Department of Education - Office of Early Learning and Development – FY 2018** - Addition of ~~$4,632,441~~ ***$4,550,603*** in federal Preschool Development grant funds to align state authority with federal grant authority to continue to enhance a preschool program infrastructure that will enable the delivery of high-quality preschool services to children and expand high-quality preschool programs in targeted communities. Requires Interim Finance approval since the amount added to the Nevada Ready Preschool category exceeds $75,000. **Work Program #C42320. REVISED 3-20-18.**

Refer to motion for approval under Agenda Item E.

22. **Nevada System of Higher Education (NSHE) - Performance Funding Pool - FY 2019** - Deletion of $91,266,734 in Budgetary Transfers to distribute funding based on performance outcomes to the universities, state colleges and community colleges. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 67 of the 2017 Legislative Session. **Work Program #C42333**

Refer to motion for approval under Agenda Item E.

23. **Nevada System of Higher Education (NSHE) - University of Nevada, Reno - FY 2019** - Addition of $23,316,110 in Budgetary Transfers from the Nevada System of Higher Education Performance Funding Pool budget to distribute funding based on performance outcomes. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 67 of the 2017 Legislative Session. **Work Program #C42332**

    Refer to motion for approval under Agenda Item E.

24. **Nevada System of Higher Education (NSHE) - University of Nevada, Las Vegas - FY 2019** - Addition of $32,630,849 in Budgetary Transfers from the Nevada System of Higher Education Performance Funding Pool budget to distribute funding based on performance outcomes. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 67 of the 2017 Legislative Session. **Work Program #C42334**

    Refer to motion for approval under Agenda Item E.

25. **Nevada System of Higher Education (NSHE) - Great Basin College - FY 2019** - Addition of $2,829,096 in Budgetary Transfers from the Nevada System of Higher Education Performance Funding Pool budget to distribute funding based on performance outcomes. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 67 of the 2017 Legislative Session. **Work Program #C42337**

    Refer to motion for approval under Agenda Item E.

26. **Nevada System of Higher Education (NSHE) - Western Nevada College - FY 2019** - Addition of $2,802,477 in Budgetary Transfers from the Nevada System of Higher Education Performance Funding Pool budget to distribute funding based on performance outcomes. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 67 of the 2017 Legislative Session. **Work Program #C42341**

    Refer to motion for approval under Agenda Item E.

27. **Nevada System of Higher Education (NSHE) - College of Southern Nevada - FY 2019** - Addition of $19,508,548 in Budgetary Transfers from the Nevada System of Higher Education Performance Funding Pool budget to distribute funding based on performance outcomes. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 67 of the 2017 Legislative Session. **Work Program #C42336**

    Refer to motion for approval under Agenda Item E.

28. **Nevada System of Higher Education (NSHE) - Truckee Meadows Community College - FY 2019** - Addition of $6,979,792 in Budgetary Transfers from the Nevada System of Higher Education Performance Funding Pool budget to distribute funding based on performance outcomes. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 67 of the 2017 Legislative Session. **Work Program #C42338**

    Refer to motion for approval under Agenda Item E.

29. **Nevada System of Higher Education (NSHE) - Nevada State College - FY 2019** - Addition of $3,199,862 in Budgetary Transfers from the Nevada System of Higher Education Performance Funding Pool budget to distribute funding based on performance outcomes. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 67 of the 2017 Legislative Session. **Work Program #C42335**

    Refer to motion for approval under Agenda Item E.

30. **Department of Agriculture - Registration and Enforcement - FY 2018** - Transfer of $51,649 from the Reserve category to the Operating category and $18,870 from the Reserve category to the Other Seed Certification category to support temporary staff that assist with inspection and licensing workloads. Requires Interim Finance approval since the amount added to the Operating category exceeds 10 percent of the legislatively approved amount for the category. **Work Program #C42576**

    Refer to motion for approval under Agenda Item E.

31. **Department of Agriculture - Pest, Plant Disease, and Noxious Weed Control - FY 2018** - Addition of $73,235 in U.S. Department of Agriculture grant funds to support cooperative weed management activities. Requires Interim Finance approval since the amount added to the U.S. Forest Service category exceeds 10 percent of the legislatively approved amount for the category. **Work Program #C42363**

    Refer to motion for approval under Agenda Item E.

32. **Department of Agriculture - Pest, Plant Disease, and Noxious Weed Control - FY 2018** - Addition of $39,823 in U.S. Department of Agriculture grant funds and transfer of $83,907 from the Reserve category to the Agricultural Marketing Services (AMS) category to support specialty crop projects. Requires Interim Finance approval since the amount transferred to the AMS category exceeds $75,000. **Work Program #C42573**

    Refer to motion for approval under Agenda Item E.

33. **Division of Mineral Resources - FY 2018** - Addition of $150,000 in funds from Clark County to support Abandoned Mine Lands (AML) closure activities for the Arden Mine Complex. Requires Interim Finance approval since the amount added to the AML Enhancements category exceeds $75,000. **Work Program #C42446**

    Refer to motion for approval under Agenda Item E.

34. **Department of Business and Industry - Housing Division - Weatherization - FY 2018** - Deletion of $66,701 in LIHEA Grant Funds revenue and transfer of $262,647 from the Reserve category to the LIHEA Subgrants category in order to align revenue authority to cash and fund subgrants for the balance of the fiscal year. Requires Interim Finance approval since the amount added to the LIHEA Subgrants category exceeds $75,000. **Work Program #C42326**

    Refer to motion for approval under Agenda Item E.

35. **Department of Business and Industry - Housing Division - Weatherization - FY 2018** - Transfer of $547,301 from the Reserve category to the Universal Energy Charge category in order to pay anticipated subgrants for weatherization assistance projects. Requires Interim Finance approval since the amount added to the Universal Energy Charge category exceeds $75,000. **Work Program #C42327**

    Refer to motion for approval under Agenda Item E.

36. **Department of Business and Industry - Real Estate Division - Administration - FY 2018** - Addition of $442,129 in Testing Fees revenue to support payments to the real estate testing vendor and correct apportionment of all testing fees for the balance of the fiscal year. Requires Interim Finance approval since the amount added to the Testing Services category exceeds $75,000. **Work Program #C42352**

    Refer to motion for approval under Agenda Item E.

37. **Department of Business and Industry - Real Estate Division - Recovery Account - FY 2018** - Addition of $52,846 in Real Estate Recovery Fee revenue and transfer of $64,793 from the Transfer to Education/Research category to the Settlement Disbursements category in order to pay anticipated settlements for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Settlement Disbursements category exceeds $75,000. **Work Program #C42410**

    Refer to motion for approval under Agenda Item E.

38. **Governor's Office of Economic Development - FY 2018** - Addition of $96,470 in federal NASA Indefinite Delivery/Indefinite Quantity cooperative agreement funding in order to continue support of the development of Unmanned Aerial System (UAS) traffic management systems. Requires Interim Finance approval since the amount added to the NASA UAS Cooperative Agreement category exceeds $75,000. **Work Program #C42400**

    Refer to motion for approval under Agenda Item E.

39. **Department of Tourism and Cultural Affairs - Tourism Development Fund - FY 2019** - Transfer of $152,611 from the Marketing and Advertising category to the Equipment category to fund the replacement of the audio-visual system in the chambers of the Laxalt Building. Requires Interim Finance approval since the amount added to the Equipment category exceeds $75,000. **Work Program #C42585**

    Refer to motion for approval under Agenda Item E.

40. **Department of Tourism and Cultural Affairs - Nevada Arts Council - FY 2018** - Transfer of $8,751 from the Personnel category to the National Endowment of the Arts (NEA) Administration category and $5,648 from the Personnel category to the Public Information/Arts Initiatives category to fund temporary employees and provide additional funding for administrator and board travel and a traveling exhibit. Requires Interim Finance approval since the amount added to the NEA Administrative category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42226**

    Refer to motion for approval under Agenda Item E.

41. **Department of Health and Human Services - Director's Office - Developmental Disabilities - FY 2018** - Addition of $221,805 in federal Assistance to Developmental Disabilities (DD) Councils grant funds to continue services to people with developmental disabilities. Requires Interim Finance approval since the amount added to the DD Council category exceeds $75,000. **Work Program #C42402**

    Refer to motion for approval under Agenda Item E.

42. **Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2018** - Addition of $202,975 in Birth-Death Certificate funds transferred from the Children's Trust account and deletion of $126,425 in federal Community Based Child Abuse Prevention grant funds to continue services to prevent child abuse and neglect. Requires Interim Finance approval since the amount added to the Children's Trust Fund (CTF) grant category exceeds $75,000. **RELATES TO ITEM E.46**. **Work Program #C42421**

    Refer to motion for approval under Agenda Item E.

43. **Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2018** - Transfer of $2,650,537 from the Division of Child and Family Services Child Welfare category to the Non-State Title XX Subgrants category to allow the transfer, oversight and management of Title XX funds directly with Washoe and Clark Counties. **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 Non-State Title XX Subgrants category exceeds**

$75,000. RELATES TO ITEMS E.77 and 80. Work Program #C42194

Agenda Item E-43, E-77 and E-80 were discussed together. Refer to testimony and motion for approval under Agenda Item E-80.

44. Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2018 - Addition of $779,733 in federal Community Services Block Grant (CSBG) funds to continue providing subgrants to promote economic self-sufficiency, family stability and community revitalization to needy families. **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 CSBG Grants category exceeds $75,000. Work Program #C42347**

Buddy Milazzo, Administrative Services Officer, Director's Office, DHHS, said Work Program C42347 requested the addition of federal Community Service Block Grant funds to continue providing subgrants to promote economic self-sufficiency, family stability and community revitalization to needy families. The agency chose to utilize the IFC for the public hearing required in NRS 353.337.

Agenda Item E-44 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 E-44.
>
> SENATOR DENIS SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY. (Senator Parks was not present for the vote.)

45. Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2018 - Addition of $1,978,360 in federal Title XX Social Services Block grant funds to continue to provide social services for needy families. **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 Non-State Title XX Subgrants category exceeds $75,000. Work Program #C42420**

Buddy Milazzo, Administrative Services Officer, Director's Office, DHHS, said work Program C42420 requested the addition of federal Title XX Social Services Block Grant funds to continue providing services for needy families. The agency chose to utilize the IFC for the public hearing required in NRS 353.337.

Agenda Item E-45 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 DENIS MOVED TO APPROVE AGENDA ITEM E-45.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

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

46. Department of Health and Human Services - Director's Office - Children's Trust Account - FY 2018 - Transfer of $202,975 from the Reserve category to the Transfer to Grants Management Unit (GMU) BA 3195 category to continue services for preventing abuse and neglect of children. Requires Interim Finance approval since the amount transferred to the Transfer to GMU BA 3195 category exceeds $75,000. **RELATES TO ITEM E.42**. **Work Program #C42583**

Refer to motion for approval under Agenda Item E.

47. Department of Health and Human Services - Director's Office - Individuals With Disabilities Education Act (IDEA) Part C Compliance - FY 2018 - Addition of $197,890 in federal Infants and Toddlers with Disabilities grant funds to provide oversight of the facilitation of a statewide, family-centered, community-based service delivery system for families, infants and toddlers with disabilities. Requires Interim Finance approval since the amount added to the IDEA Part C Admin category exceeds $75,000. **Work Program #C42412**

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 $49,886 in federal Title VII Ombudsman grant funds to provide advocacy and education on senior rights and elder abuse. Requires Interim Finance approval since the amount added to Title VII Ombudsman category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42433**

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 $164,800 in Money Follows the Person (MFP) Rebalancing Demonstration grant funds transferred from the Division of Health Care Financing and Policy to provide services to Medicaid-eligible recipients. Requires Interim Finance approval since the amount added to the MFP category exceeds $75,000. **Work Program #C42447**

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 $475,611 in federal Title III-B Supportive Services grant funds, $714,408 in federal Title III-C Nutrition grant funds, $32,088 in federal Title III-D Preventive Health grant funds and $40,300 in federal Title III-E National Family Caregiver Support Program grant funds to continue services to senior citizens to maintain health, independence and quality of life. Requires Interim Finance approval since the amount added to the Title III-C Nutrition category exceeds $75,000. **Work Program #C42431**

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 $220,775 in federal Nutrition Services Incentive Program grant funds to continue to provide meals to senior citizens. Requires Interim Finance approval since the amount added to the Nutrition Services Incentive Program category exceeds $75,000. **Work Program #C42738**

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 $115,967 in federal Enhance Adult Protective Services (APS) grant funds to provide enhanced data collection capabilities and improve services to seniors in need of protective services. Requires Interim Finance approval since the amount added to the APS Enhancement category exceeds $75,000. **Work Program #C42195**

Refer to motion for approval under Agenda Item E.

53. Department of Health and Human Services - Aging and Disability Services - Desert Regional Center - FY 2018 - Transfer of $757,759 from the Personnel Services category to the Professional Services category, $100,017 from the Operating category to the Professional Services category and $685,132 from the Residential Placement category to the Professional Services category to fund professional staffing to cover vacant positions and consulting services required by the Centers for Medicare and Medicaid Services. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds $75,000. **Work Program #C42540**

Dena Schmidt, Administrator, Aging and Disability Services Division (ADSD), DHHS, introduced Lisa Sherych, Deputy Administrator, ADSD, DHHS, and Melissa Lewis, Administrative Services Officer, ADSD, DHHS.

Ms. Schmidt said the Desert Regional Center's (DRC) Intermediate Care Facility provided 24-hour residential care and services for individuals with intellectual

disabilities. Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) were licensed by the Health Care Quality and Compliance Bureau (HCQC) and funded through Medicaid. Medicaid funding subjected the division to review by the Centers for Medicare and Medicaid Services (CMS). Ms. Schmidt said in June 2017, CMS conducted a site survey of DRC and cited the facility for deficiencies in several areas. She explained that the typical survey process was as follows:

- CMS issued a statement of deficiencies.
- The division responded with a corrective action plan.
- CMS resurveyed the site to ensure compliance.

She said the process continued until final approval was received by CMS. Continuing, Ms. Schmidt said CMS resurveyed DRC after the initial site survey in June 2017, and the division submitted a second corrective action plan to address additional outstanding deficiencies. She said CMS recognized that the division was committed to the system changes that were needed at DRC and suggested that the division enter into a systems improvement agreement (SIA) as an alternative to the ongoing survey process. Ms. Schmidt said the division used the opportunity to review the history of DRC as well as prior surveys and complaints. She said the division previously transitioned all ICF/IID residents in Northern Nevada to community-based homes and closed the facility. Ms. Schmidt said there was a desire to embrace community integration for all the people served by the agency. She said the SIA was an opportunity to embrace change. Subsequently, the ADSD entered into a SIA with CMS on November 22, 2017, and CMS rescinded its previous notice of cancellation for DRC.

Ms. Schmidt said Work Program C42540 requested the transfer of funds from the Service category to the Professional Service category to cover costs associated with the quality improvement requirements of the SIA. She said the SIA requirements included hiring an expert consultant approved by CMS. She said the division was required to enter into a contractual relationship with the consultant within 15 business days of CMS approval. Ms. Schmidt said the consultant was required to conduct a complete Root Cause Analysis (RCA) within the first 30 calendar days, develop an action plan, monitor progress, and provide technical assistance and training to staff. As well, the DRC was required to immediately begin providing ongoing and integrated occupational (OT), physical (PT) and speech (ST) therapy services onsite. Ms. Schmidt noted the DRC had not been providing those services previously; therefore, the associated costs were not included in the ADSD legislatively approved budget. She said the division utilized temporary employees to remain in compliance with the required staffing ratios at DRC. She explained that it was historically difficult to maintain staff at DRC, so the division exceeded the typical number of temporary agency staff hours.

Ms. Schmidt said the SIA deadline was in September 2018. In order to meet the requirements of that agreement, the DRC had to demonstrate full compliance no less than 90 days prior to that date, which was in June 2018.

Ms. Schmidt said the following actions had been taken by the ADSD:

- Recruitment for an ICF Administrator was in progress. Historically, the position was difficult to fill, because it was classified as a clinical position. Ms. Schmidt explained that an ICF was not a clinical services-based model, it was a residential community services-based model; therefore, the division reclassified the position from clinical to program to align with the goals of an ICF. The ICF Administrator position had been vacant for almost eight months, but the division hoped to fill the position within the next couple months.
- The RCA was completed and approved by CMS. The action plan was pending approval by CMS. The ADSD established a governing body that exercised general policy control and managed budgeting, operating and oversight of the facility.
- Intensive training of ICF-related federal regulations and incident investigation was provided to staff. Standardization of incident investigation was implemented to ensure quality and timely investigations were completed within the required five-day timeframe.
- The hiring process was streamlined, which allowed the division to reduce the need for temporary staff. One staff member was designated to manage scheduling at the DRC to ensure staffing needs were met. Town hall meetings were held to address staff concerns and educate personnel on the operation of an ICF.
- Two workshops were held for family members and guardians of DRC residents. Education was provided on the federal requirements of an ICF and the rights of guardians versus the individual. Ms. Schmidt explained that there were past concerns about guardians trying to control matters not within their purview. The meetings were well received and prompted a number of interactive conversations. Guardians were excited about the changes being implemented at the facility.
- Occupational, Physical and Speech Therapy was implemented onsite and integrated into all care team planning.

Ms. Schmidt said part of recognizing the need to align with ICF federal requirements was realizing that a cultural shift had to occur. Improvements were in progress to make DRC a residential setting, not just a facility setting. She said the division was making modifications to the home to provide inviting and welcoming spaces for residents. Residents were permitted to select paint colors for their rooms, which was unprecedented. She said the division was striving to provide residents with a personalized setting that felt like a home. Ms. Schmidt said the ADSD was also reevaluating current restrictive practices to determine if they were still appropriate for safety reasons or if alternatives were available.

Ms. Schmidt commended DRC staff for embracing the recent changes. She said the changes had been difficult and required hours of staff's time and dedication.

Ms. Schmidt stated that change management was challenging, especially for a facility as large as DRC; however, staff was invigorated by the changes and saw the benefit to the residents of DRC.

Ms. Schmidt said the SIA process lead the division to individually assess each DRC resident to determine whether they were in the appropriate setting or if a community-based setting would be more suitable. She said the ADSD was currently working to identify a provider for five residents that had an interest in moving to a community-based ICF. Additionally, the division was working on transitions with several other individuals and their guardians that were interested in transitioning. Ms. Schmidt said the ADSD was especially proud of the recent transition of a long-term resident to a community-based ICF. She said the resident had lived at the DRC since he was 3 years old, and he was now 53 years old. She said she was happy to report that he was doing well in the community-based setting where he was placed.

Ms. Schmidt the SIA process had been a positive one for the division. She said the technical assistance the division received ensured that quality residential services were being provided.

In answer to a question from Assemblyman Sprinkle, Lisa Sherych, Deputy Administrator, ADSD, DHHS, said the state surveying agency, on behalf of CMS, surveyed the facility from June 11, 2017, through June 15, 2017. The survey findings were outlined in a report dated July 24, 2017. She said the facility was resurveyed from August 28, 2017, through September 1, 2017, to determine if the DRC was in compliance with the plan of correction that was submitted by the division in response to the initial survey. Ms. Sherych said an Immediate Jeopardy situation was identified on August 30, 2017, which was due to an injury of unknown origin sustained by one of the residents. She explained that the division performed an investigation when it learned of the injury, but the investigation primarily focused on the Jobs and Day Training Program where the individual was injured, not the entire ICF. The agency was able to abate the Immediate Jeopardy issuance by providing an acceptable plan of correction within 24 hours, which CMS approved onsite the following day.

Ms. Schmidt added that the term “Immediate Jeopardy” made the incident seem urgent; however, the incident under investigation occurred prior to the CMS visit. She said the division was required to provide a plan of correction to address the situation in the future.

In response to a question from Assemblyman Sprinkle, Ms. Schmidt confirmed that CMS federal funding was at risk when a facility was placed on notice of cancellation.

Assemblyman Sprinkle said it appeared the division's current plan of corrective action began in November 2017 and was scheduled for completion in June 2018. Ms. Schmidt replied in the affirmative. She said the SIA was signed November 22, 2017. The division had to be in compliance by June 2018 and remain in compliance for the three-month period leading up to the September 15, 2018, deadline.

Assemblyman Sprinkle said the investigation occurred during a time of uncertainty about the state's funding for Nevada Check Up. During that same time period, findings from an audit of community-based living arrangement facilities revealed significant problems. He asked why the ADSD did not notify the Legislature of the issues at the DRC before today.

Ms. Sherych replied that since August 2017, all of the CMS survey findings, corrective action and SIA were reported per NRS 353.325. In retrospect, she realized the information was only reported to the Executive Branch. She said if there was another mechanism for reporting the information to the Legislative Branch, the division would submit the information by those means. She apologized that it had not been done in the past.

Assemblyman Sprinkle said the prospect of losing a considerable amount of Medicaid funding was a significant matter. He said it was important for the Legislature to be informed about things of that nature.

Assemblyman Sprinkle asked the division to summarize the findings from the RCA completed in February 2018.

Ms. Sherych replied that an RCA was used to assess the entire service system at the DRC. She said the RCA assessed items such as Human Resource practices, person-centered planning, risk assessment, policies and procedures, and incident reports and investigations. That information was compared to the federal regulations to determine system failures or processes not currently in place. She said an RCA was about a process, not a person. For example, an RCA determined where the facility failed in a certain process, or where a new process could be implemented that would provide staff with guidance on meeting federal regulations. Ms. Sherych said the RCA of the DRC indicated systems issues within the culture of the facility. For example, the documentation portion of a system may have been lacking, or the method by which functional assessments for residents were conducted may have required modification.

Ms. Sherych said she would provide a copy of the RCA report for the Committee's review. She said it may be more helpful for the Committee to review the report directly.

In answer to a question from Assemblyman Sprinkle, Ms. Sherych replied that the division was working hard to become compliant by June 2018. Preliminary

discussions with CMS had taken place regarding a potential extension of the deadline, because CMS had not yet approved the action plan. She said CMS was open to a request for extension from the ADSD; therefore, the division intended to submit the request after CMS approved the action plan.

Assemblyman Sprinkle asked for clarification regarding the fact that the division may require an extension, but also anticipated meeting the compliance date. Ms. Sherych replied that the division hoped to become compliant by the deadline, because it impacted human service delivery; however, unanticipated issues could occur. She said staff was committed, and changes had been implemented. Ms. Sherych said an extension would allow time to ensure everything was complete.

In answer to a question from Senator Kieckhefer, Ms. Sherych replied that the DRC had census for 48 residents, but currently only 45 individuals resided at the facility.

Senator Kieckhefer asked for the total annual operating costs for those 45 residents. Melissa Lewis, Administrative Services Officer, ADSD, DHHS, replied that the annual cost was between $12 million and $15 million per year, including about $6.9 million in Medicaid revenue.

In response to a question from Senator Kieckhefer, Ms. Sherych believed the ICF in Northern Nevada closed prior to 2010.

Senator Kieckhefer asked if the ICF residents in Northern Nevada were placed in a community-based ICF or relocated to Southern Nevada. Ms. Sherych said it was her understanding the majority of the residents at the Northern Nevada ICF were placed in various local community-based settings; however, two individuals were relocated to the DRC in Southern Nevada.

Ms. Sherych said there may be a need for one or more “ICF smalls” in Northern Nevada. She explained that DRC was considered an “ICF big,” because it had a census for 48 residents. An ICF small was a home with a census for only 6 residents. She said there were individuals living in Northern Nevada that may benefit from an ICF small because of compounding complexities due to age or other factors.

Senator Kieckhefer recalled an earlier comment from Ms. Schmidt indicating the division was assessing the residents at the DRC to determine if that was the appropriate setting. He asked if the ADSD intended to close the DRC. Ms. Sherych replied that the division did not intend to close the facility. The ADSD wanted to ensure individuals residing at the DRC truly needed that level of support, or if a community-based setting would be more appropriate. She said many guardians liked the ICF setting and the availability of 24-hour onsite nursing staff; however, several residents could be supported in a community-based setting, because they did not require onsite nursing staff.

Senator Kieckhefer said he visited the DRC five or six years ago. He said the residents often required intensive treatment, and most had failed in community settings due to issues relating to violence and control. He said the DRC may not be the appropriate setting for all IIDs. If there were significant changes to the process used to place IIDs, it was important to review that process sooner rather than later. With a cost of approximately $400,000 per person, per year for ICF services, there may be a better placement process.

Assemblywoman Carlton said she understood the division was in a unique position; however, the correct process would have been to submit the work program for approval prior to spending the funds. She said that method would have allowed for discussion about the issue as well as the short-term and long-term impacts. Assemblywoman Carlton said it was helpful to keep the Committee informed so policy changes could be considered if a problem arose. Additionally, it assisted with the budget planning process. Ms. Schmidt agreed. She said the division was under time constraints, and the primary focus was becoming compliant and fulfilling the requests of CMS. She agreed that the process should have been followed correctly. She said the division would determine how to handle similar issues in the future so that funds were requested prior to use.

Assemblyman Sprinkle asked if any of the proposed staff would be retained in FY 2019 and beyond. If so, he asked how the agency anticipated funding the positions.

Ms. Schmidt replied that the division had filled many of the vacancies at the technical level, which had been difficult in the past. By streamlining the human resource processes, the ADSD successfully filled state positions, which reduced the need for temporary staff. Ms. Schmidt stated that the recruitment process for the ICF Administrator was still in progress. She said it was challenging to fill the position at the current pay scale, and it was difficult to find qualified applicants willing to commit to the hard work associated with running a 24-hour ICF. She said the division would include OT, PT and ST services in its next agency budget request now that it was a mandatory onsite service.

In answer to a question from Senator Kieckhefer, Ms. Lewis replied that the $685,132 savings in the Residential Placement category was due to the division serving fewer individuals due to the lack of service providers in Las Vegas. She said there was currently a wait list; however, she did know the exact number. Ms. Lewis said she would provide that information to the Committee.

Ms. Schmidt stated that providers in the Las Vegas area indicated it was difficult to hire direct support staff in the current economy. She said employment had become competitive, which made it challenging to recruit and pay a wage sufficient enough to retain staff.

Assemblyman Sprinkle said his biggest concern was the lack of notification by the division. He said the state had been in a perilous situation of which the Legislature was unaware. He agreed with Assemblywoman Carlton that the Committee needed to be aware of those types of matters instead of learning about them after the fact. He said he understood the division's needs, and he wanted the DRC to become compliant. Assemblyman Sprinkle offered to make a motion to approve the work program; however, he requested that the division provide copies of future correspondence and reports as soon as possible. Additionally, he requested that the ADSD provide a status report on the SIA and potential Medicaid termination immediately following the September 15, 2018, deadline.

> ASSEMBLYMAN SPRINKLE MOVED TO APPROVE AGENDA ITEM E-53; REQUIRE THE AGING AND DISABILITY SERVICES DIVISION TO PROVIDE COPIES OF ALL FUTURE CORRESPONDENCE AND REPORTS ON THE MATTER AS SOON AS POSSIBLE TO THE FISCAL ANALYSIS DIVISION; AND REQUEST THE DIVISION TO PROVIDE A STATUS REPORT ON THE SYSTEMS IMPROVEMENT AGREEMENT AND POTENTIAL MEDICAID TERMINATION AT THE INTERIM FINANCE COMMITTEE MEETING IMMEDIATELY FOLLOWING THE AGENCY'S SEPTEMBER 15, 2018, DEADLINE.
>
> SENATOR PARKS SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY. (Assemblywoman Benitez-Thompson was not present for the vote.)

54. Department of Health and Human Services - Health Care Financing and Policy - Intergovernmental Transfer Program - FY 2018 - Transfer of $16,272,111 from the Reserve category to the Transfer to Medicaid Program category to cover projected program expenses due to increased cost-per-eligible in dental, behavioral health and long-term support services costs and prior year managed care capitated rates. Requires Interim Finance approval since the amount transferred to the Transfer to Medicaid Program category exceeds $75,000. **RELATES TO ITEMS E. 56, 57 and 58**. **Work Program #C42598**

This item was discussed in conjunction with Agenda Items E-56, E-57 and E-58. Refer to motion for approval and testimony under Agenda Item E-58.

55. Department of Health and Human Services - Health Care Financing and Policy - Administration - FY 2018 - Transfer of $1,093,113 from the Personnel Services category to the Operating category to comply with federal requirements to fund increased contractual expenditures and other projected shortfalls. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $75,000. **Work Program #C42437**

Refer to motion for approval under Agenda Item E.

56. Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2018 - Transfer of $27,446,462 in General Fund appropriations from FY 2019, addition of $521,862 in federal Title XXI grant funds and $118,536,204 in federal Title XIX grant funds, and transfer of $1,822,509 from the Waiver category to the Medical Assistance to Aged, Blind and Disabled (MAABD) category, $13,952,434 from the Child Welfare Services category to the MAABD category, $1,964,093 from the Offline category to the MAABD category to cover projected program expenditures due to increased cost-per-eligible, increases in dental, behavioral health and long-term support services costs and prior year managed care capitated rates. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 32 of the 2017 Legislative Session. **RELATES TO ITEMS E. 54, 57 and 58. Work Program #C42551**

This item was discussed in conjunction with Agenda Items E-55, E-57 and E-58. Refer to motion to approve and testimony under Agenda Item E-58.

57. Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2019 - Transfer of $27,446,462 in General Fund appropriations to FY 2018, $698,552 from the Offline category to the Waiver category and $4,749,881 from the Offline category to the Child Welfare Services category to cover projected program expenses due to increased cost-per-eligible, increases in dental, behavioral health and long-term support services costs and prior year managed care capitated rates. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 32 of the 2017 Legislative Session. **RELATES TO ITEMS E. 54, 56 and 58. Work Program #C42552**

This item was discussed in conjunction with Agenda Items E-54, E-56 and E-58. Refer to motion to approve and testimony under Agenda Item E-58.

58. Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2018 - Addition of $31,237,703 in federal Title XIX grant funds and transfer of $16,272,111 from the Intergovernmental Transfer Account funds to cover projected program expenses due to increased cost-per-eligible in dental, behavioral health, long-term support services costs and prior year managed care capitated rates. Requires Interim Finance approval since the amount transferred to the Medical Assistance for the Aged, Blind and Disabled (MAABD) category exceeds $75,000. **RELATES TO ITEMS E. 54, 56 and 57**. **Work Program #C42605**

This item was discussed in conjunction with Agenda Items E-54, E-56 and E-57.

Shannon Sprout, Deputy Administrator, Division of Health Care Financing and Policy (DHCFP), DHHS, introduced Ellen Crecelius, Chief Financial Officer, DHCFP, DHHS.

Ms. Sprout said the division was requesting funds to address a projected shortfall of $211.8 million in FY 2018 due to the Medicaid spend exceeding the

legislatively approved budget. Transferring state savings from the Intergovernmental Transfer Program reserves for caseloads as well as funding from FY 2019 into FY 2018 would address the shortfall.

Ms. Sprout said several factors contributed to the shortfall, one of which was the recasting of Managed Care Organization (MCO) capitated rates. She said CMS requested the division recast the MCO rates for the FY 2016 and FY 2017 capitation payments, which created a net adjustment of $33 million for those two years. Ms. Sprout said the second contributing factor was an increase in services pertaining to behavioral health, long-term support and the dental program. The increased services for behavioral health were due to a statewide focus on behavioral health and maximizing Medicaid billing to support community providers. She said the number of recipients receiving behavioral health services increased. Additionally, the number of services and claims for individuals receiving behavioral health services increased.

Senator Kieckhefer asked for clarification regarding the adjusted MCO capitated rates for FY 2016 and FY 2017. Ms. Sprout said it often took a period of time for CMS to approve capitation payments beyond the time period in which the division began providing services. She said after CMS actuaries reviewed the capitation payments, the DHCFP was asked to change some of its methodologies, which required the division to recast the rates. Subsequently, the state would receive approximately $6.5 million for FY 2016 from the MCOs, and the MCOs would receive a payment of $39.5 million for FY 2017 from the state, which was a total net adjustment of $33 million. Ms. Sprout said the FY 2016 and FY 2017 rate recast would also impact the FY 2018 MCO rates, because the changes affected everything going forward, and the projections and changes occurred after the legislatively approved budget.

Senator Kieckhefer asked if the one-time payment of $33 million to adjust prior year MCO rates encapsulated all three years. Ms. Sprout replied that the $33 million net adjustment was specific to FY 2017. Based on the capitation changes for FY 2018, the division anticipated ongoing changes in the capitation payment.

In response to questions from Senator Kieckhefer, Ellen Crecelius, Chief Financial Officer, DHCFP, DHHS, replied that there would be a significant increase in FY 2018 rates based on the draft rates. She said the $33 million was total spend, not just the state share.

Senator Kieckhefer noted that the final phase of the Medicaid Management Information System was in progress. He asked how the division was tracking utilization to ensure it was within the anticipated range.

Ms. Sprout replied that utilization in all services was ongoing during the system modernization initiative. She said the DHCFP tracked spending in all programs and service areas to assess trends in procedure codes. The division tracked

expenditures, the number of providers using those services, and the number of claims for those services. She said the division continued to monitor that information through program staff and the surveillance and utilization review (SUR) team to watch for billing anomalies or practices that would need to be adjusted through recoupments.

Senator Kieckhefer asked if the SUR team investigated unexpected utilization, and if specific providers were being investigated. Ms. Sprout replied that the SUR team monitored all the programs on a continual basis. The SUR team collected about $9 million in recoupments to date and continued to watch for unexpected utilization. In addition, the division provided billing training; assessed areas and trends in need of improvement; and examined utilization and controls for necessary modifications, such as setting new service limits or readjusting prior authorization criteria, to draw down utilization.

Senator Kieckhefer asked if any of the funds recouped by the SUR team were related to fraud. Ms. Sprout replied that the SUR team was responsible for investigating possible instances of fraud, waste and abuse, as well as unintentional billing practices. She said there was a lot of turnover in Medicaid claiming and providers, which caused unintentional billing practices; therefore, the SUR team assisted with educating and reeducating providers.

In answer to a question from Senator Kieckhefer, Ms. Sprout replied that instances of fraud were turned over to the Medicaid Fraud Control Unit within the Office of the Attorney General.

Senator Kieckhefer asked if the division anticipated a supplemental appropriation for the 2019 Legislative Session. Ms. Crecelius replied that the division had just received updated caseload projections, and a supplemental appropriation would most likely be necessary.

Assemblywoman Spiegel asked what actions the division was taking to address the Medicaid shortfall in FY 2019. Ms. Sprout replied that the DHCFP was addressing the shortfall in several ways. She said billing trainings would help identify areas where the division could improve billing practices. The division was in the process of setting service limits for some of the billing areas that had the potential for overbilling. Additionally, the SUR team was searching for recoupments. Ms. Sprout noted that in previous legislative sessions, the division began with high projections, but significantly reduced the supplemental appropriation in the end. She said the division would use the same methods and processes of monitoring utilization management and work with the SUR team to address the Medicaid shortfall.

Assemblywoman Titus said Medicaid billing and costs were impacted in several ways: the number of providers and Medicaid recipients increased, range of services were expanded, and provider payments increased. She asked where the breakdown was in the underestimation costs.

Ms. Sprout replied that the recast of MCO capitation rates had a significant impact on the Medicaid shortfall. She explained that actual caseloads were less than the projections in the legislatively approved budget. Ms. Sprout said the largest increase was in behavioral health services. She said the division provided crisis intervention and intensive outpatient services, which reduced in-patient hospitalization stays; however, the increase in the behavioral health category far exceeded the savings in the hospital category. The division also saw an increase in long-term support services, specifically increased growth in services related to adult day health care and personal care services in home health and nursing facilities. Ms. Sprout said there was also an increase in dental services, but that would not continue. She explained that on July 1, 2017, the dental program was separated from the MCOs. The dental program now had its own dental benefit administrator and was a MCO dental-only plan. She said the implementation of the dental plan was delayed; therefore, MCO dental recipients were fee-for-service from July 1, 2017, to January 1, 2018. Consequently, there was a spike during that period, similar to what the division would have paid in capitation payments. The cost of dental services reduced to normal spending levels since the dental benefit administrator became active. Ms. Sprout said the division continued to assess the increased growth and access of behavioral health services and areas.

In answer to a question from Assemblywoman Titus, Ms. Sprout replied that the increase in the behavioral health spend had some offsets. The goal of crisis intervention and intensive outpatient services helped reduce hospitalization stays. She said the hospital spend reduced $2.1 million per month on average; however, behavioral health community-based outpatient services exceeded the cost savings from the hospital spend.

Assemblyman Sprinkle asked if retroactive capitation rates were a common occurrence. Ms. Sprout replied that in her time as the Deputy Administrator, the FY 2015, FY 2016 and FY 2017 rate approvals came through within the last year. Assemblyman Sprinkle thought that made it difficult to budget.

Assemblyman Sprinkle asked how the division would reduce the potential supplemental appropriation for the 2019 Legislative Session. He said considering the DHCFP regularly requested a supplemental appropriation, it was unlikely the division would be able to recoup the funds; therefore, a supplemental appropriation would probably be necessary. He asked if the costs could be built into the regular budget in the future.

Ms. Crecelius replied that the division always included a supplemental appropriation in its agency request budget, but during the budget process the amount was reduced. She said the division received a supplemental appropriation in the 2013 and 2017 Legislative Sessions, but not the 2015 Legislative Session. The DHCFP attempted to project accurate caseloads and cost-per-eligible, but it was difficult because the costs varied based on the type of clients, medical inflation, etc. Ms. Crecelius said the division monitored and updated the projections on a monthly

basis. She said the division hoped to implement changes to reduce the shortfall going forward, but the funds requested through the work programs were necessary to finish the current fiscal year. She said the changes referenced by Ms. Sprout would take time to process through the system; however, the division hoped the changes would help decrease the amount of the supplemental appropriation throughout FY 2019. Ms. Crecelius said historically, back language in the Appropriations Act took into account the cost-per-eligible being higher than projected. She thought including that information in future back language would provide the division more flexibility when the cost-per-eligible was under projected.

Assemblywoman Carlton said it appeared the caseload for the Medical Assistance for the Aged, Blind and Disabled (MAABD) decreased slightly, but cost-per-eligible increased. She asked what actions the division was taking to reduce the cost-per-eligible for MAABD participants. Ms. Sprout said the DHCFP reviewed categories such as MAABD and Newly Eligible across all programs and services received by those participants. She said MAABD participants were accessing behavioral health and long-term support services, which were areas with the largest increases.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE AGENDA ITEMS E-54, E-56, E-57 AND E-58.

SENATOR PARKS SECONDED THE MOTION.

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

59. **Department of Health and Human Services - Public and Behavioral Health - Women, Infant, and Children Food Supplement - FY 2018** - Deletion of $494,867 in federal Women, Infants and Children (WIC) grant funds and transfer of $690,272 from Aid to Individuals category to the Operating category, $1,648 from the Aid to Individuals category to the State Food Support category, $351,957 from the Central Bank Contract category to the State Food Support category, $66,700 from the Division Cost Allocation category to the State Food Support category, $29,130 from the Division Cost Allocation category to the Out-of-State Travel category and $53,099 from the Division Cost Allocation category to the In-State Travel category to realign expenditure authority to allow the WIC program to provide nutritious foods to supplement the diets of pregnant, postpartum and breastfeeding women, and infants and children under age five who have limited income and have been determined to be at nutritional risk. Requires Interim Finance approval since the amount deducted from the Aid to Individuals category exceeds $75,000. **Work Program #C42434**

Refer to motion for approval under Agenda Item E.

60. **Department of Health and Human Services - Public and Behavioral Health - Women, Infant, and Children Food Supplement - FY 2018 -** Addition of $73,645 in Women, Infants and Children (WIC) Breastfeeding Peer Counseling grant funding to continue to provide support for improving the health and nutrition of new mothers and their infants. Requires Interim Finance approval since the amount added to the WIC Breastfeeding Program category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42468**

    Refer to motion for approval under Agenda Item E.

61. **Department of Health and Human Services - Public and Behavioral Health - Communicable Diseases - FY 2018** - Transfer of $3,815,338 from the Reserve category to the Comprehensive Care category to purchase medications for individuals diagnosed with HIV. Requires Interim Finance approval since the amount transferred to the Comprehensive Care category exceeds $75,000. **Work Program #C42436**

    Refer to motion for approval under Agenda Item E.

62. **Department of Health and Human Services - Public and Behavioral Health - Biostatistics and Epidemiology - FY 2018** - Addition of $48,527 in federal Improving Hepatitis B and C Care Cascades grant funds to continue to provide adult viral hepatitis control and prevention education. Requires Interim Finance approval since the amount added to the Adult Viral Hepatitis Prevention and Control category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42500**

    Refer to motion for approval under Agenda Item E.

63. **Department of Health and Human Services - Public and Behavioral Health - Chronic Disease - FY 2018** - Addition of $280,493 in federal Cancer Prevention Control Program grant funds to continue support for a comprehensive breast and cervical cancer screening program. Requires Interim Finance approval since the amount added to the Community Health Worker category exceeds $75,000. **Work Program #C42425**

    Refer to motion for approval under Agenda Item E.

64. **Department of Health and Human Services - Public and Behavioral Health - Chronic Disease - FY 2018 -** Addition of $52,110 in federal Obesity, Diabetes, Heart Disease and Stroke Prevention (DM-HSSP) grant funds and transfer of $100,000 from the Personnel Services category to the DM-HSSP Obesity category to implement preventive measures and support development of evidence-based strategies to combat chronic conditions that may result from diabetes, heart disease and obesity. Requires Interim Finance approval since the amount transferred to the DM-HSSP Obesity category exceeds $75,000. **Work Program #C42455**

    Refer to motion for approval under Agenda Item E.

65. **Department of Health and Human Services - Public and Behavioral Health - Chronic Disease - FY 2018** - Addition of $6,381 of Maternal Child and Health Services Block grant funds transferred from the Maternal Child Health Services account and transfer of $49,275 from the Personnel Services category to the Oral Health Program to support the oral health program services. **Requires Interim Finance approval since the amount 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 Oral Health Program category exceeds 10 percent of the legislatively approved amount for that category. Work Program #C40308**

Julie Kotchevar, Administrator, Division of Public and Behavioral Health (DPBH), DHHS, said Work Program C40308 requested a transfer of funds to support the Oral Health Program. Funds would support a mobile clinic in partnership with Southern Nevada Health District to travel to White Pine, Lincoln, Nye and Esmeralda Counties.

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 FRIERSON MOVED TO APPROVE AGENDA ITEM E-65.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

66. **Department of Health and Human Services - Public and Behavioral Health - Office of Health Administration - FY 2018 -** Transfer of $27,313 from the Reserve category to the Operating category, $9,626 from the Reserve category to the Equipment category, $28,323 from the Reserve category to the Data Infrastructure grant category, and $141,254 from the Reserve category to the Information Services category to support a projected shortfall due to higher than anticipated operating expenditures, replacement of conference room furniture and to cover additional programmer costs. Requires Interim Finance approval since the amount transferred to the Information Service category exceeds $75,000. **Work Program #C42544**

Refer to motion for approval under Agenda Item E.

67. **Department of Health and Human Services - Public and Behavioral Health - Emergency Medical Services - FY 2018** - Addition of $2,575 in Vital Record fees transferred from the Health Statistics and Planning account, $23,175 in federal Health Information Technology grant funds transferred from the Division of Health Care Financing and Policy Administration account and $250,000 in Highway Safety Improvement Program funds transferred from the Department of Public Safety,

Office of Traffic Safety account to implement a new emergency medical services (EMS) data management system. Requires Interim Finance approval since the amount added to the EMS Data System category exceeds $75,000. **RELATES TO ITEM E.68**. **Work Program #C39890. WITHDRAWN 3-23-18.**

68. **Department of Health and Human Services - Public and Behavioral Health - Emergency Medical Services - FY 2019 -** Addition of $12,500 in Vital Records fees transferred from the Health Statistics and Planning account, $225,000 in federal Health Information Technology grant funds transferred from the Division of Health Care Financing and Policy Administration account, and $230,500 in Opioid and Strategic Prevention Framework-Partnership for Success grant funds transferred from the Behavioral Health Prevention and Treatment account to implement a new emergency medical services (EMS) data management system. Requires Interim Finance approval since the amount added to the EMS Data System category exceeds $75,000. **RELATES TO ITEM E.67**. **Work Program #C42502. WITHDRAWN 3-23-18.**

69. **Department of Health and Human Services - Public and Behavioral Health - Rural Clinics - FY 2018** - Transfer of $83,872 from the Professional Services category to the Operating category and $18,690 from the Professional Services category to the Information Services category to support a required afterhours call center, a workflow study to improve program procedures related to medical coverage documentation and address redundancies in staff assignments, evaluating client resources, establishing financial eligibility and preparing documentation for insurance claiming and revenue collection and update videoconference equipment used for tele-health services. Requires Interim Finance approval since amount transferred out of the Professional Services category exceeds $75,000. **Work Program #C42465**

    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 $538,149 from the Personnel Services category to the Medications category to cover an increased use in medications and rising medication costs. Requires Interim Finance approval since the amount transferred to the Medications category exceeds $75,000. **Work Program #C42414**

    Refer to motion for approval under Agenda Item E.

71. **Department of Health and Human Services - Public and Behavioral Health - Facility for the Mental Offender - FY 2018** - Transfer of $53,000 from the Medications category to the Operating category to cover unanticipated increased costs in court ordered sign language interpreter services, medication dispensing machine lease payments and contract costs. 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 #C42305**

    Refer to motion for approval under Agenda Item E.

72. **Department of Health and Human Services - Welfare and Supportive Services - Administration - FY 2018 -** Transfer of $491,119 from the Personnel Services category to the Operating category to cover a projected shortfall due to higher than anticipated expenditures for contract services providing information related to income and employment verification used to determine eligibility for federal public assistance programs to improve service delivery and reduce wait times for eligibility determinations. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $75,000. **Work Program #C42557**

    Refer to motion for approval under Agenda Item E.

73. **Department of Health and Human Services - Welfare and Supportive Services - Administration - FY 2018-** Addition of $2,602,449 in federal Supplemental Nutrition Assistance Program grant funds to provide assistance for the Nutrition Education Network partners who provide nutritional education services. Requires Interim Finance approval since the Nutrition Education Network category exceeds $75,000. **Work Program #C42574**

    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 -** Deletion of $173,832 in federal John H. Chafee Foster Care Independence Program grant funds to provide services to current and former foster youth to achieve self-sufficiency. Requires Interim Finance approval since the amount deducted from the Independent Living category exceeds $75,000. **Work Program #C42375**

    Refer to motion for approval under Agenda Item E.

75. **Department of Health and Human Services - Child and Family Services - Washoe County Child Welfare - FY 2018** - Addition of $39,125 in General Fund appropriations from FY 2019 and $475,822 in federal Title IV-E grant funds to support adoption subsidies. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 32 of the 2017 Legislative Session. **RELATES TO ITEM E.76**. **Work Program #C42567. WITHDRAWN 3-21-18**

76. **Department of Health and Human Services - Child and Family Services - Washoe County Child Welfare - <u>FY 2019</u>** - Deletion of $39,125 in General Fund appropriations to FY 2018 to support adoption subsidies. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 32 of the 2017 Legislative Session. **RELATES TO ITEM E.75**. **Work Program #C42568. WITHDRAWN 3-21-18**

77. **Department of Health and Human Services - Child and Family Services - Washoe County Child Welfare - FY 2018** - Addition of 84,085 in Child Support Enforcement funds and deletion of $680,607 in federal Title XX grant funds to allow the receipt of additional revenues and discontinue passing Title XX funds through Division of Child and Family Services and instead subgrant directly from the

Department of Health and Human Services Director's Office. **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 the amount deducted from the Child Welfare category exceeds $75,000. RELATES TO ITEM E.43**. **Work Program #C42411**

Agenda Item E-43, E-77 and E-80 were discussed together. Refer to testimony and motion to approve under Agenda Item E-80.

78. **Department of Health and Human Services - Child and Family Services - Clark County Child Welfare - FY 2018 -** Addition of $180,123 in General Fund appropriations from FY 2019 and $1,775,995 in federal Title IV-E grant funds to support adoption subsidies. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 32 of the 2017 Legislative Session. **RELATES TO ITEM E.79**. **Work Program #C42627. WITHDRAWN 3-23-18.**

79. **Department of Health and Human Services - Child and Family Services - Clark County Child Welfare - FY 2019 -** Deletion of $180,123 in General Fund appropriations to FY 2018 to support adoption subsidies. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 32 of the 2017 Legislative Session. **RELATES TO ITEM E.78**. **Work Program #C42628. WITHDRAWN 3-23-18.**

80. **Department of Health and Human Services - Child and Family Services - Clark County Child Welfare - FY 2018** - Addition of $3,276 in Child Support Enforcement funds and deletion of $1,974,875 in federal Title XX grant funds to allow the receipt of additional revenues and discontinue passing Title XX funds through Division of Child and Family Services and instead subgrant directly from the Department of Health and Human Services Director's Office. **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 the amount deducted from the Clark County Ongoing category exceeds $75,000. RELATES TO ITEM E.43. Work Program #C42534**

Agenda Item E-43, E-77 and E-80 were discussed together.

Buddy Milazzo, Administrative Services Officer, Director's Office, DHHS, said Work Program C42194 was a request to transfer funds from the DCFS Child Welfare category to the Non-State Title XX Subgrants category to pay Washoe and Clark Counties directly. Work Programs C42411 and C42534 delete Title XX authority from DCFS allowing the transfer to come from the Grants Management Unit. The agency chose to utilize the IFC for the public hearing required in NRS 353.337.

Agenda Items E-43, E-77 and E-80 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 BENITEZ-THOMPSON MOVED TO APPROVE AGENDA ITEMS E-43, E-77 AND E-80.

SENATOR DENIS SECONDED THE MOTION.

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

81. Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2018 - Transfer of $42,628 from the Non XIX Medical category to the In-State Travel category and $103,785 from the Non XIX Medical category to the Operating category to cover an unanticipated projected shortfall in travel and operating costs for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $75,000. **Work Program #C42275**

Refer to motion for approval under Agenda Item E.

82. Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2018 - Addition of $181,107 in General Fund appropriations from FY 2019 and $225,882 in federal Title IV-E grant funds to support adoption subsidies. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 32 of the 2017 Legislative Session. **RELATES TO ITEM E.83**. **Work Program #C42656**

Refer to motion for approval under Agenda Item E.

83. Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2019 - Deletion of $181,107 in General Fund appropriations to FY 2018 to support adoption subsidies. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 32 of the 2017 Legislative Session. **RELATES TO ITEM E.82**. **Work Program #C42660**

Refer to motion for approval under Agenda Item E.

84. Department of Health and Human Services - Child and Family Services - Transition from Foster Care - FY 2018 - Addition of $14,021 in Licenses and Fees, $24,443 in Prior Year Refunds and $8,309 in Treasurer's Interest Distribution funds and transfer of $493,054 from the Reserve category to the Transition from Foster Care category to assist persons who turn 18 years of age while in foster care transition from foster care to economic self-sufficiency. Requires Interim Finance approval since the amount transferred to the Transition from Foster Care category exceeds $75,000. **Work Program #C42178**

Refer to motion for approval under Agenda Item E.

85. **Department of Health and Human Services - Child and Family Services - Summit View Youth Center - FY 2018 -** Addition of $90,531 in Budgetary Transfers from the Caliente Youth Center budget to fund temporary staffing due to sudden turnover of critical permanent positions in the Summit View Youth Center. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 56 of the 2017 Legislative Session. **RELATES TO ITEM E.86**. **Work Program #C42630**

    Refer to motion for approval under Agenda Item E.

86. **Department of Health and Human Services - Child and Family Services - Caliente Youth Center - FY 2018 -** Deletion of $90,531 in the Utilities category to fund a Budgetary Transfer to the Summit View Youth Center budget because of a projected shortfall in temporary staffing due to sudden turnover of critical permanent positions. Requires Interim Finance approval pursuant to Assembly Bill 518, Section 56 of the 2017 Legislative Session. **RELATES TO ITEM E.85**. **Work Program #C42631**

    Refer to motion for approval under Agenda Item E.

87. **Department of Health and Human Services - Child and Family Services - Southern Nevada Child and Adolescent Services - FY 2018 -** Transfer of $65,687 from the Mental Health Placements category to the Temporary Contract Staffing category to ensure the appropriate staffing levels for the health and safety of clients and staff for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Temporary Contract Staffing category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42655**

    Refer to motion for approval under Agenda Item E.

88. **Department of Employment, Training and Rehabilitation - Rehabilitation Division - Disability Adjudication - FY 2018** - Transfer of $19,050 from the Operating category to the Utilities category to fund utilities through year end. Requires Interim Finance approval since the amount transferred to the Utilities category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42448**

    Refer to motion for approval under Agenda Item E.

89. **Department of Employment, Training and Rehabilitation - Rehabilitation Division - Disability Adjudication - FY 2019** - Transfer of $19,805 from the Operating category to the Utilities category to fund utilities through FY 2019. Requires Interim Finance approval since the amount transferred to the Utilities category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42558**

    Refer to motion for approval under Agenda Item E.

90. Department of Employment, Training and Rehabilitation - Employment Security - Special Fund - FY 2018 - Addition of $2,152,917 in Penalties and Interest revenue and $62,765 in Treasurer's Interest Distribution revenue ~~and transfer of $147,573 from the Reserve category~~ to ***support*** the Transfer to Unemployment Insurance (UI)-Supplementary UI Funding category to fund Unemployment Insurance administration expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the Transfer to UI-Supplementary UI Funding category exceeds $75,000. **RELATES TO ITEM E.91**. **Work Program #C42638. REVISED 3-22-18.**

This item was discussed in conjunction with Agenda Item E-91. Refer to motion to approve and testimony under Agenda Item E-91.

91. Department of Employment, Training and Rehabilitation - Employment Security - Unemployment Insurance - FY 2018 - Deletion of $1,559,010 in Federal Administration Cost Allowance - Unemployment Insurance grant funds and addition of ~~$2,363,255~~ ***$2,188,241*** in Penalties and Interest funds transferred from the Employment Security Special Fund to support the revenue realignment with the Unemployment Insurance grant, additional funding to support the Management and Administration Support Service Unit, and funding to address a department cost allocation shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Department Cost Allocation category exceeds $75,000. **RELATES TO ITEM E.90**. **Work Program #C42640. REVISED 3-22-18.**

This item was discussed in conjunction with Agenda Item E-90.

Renee Olson, Administrator, Employment Security Division (ESD), Department of Employment, Training and Rehabilitation (DETR), introduced Don Soderberg, Director, DETR, and Jennifer McEntee, Chief Financial Officer, DETR.

Ms. Olson said Work Programs C42638 and C42640 requested authorization to utilize additional available Penalties and Interest (P&I) funding to maintain the legislatively approved staffing and operating expenditure levels for the Unemployment Insurance (UI) program and make corrections to budget allocations that were inadvertently overlooked during the budgeting process.

Ms. Olson said authorization for use of additional P&I funding was primarily needed due to the unanticipated reduction of the federal UI administration grant. She said the amount of the federal grant was approximately $1,559,000 less than anticipated for the budget. In addition, approximately $335,000 in UI funding needed to cover costs accumulating in the Workforce Development budget was not included when the Unemployment Insurance budget was established. Ms. Olson said approximately $272,000 of the $335,000 was for allocable ESD Administration costs for an Administrator, Administrative Assistant 3 and three Management Analyst positions housed in the Workforce Development budget. She stated that the positions

were established in the Workforce Development budget, but the positions were responsible for UI functions and should be paid for with UI dollars. Additionally, $63,000 of the $335,000 established funding for Board of Review member pay.

Ms. Olson said approximately $294,000 of the requested funding was needed to fund the cost of the UI system accounting software budgeted in the Information Development and Processing budget. She said the software was only used for the UI system, but was inadvertently budgeted as a division-wide cost.

Ms. Olson said the 2017 Legislature issued a letter of intent (LOI) advising the agency to prioritize rebuilding the Special Fund reserve balance and discontinue the transfer of funds from the Special Fund to the UI budget to support ongoing program operations in the 2019-21 biennium. While Work Programs C42638 and C42640 appeared to undermine the desires of the Legislature, Ms. Olson reassured the Committee that the agency was not ignoring the LOI. She explained that at the time of the budget hearings, the division did not anticipate another significant decrease in federal funding. She noted that the current reserve level was healthy at $4.6 million.

Ms. Olson said it was important to note that the division was currently funded at levels similar to the early 2000s. She said while a reduction in the funding formula could be attributed to reductions in workload, it was more costly to process a similar workload in 2018 than it was in 2005. Additionally, the division paid more for system technology in 2018 than in 2005. Ms. Olson said in comparing base funding over the years, the division would essentially receive the same amount of base funding in 2018 as it received in 2005; however, costs were higher now than in 2005. She said the two most significant cost increases were seen in salary and benefits and required system technology. According to federal cost reports, the UI program spent $18,443,201 in 2005 to fund salary and benefits for 281 full-time equivalent (FTE) employees, and the UI program spent $20,692,320 in 2017 to fund salary and benefits for 279 FTEs. Ms. Olson said in 2018, the UI federal and current level of P&I funding supported approximately 250 FTEs. She said the grant supported the cost of the division's legal staff previously covered with P&I funding. Additionally, the U.S. Department of Labor (USDOL) recently mandated that the division hire one FTE dedicated solely to program evaluation, for which USDOL provided no additional funding. She said the program evaluation position and associated operating expenses cost the program approximately $100,000 per year. Further, as part of the Workforce Innovation and Opportunity Act (WIOA), the UI program had to provide "meaningful services" within the one-stop system and comprehensive one-stops in the state, which was a new expense for the program. While those costs had been a fairly minimal to date, the agency was unsure what it would cost to provide meaningful services in the future.

Ms. Olson said increasing technology costs had also contributed to the shortfall, because the cost of systems technology in 2005 was much less than in 2018. She said current technology costs were approximately $500,000 per year. She stated

that the division's 40-year-old computer system could no longer be supported or sustained in today's fast moving technology environment. During the economic recovery years, while funding and staff were being reduced, the division implemented a modernized benefit, tax and appeals system. The cost of the system and call center technology was approximately $2.5 million per year, not including the cost to replace PCs and other frontline equipment, or the cost of IT staff to maintain the system. Ms. Olson said the new system offered security, compatibility, accuracy, transparency, flexibility and capacity; however, it was more expensive and involved a non-discretionary infrastructure cost that the division did not have in 2005 when it was receiving similar funding.

Ms. Olson said the agency could no longer afford to operate an adequate and effective UI program within the means of singular funding provided by the federal government. The division required robust technology to handle claims processing at no less capacity than what was required during recessionary times; however, the division also required staff to process and adjudicate claims and process employer reporting and payments. She said that fact was further supported by constituent calls and complaints received by the agency and executive offices.

Ms. Olson said the problem of underfunding was not unique to Nevada. She stated that the unemployment insurance system was grossly underfunded on a national level. Ms. Olson said she was the current President of the National Association of State Workforce Agencies. During discussions related to UI funding, many states indicated they were experiencing a similar problem with funding. She said federal funding was inadequate for states to run their UI program using federal dollars alone; therefore, many had to augment the funds to sustain their program. Ms. Olson said 34 states reported having used P&I, General Fund, UI administrative tax, or a combination thereof to run their program in 2017.

Ms. Olson said additional P&I collections projected over the current and foreseeable future would be used to fund the request, which would allow the program to operate at minimal levels and maintain an adequate program reserve. As such, she respectfully requested the Committee's consideration. Ms. Olson noted that if the work programs were not approved, the division would have to eliminate approximately 25 to 30 additional positions. She said the division could not afford to fund the UI program without laying off staff, impacting customers and harming the agency's ability to meet federal performance measures.

Assemblywoman Carlton asked when the department determined it could not afford to fund the UI program solely on federal grant funds.

Ms. Olson replied that projections in October 2017 indicated the division would exceed authority in the Personnel Services category. Subsequently, Ms. Olson limited the hiring of new staff with the exception of one new position which was required by the federal government. She indicated that an existing position was reclassified for that purpose. Ms. Olson noted that the division was still utilizing

expenditures from the prior grant year at that point. She said the division received projections around December 2017 indicating it would exceed its combined grant and P&I authority. Because of the shortage in the grant, Ms. Olson implemented a hiring freeze immediately and began exploring possible opportunities for savings.

Assemblywoman Carlton said she was glad that Ms. Olson instituted a hiring freeze, but staffing levels should fluctuate based on the unemployment rate. She said the Legislature made it clear that the division should not be relying on P&I for operational costs. Assemblywoman Carlton said it was her understanding that the division only accepted phone calls two days per week, which required individuals to file unemployment claims online the remainder of the week.

Jeffrey Frischmann, Deputy Administrator, ESD, DETR, clarified that the division accepted phone calls 40 hours per week, Monday through Friday; however, new unemployment claims could only be filed by telephone on Mondays and Tuesdays. The remainder of the week, the division was available by telephone to answer questions and provide other services.

Assemblywoman Carlton said the division only accepted new unemployment claims by phone two days per week; however, staff hired to perform those duties were still employed with the division. She recalled at the height of the recession the division was in need of additional hours and staff, and more phone lines were opened to ensure individuals could get through to the agency. She noted that unemployment had decreased significantly since that time, but the number of staff had remained much the same. Assemblywoman Carlton said intermittent personnel were no longer necessary if service needs had decreased.

Ms. Olson said although the division currently maintained some intermittent staff, vacancies in permanent positions were maintained in response to the division's funding situation. She said the current level of UI staffing decreased to approximately 208 FTEs. Including the allocable staff in the support units, the division was at historically low staffing levels. Ms. Olson said although the division required fewer staff to manage incoming calls, it was necessary to have adequate staff to manage adjudication matters.

Mr. Frischmann said compared to current staffing levels, the division required approximately double the staff during the recession to manage incoming calls. He said there were approximately 100 intermittent staff during that time period.

Assemblywoman Carlton noted that the department filled an additional 18 unfunded intermittent positions and expended $423,000 to support those positions as of February 28, 2018. She asked if the positions were funded with P&I funds. Ms. Olson indicated that the 18 intermittent positions were offset by vacancies in permanent positions.

Assemblywoman Carlton said the matter of using P&I funds for operating costs was discussed numerous times during multiple legislative sessions. She thought the division violated the conditions of the LOI. She said the inability of agencies to comply with the legislatively approved budget was frustrating. It was the Legislature's responsibility to ensure the budget was funded adequately and that services were provided, but the Legislature often discovered after the fact that funds were used in a manner different than intended.

Assemblyman Edwards said between 2014 and 2018 there was a 300 percent increase in the amount of penalties incurred by businesses, which could be attributed to the implementation of the new system. He asked why businesses were being penalized for problems within the agency's system.

Ms. Olson replied that the system had been tested numerous times, and penalties were being processed correctly. The division was currently performing a data analysis to determine why the number of penalties had increased significantly among all employment sectors. She said the number of employers in the state had increased, which meant more payrolls and wages could be contributing to the number of penalties. Ms. Olson said P&I was being calculated correctly and according to statute. Additionally, the proper amount of P&I was being reported to the financial management unit.

Ms. Olson reiterated that the new system was tested multiple times and was believed to be functioning correctly. She said it was possible the old system had been malfunctioning, but that could not be determined because it was no longer accessible. She said when the increase in penalties initially occurred, the division tested the system for problems. When it happened again, the division retested the system several more times; however, no problems were detected that would indicate employers were being overcharged.

In answer to a question from Assemblyman Edwards, Mr. Frischmann replied that the agency had done exhaustive outreach in the business community through the newsletter and website. Additionally, the division provided live demonstrations of the filing process to 15 different business communities throughout the state. He said there was no indication that the increase in P&I was because employers found it difficult to use the system.

Assemblyman Edwards asked the division to provide an update when the root cause of the increased P&I was determined, and Ms. Olson agreed.

Assemblywoman Carlton said although she still had concerns with the division's request, she recommended approval due to the projected shortfall. She said the agency overspent, which was unacceptable; as a result, the Committee was compelled to approve the request. She said the department would be required to submit a detailed plan describing how it intended to reduce the use of ESD Special Fund revenues to support UI operations for FY 2019 and the 2019-21 biennium.

Assemblywoman Carlton stated that the matter of ESD Special Fund revenue being used to support the operation of the division would no longer be addressed by means of an LOI; the issue would be resolved during the 2019 Legislative Session.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEMS E-90 AND E-91 AND REQUIRE THE DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION TO SUBMIT A DETAILED PLAN DESCRIBING HOW IT INTENDED TO REDUCE THE USE OF EMPLOYMENT SECURITY DIVISION SPECIAL FUND REVENUES TO SUPPORT UNEMPLOYMENT INSURANCE OPERATIONS FOR FISCAL YEAR 2019 AND THE 2019-21 BIENNIUM.

SENATOR PARKS SECONDED THE MOTION.

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

92. Department of Corrections - Director's Office - FY 2018 - Transfer of $28,773 from the Employee Physicals category to the In-State Travel category to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the In-State Travel category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42578**

Refer to motion for approval under Agenda Item E.

93. Department of Corrections - Prison Medical Care - FY 2018 - Addition of $141,800 in Budgetary Transfers to fund contracted services for licensed healthcare professionals projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the professional services category exceeds $75,000. **RELATES TO ITEM E.94**. **Work Program #C42759**

Refer to motion for approval under Agenda Item E.

94. Department of Corrections - Pioche Conservation Camp - FY 2018 - Deletion of $141,800 in Budgetary Transfers category to fund contracted services for licensed healthcare professionals projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount deleted from the Personnel Services category exceeds $75,000. **RELATES TO ITEM E.93**. **Work Program #C42751**

Refer to motion for approval under Agenda Item E.

95. Department of Corrections - Inmate Welfare Account - FY 2018 - Addition of $164,945 in Transfer from Offenders Store to cover the costs of one new Program Officer 2 position, four Program Officer I positions, two temporary contracted support

positions and associated costs to address the passage of Senate Bill 268 of the 2017 Legislative Session. Requires Interim Finance approval since the amount added to S.B. 268 Release ID category exceeds $75,000. **RELATES TO ITEM E.96**. **Work Program #C42632**

Agenda Items E-95 through E-98 were discussed together. Refer to testimony and motion for approval under Agenda Item E-98.

96. Department of Corrections - Offenders' Store Fund - FY 2018 - Transfer of $164,945 from the Retained Earnings category to the Transfer to Inmate Welfare Fund (IWF) category to cover the costs of one new Program Officer 2 position, four Program Officer 1 positions, two temporary contracted support positions and associated costs to address the passage of Senate Bill 268 of the 2017 Legislative Session. Requires Interim Finance approval since the amount added to the Transfer to IWF category exceeds $75,000. **RELATES TO ITEM E.95**. **Work Program #C42652**

Agenda Items E-95 through E-98 were discussed together. Refer to testimony and motion for approval under Agenda Item E-98.

97. Department of Corrections - Inmate Welfare Account - FY 2019 - Addition of $412,030 in Transfer from Offenders Store to cover the costs of one new Program Officer 2 position, four Program Officer 1 positions, two temporary contracted support positions and associated costs to address the passage of Senate Bill 268 of the 2017 Legislative Session. Requires Interim Finance approval since amount added to the S.B. 268 Release ID category exceeds $75,000. **RELATES TO ITEM E.98**. **Work Program #C42651**

Agenda Items E-95 through E-98 were discussed together. Refer to testimony and motion for approval under Agenda Item E-98.

98. Department of Corrections - Offenders' Store Fund - FY 2019 - Transfer of $412,030 from the Retained Earnings category to the Transfer to Inmate Welfare Fund (IWF) category to cover the costs of one new Program Officer 2 position, four Program Officer 1 positions, two temporary contracted support positions and associated costs to address the passage of Senate Bill 268 of the 2017 Legislative Session. Requires Interim Finance approval since the amount added to the Transfer to IWF category exceeds $75,000. **RELATES TO ITEM E.97**. **Work Program #C42653**

Agenda Items E-95 through E-98 were discussed together.

John Borrowman, Deputy Director of Support Services, NDOC, said in December 2017, the department requested additional funds to implement the requirements of S.B. 268 (2017 Legislature), specifically, the validation of identification for offenders. He said the Committee approved Contingency Account

funds for two contract staff, but the balance of the request was not approved. Mr. Borrowman said NDOC was requesting authority to use Inmate Welfare funds to pay for additional staff as well as the two contract staff, with the intention of reverting the Contingency Account funds back to the Legislature. He said Work Programs C42652 and C42653 made the adjustment in the Offenders' Store Fund, and Work Programs C42632 and C42651 made the provision for the Inmate Welfare Account to pay for the expense.

Assemblywoman Carlton recalled the discussion regarding the requirements of S.B. 268 at the December 2017 IFC meeting. She said the Committee's concern was that the department was exceeding the intent of the legislation. She said the statute allowed for validated photo identification to be provided to inmates upon release; however, the department was also providing validated photo identification upon an inmate's entry into the prison system, which explained the added expense. Assemblywoman Carlton said she understood the department's need to be proactive, because all of the inmates' identification would be validated eventually; however, that was one of the reasons the cost was higher than the Legislature anticipated. She asked for an update on the department's progress, including an estimated timeframe for completion.

Continuing, Assemblywoman Carlton said she had concerns about using Inmate Welfare funds for the program, but identification was very important. She recalled discussions relating to inmate identification over multiple legislative sessions with the Religious Alliance of Nevada. She said a number of people testified about the importance of identification for inmates upon release from prison. Assemblywoman Carlton said it was a worthwhile cause, but she wanted to ensure the department had a plan for the 2019 Legislative Session so inmates were not required to pay for something that should be provided by the state.

Mr. Dzurenda replied that he had been meeting with community groups to determine how to address the matter during the 2019 Legislative Session. He said one option was the issuance of an embossed photo identification indicating that the inmate's identification had not been validated by NDOC. He said providing inmates with a non-validated photo identification would allow them to rent lodging and obtain services in the community. Mr. Dzurenda explained that the department would not be able to obtain birth certificates for a number of inmates who may have originated from certain countries. He said he spoke with a few consulates, and it may be possible to obtain positive identification for inmates from Puerto Rico and Mexico. Additionally, the department was working to enter into a memorandum of understanding (MOU) with different states to obtain expedited birth certificates at no additional cost. He noted that California was already in agreement. Mr. Dzurenda said the changes mentioned above would require a bill draft request for the 2019 Legislative Session. He noted that the department had received approximately 2,000 requests since January 1, 2018, from inmates wanting to obtain their birth certificate.

Ms. Lambert said NDOC was pleased with the work that Elizabeth Coleman, Reentry Director, NDOC, had accomplished with the two contract staff. To date, over 3,000 inmates had requested validated identification. Per statute, the department was only obtaining birth certificate records at the request of a current inmate or an inmate within two years of release. Ms. Lambert said 800 birth certificates had been received to date, and about 1,500 birth certificates were in process. She said approximately 17 birth certificate requests were rejected, which would require a significant amount of research to determine the reason for the rejection. Ms. Lambert said the workload had been significant for the two contract staff, but they were exceptional workers. She said the monthly caseload of approximately 300 requests was consistent with the department's original estimate of 260 per month.

Assemblywoman Carlton did not think the process of obtaining birth certificates would be too difficult. She noted there may be a delay in dealing with Puerto Rico due to a significant power outage on the island. Assemblywoman Carlton said she still had concerns, but would recommend approval of the requests based on the success of the program to date. She noted that the matter would be discussed in depth during the 2019 Legislative Session.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEMS E-95 THROUGH E-98.

SENATOR PARKS SECONDED THE MOTION.

Assemblywoman Bustamante Adams abstained from the vote due to a personal conflict.

THE MOTION PASSED. (Assemblywoman Bustamante Adams abstained from the vote.)

99. Department of Corrections - Offenders' Store Fund - FY 2018 - Addition of $2,588,908 in Store Sales, $170,663 in Telephone Commissions, $126,567 in Treasurer's Interest Distribution, $37,172 in Catalog Commissions, $30,579 in User Charges and $886 in Hobby Craft Sales due to higher than expected store and merchandise sales, and higher than expected treasurer's interest. Requires Interim Finance Approval since the amount added to the Inventory Purchase for Resale category exceeds $75,000. **Work Program #C42695**

Refer to motion for approval under Agenda Item E.

100. Department of Public Safety - Director's Office - Training Division - FY 2018 - Transfer of $175,000 from the Personnel Services category to the Operating category to fund the remodeling of the training division's Stewart Facility Training Academy dormitory. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $75,000. **Work Program #C42533**

Refer to motion for approval under Agenda Item E.

101. Department of Public Safety - Highway Patrol - Highway Safety Grants Account - FY 2018 - Addition of $977,550 in federal Motor Carrier Safety Assistance Program (MCSAP) grant funds and the deletion of $155,310 in New Entrant grant funds to align state and federal budget authority in continued support of commercial motor vehicle enforcement and inspection activities. Requires Interim Finance approval since the amount added to the MCSAP Program category exceeds $75,000. **Work Program #C41934**

Refer to motion for approval under Agenda Item E.

102. Department of Public Safety - General Services - Central Repository for Nevada Records of Criminal History - FY 2018 - Transfer of $24,235 from the Reserve category to the In-State Travel category, $35,554 from the Reserve category to the Disposition Backfill Project category and $2,325 from the Reserve category to the Training category to cover projected expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Disposition Backfill Project category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42556**

Refer to motion for approval under Agenda Item E.

103. Department of Public Safety - General Services Division - FY 2018 - Transfer of $32,680 from the Personnel Services category to the Transfer to Other State Agency category to cover the cost of living increases associated with half the salaries for the Division Administrator and the Administrative Services Officer and to provide for the reimbursement of salary expenses for a Business Process Analyst within the Criminal History Repository budget account that was temporarily assigned to the Parole and Probation Division in support of the Offender Tracking Information System. Requires Interim Finance approval since the amount transferred to the Transfer to Other State Agency category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42541.**

Refer to motion for approval under Agenda Item E.

104. Department of Public Safety - State Emergency Response Commission - FY 2018 - Transfer of $28,100 from the Reserve category to the Transfer to State Fire Marshal category to cover costs related to hazardous materials courses and training activities. Requires Interim Finance approval since the amount transferred to the State Fire Marshal category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM E.108**. **Work Program #C42588**

Refer to motion for approval under Agenda Item E.

105. **Department of Public Safety – State Emergency Response Commission - FY 2018 -** Transfer of $23,151 from the Reserve category to the Transfer to State Fire Marshal category to fund the purchase of a new vehicle replacing the leased vehicle used to support the agency's hazardous material training program. Requires Interim Finance approval since the amount transferred to the Transfer to State Fire Marshal category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM E.107**. **Work Program #C42531**

    Refer to motion for approval under Agenda Item E.

106. **Department of Public Safety - State Emergency Response Commission - FY 2018 -** Transfer of $48,000 from the State Emergency Response Commission Grants category to the Transfer to State Fire Marshal category to fund hazardous material training. Requires Interim Finance approval since the amount transferred to the Transfer to State Fire Marshal category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42767. WITHDRAWN 3-23-18.**

107. **Department of Public Safety - Fire Marshal - FY 2018** - Addition of $23,151 in Transfer from the State Emergency Response Commission authority and $23,151 in Transfer ~~From~~ ***from*** Nevada Division of Environmental Protection authority to fund the purchase of a new vehicle replacing the leased vehicle used to support the agency's hazardous material training program. 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.105***. **Work Program #C42381. REVISED 3-7-18.**

    Refer to motion for approval under Agenda Item E.

108. **Department of Public Safety - Fire Marshal - FY 2018** - Addition of $28,100 in Transfer from Emergency Response Commission revenue authority and $28,100 in Transfer from Environmental Protection revenue authority to fund hazardous materials related courses and other hazardous materials related training activities for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Rural Training category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM E.104**. **Work Program #C42588.**

    Refer to motion for approval under Agenda Item E.

109. **Department of Public Safety - Cigarette Fire Safety Standard and Firefighter Support - FY 2018** - Transfer of $33,500 from the Reserve category to the Operating category to purchase additional fire safety and prevention related promotional/educational materials and cover remaining projected operating expenditures for FY 2018. 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 #C42366**

    Refer to motion for approval under Agenda Item E.

110. **Department of Public Safety - Traffic Safety - Highway Safety Plan and Administration - FY 2018 -** Addition of $187,816 in federal Traffic Safety 402 grant authority, $48,645 in federal Traffic Safety 405 - Motorcycle Program grant authority, $53,189 in federal Traffic Safety 405 - Distracted Driver / Pedestrian Safety grant authority, $24,685 in federal Traffic Safety 405 Impaired Driver grant authority, $31,847 in federal Traffic Safety 405 - Occupant Protection/ Community Protection Services grant authority, and $103,186 in federal Traffic Safety 405 - Traffic Records grant authority, through a transfer from the state Traffic Safety grant account, to align state and federal budget authority in support of the agency's ongoing traffic safety grant programs. Requires Interim Finance approval since the amount added to the Community Services category exceeds $75,000. **RELATES TO ITEM E.111**. **Work Program #C42254**

    Refer to motion for approval under Agenda Item E.

111. **Department of Public Safety - Traffic Safety - FY 2018 -** Addition of $988,650 in 402 Highway Safety grant funds, $66,618 in federal Alcohol Incentive grant authority, $43,839 in federal Motorcycle Incentive Grant authority, and $1,155,954 in Nevada Department of Transportation (NDOT) Traffic Safety - Highway Safety Improvement Program (HSIP) grant authority and the deletion of $323,947 in federal Occupant Protection Incentive grant authority, $150,479 in federal Traffic Records Incentive grant authority, and $82,329 in federal Pedestrian Safety Incentive grant authority to align federal and state budget authority in support of ongoing traffic safety programs. Requires Interim Finance approval since the amount added to the Aid to State Agencies category exceeds $75,000. **RELATES TO ITEM E.110**. **Work Program #C42584**

    Refer to motion for approval under Agenda Item E.

112. **Department of Conservation and Natural Resources - OHV Commission - Account for Off-Highway Vehicles (OHV) - FY 2019** - Transfer of $38,116 from the Reserve category to the Personnel Services category to increase the Executive Secretary position from part-time to full-time as a result of increased workload. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42649. RELATES TO AGENDA ITEM L. 12.a**

    Refer to motion for approval under Agenda Item E.

113. **Department of Conservation and Natural Resources - Forestry Division - FY 2018** - Addition of $70,000 in federal U.S. Bureau of Land Management (BLM) grant funds and transfer of $22,000 from the U.S. Forest Service Consolidated Payment Grants category to the BLM Nevada Forestry Program category to support forest and woodland resource management activities. Requires Interim Finance approval since the amount added to the BLM Nevada Forestry Program category exceeds $75,000. **Work Program #C42354**

    Refer to motion for approval under Agenda Item E.

114. **Department of Conservation and Natural Resources - Forestry Division - Forestry Nurseries - FY 2018** - Addition of $25,000 in Barrick Community Investment funds to continue collaborative ecosystem restoration projects at South Fork State Recreation Area. Requires Interim Finance approval since the amount added to the Nursery Operating category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42676**

    Refer to motion for approval under Agenda Item E.

115. **Department of Conservation and Natural Resources - Environmental Protection - Air Quality - FY 2018** - Addition of $64,632 in federal Environmental Protection Agency (EPA), Clean Diesel grant funds to support the replacement of older diesel-powered equipment with vehicles meeting EPA emission standards in public sector fleets. Requires Interim Finance approval since the amount added to the Clean Diesel Grant Program category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C42545**

    Refer to motion for approval under Agenda Item E.

116. **Department of Conservation and Natural Resources - Environmental Protection - Waste Management and Corrective Action - FY 2018** - Transfer of $231,272 from the Reserve category to the Solid Waste category and $1,421 from the Reserve category to the Transfer to State Agencies category to meet statutory tire fee distribution requirements. Requires Interim Finance approval since the amount transferred to the Solid Waste category exceeds $75,000. **Work Program #C42371**

    Refer to motion for approval under Agenda Item E.

117. **Department of Conservation and Natural Resources - Environmental Protection - Waste Management and Corrective Action - FY 2018** - Addition of $383,589 in federal U.S. Environmental Protection Agency (EPA) Exchange Network Grants grant funds to align state and federal grant authority to facilitate database modification projects to transmit required environmental data to the EPA. Requires Interim Finance approval since the amount added to the Exchange Network Grants category exceeds $75,000. **Work Program #C42530**

    Refer to motion for approval under Agenda Item E.

118. **Department of Wildlife – Director's Office - FY 2018** - Addition of $221,555 in department cost allocation funds to provide for vehicle expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Vehicles category exceeds $75,000. **Work Program #C42511**

    Refer to motion for approval under Agenda Item E.

119. Department of Wildlife - Operations - FY 2018 - Addition of $783,189 in U.S. Federal Fish and Wildlife Service grant funds to support facilities and boating access improvement projects. Requires Interim Finance approval since the amount added to the Boating Access Improvement category exceeds $75,000. **Work Program #C42586**

Refer to motion for approval under Agenda Item E.

120. Department of Wildlife - Fisheries Management - FY 2018 - Addition of $137,692 in U.S. federal Fish and Wildlife grant funds and $45,898 in Transfer of Aquatic Invasive Species (AIS) fees to support the AIS program, which requires inspection and decontamination of vessels when leaving a body of water and entering another body of water. Requires Interim Finance approval since the amount added to the AIS Outreach and Inspection category exceeds $75,000. **Work Program #C42579**

Refer to motion for approval under Agenda Item E.

121. Department of Wildlife - Habitat - FY 2018 - Addition of $202,700 in Habitat Conservation Fees transferred from the Wildlife Fund Account to fund approved projects to rehabilitate and restore Nevada's wildlife habitat. Requires Interim Finance approval since the amount added to the Habitat Rehabilitation and Restoration category exceeds $75,000. **Work Program #C42555**

Refer to motion for approval under Agenda Item E.

122. Department of Transportation - Bond Construction - FY 2018 - Addition of $1,730,000 in Treasurer's Interest Distribution and deletion of $44,000,000 in Proceeds from Sale of Bonds to reduce the sale of bonds for the NEON project and allow for Treasurer's interest distribution through the end of the fiscal year. Requires Interim Finance approval since the amount deleted from the Fiscal Year 2018 Bond Issue category exceeds $75,000. **Work Program #C42610**

Refer to motion for approval under Agenda Item E.

123. Department of Transportation - Transportation Administration - FY 2018 - Addition of $525,000 in Highway Fund Authorization to cover projected in-state travel costs through the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the In-State Travel category exceeds $75,000. **Work Program #C42643**

Refer to motion for approval under Agenda Item E.

124. Department of Transportation - Transportation Administration - FY 2018 - Addition of $4,927,000 in Highway Fund Authorization to cover projected payroll costs through the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **Work Program #C42672. WITHDRAWN 3-27-18.**

125. Department of Veterans Services - Southern Nevada Veterans Home Account - FY 2018 - Addition of $636,826 in federal Nevada State Veterans Home Veterans Affairs (VA) grant funds for renovations including new beds, HVAC, replacement equipment, water treatment and anti-wander system at the Nevada State Veterans Home. Requires Interim Finance approval since the amount added to the VA grant category exceeds $75,000. **Work Program #C42715**

Refer to motion for approval under Agenda Item E.

126. Department of Education - Safe and Respectful Learning - **FY 2018** – Addition of $232,097 in Pacific Institute for Research and Evaluation (PIRE) grant funds to continue to support and expand the SafeVoice anonymous tip reporting system in Nevada. Requires Interim Finance approval since the amount added to the PIRE grant category exceeds $75,000. **Work Program #C42806. RECEIVED AFTER SUBMITTAL DEADLINE, 3-16-18. RELATES TO ITEMS E. 127 and 128.**

Agenda Items E-126, E-127 and E-128 were discussed together. Refer to testimony and motion to approve under Agenda Item E-128.

127. Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2018 - Transfer of $163,961 from Tobacco Wellness Grants category to SafeVoice Program category to support the Department of Public Safety, Investigation Division's SafeVoice anonymous tip line program. Requires Interim Finance approval since the amount added to the SafeVoice Program category exceeds $75,000. **Work Program #C42883. RECEIVED AFTER SUBMITTAL DEADLINE, 3-21-18. RELATES TO ITEMS E. 126 and 128.**

Agenda Items E-126, E-127 and E-128 were discussed together. Refer to testimony and motion to approve under Agenda Item E-128.

128. Department of Public Safety - Investigation Division - FY 2018 - Addition of $163,961 in Funds for a Healthy Nevada - Tobacco Settlement funds through a transfer from the Department of Health and Human Services to fund the addition of eight contract staff positions to support expanded operational capacity of the SafeVoice (Safe-to-Tell) Program. Requires Interim Finance approval since the amount added to the SafeVoice Expansion category exceeds $75,000. **Work Program #C42849. RECEIVED AFTER SUBMITTAL DEADLINE, 3-21-18. RELATES TO ITEMS E. 126 and 127.**

This item was discussed in conjunction with Agenda Items E-126 and E-127.

Steve Canavero, Superintendent, NDE, said the requested funds would be used to expand the SafeVoice Program statewide and furnish support at the state level to provide access to a system of care once an event is triggered by a student. Mr. Canavero introduced Christine McGill, Director, Office for Safe and Respectful

Learning Environment (OSRLE), NDE, to discuss Work Program C42806 related to access of funds and authority to expand the SafeVoice Program.

Christine McGill, Director, OSRLE, NDE, said the department was pleased to report that the roll out of Cohort 1 of SafeVoice was successful. In a collective impact project, the NDE, Department of Public Safety (DPS), Division of Public and Behavioral Health (DPBH) and the schools came together with a response system to address concerns expressed by students and parents regarding bullying, suicide, school threats, etc. Ms. McGill said after the Stoneman Douglas High School shooting in Parkland, Florida on February 14, 2018, Nevada schools and communities wanted to expedite the roll out of SafeVoice statewide. She said the department was requesting additional spending authority to quicken the roll out of Cohort 2 so students, parents and teachers would have access to SafeVoice.

Ms. McGill said SafeVoice was a three-pronged system with an anonymous tip line accessible through a smart phone application, website, or by phone. She said the marketing campaign for Cohort 1 encouraged students to report concerns through the SafeVoice tip line. The role of the NDE was to ensure that tips were forwarded by DPS to the appropriate source, such as law enforcement or the school, who would then take action to ensure the incident deescalated. For example, if a student reported a bullying incident through SafeVoice, that tip would go directly to the school and the school's procedure to address bullying would begin. Ms. McGill said the main focus was to ensure the districts had teams in place that consisted of an administrator, behavioral health personnel, and a law enforcement or school resource officer to address the issue.

Mr. Canavero said the support center experienced an increase in access and call volume shortly after the Stoneman Douglas shooting and expansion of the SafeVoice Program. He said the noticeable increase incited discussions about how to better serve students and communities. When the Governor convened the school superintendents for a meeting concerning school safety, it was identified that expanding SafeVoice would be extremely helpful for the districts. Mr. Canavero said the original SafeVoice model contemplated a research design which had a scale Cohort 1 and Cohort 2. Part of the state's commitment with the Pacific Institute for Research (PIRE) was that Nevada would study the roll out of each cohort; however, that was postponed due to the demand from students and communities to expand SafeVoice statewide. He said Ms. McGill had done a good job of working with PIRE to navigate the grant and the conditions of the grant to ensure the statewide roll out would not be a violation. He said PIRE was understanding of the situation. Following the meeting of the school superintendents, the Governor's Office, NDE, DPS and DHHS convened to discuss the statewide release of SafeVoice. He said the roll out would require additional access to funding authority under PIRE. Additionally, the program would require adequate staffing to receive calls and adjudicate concerns raised by students.

Ryan Miller, Deputy Chief, Investigation Division, DPS, said Work Programs C42883 and C42849 were related requests. In short, the requested funds would be used for additional personnel and related costs for the support center, which was available 24 hours per day, 7 days per week, 365 days per year (24/7/365). Mr. Miller said DPS had learned a lot during the initial release of SafeVoice. Specifically, the department learned about the process involved in receiving, analyzing, vetting, disseminating and following up on tips, as well as managing help desk tickets and software training. Consistent with that was the desire to accelerate the rest of the schools in the state, because only half the state was currently utilizing SafeVoice. He said DPS analyzed those things to determine what was required to meet the obligations of statute as well as the demands of the program. He said Work Programs C42883 and C42849 were the result of the department's evaluation of implementing the SafeVoice Program statewide.

Mr. Canavero added that the tip line was required by the Legislature and modeled after the Colorado program. Since January 2018, over 1,661 tips had been received to date, which exceeded the number of tips received in the entire first year of the Colorado program. He said the SafeVoice Program in Nevada was operational and being utilized by students. Additionally, DPS, DPBH and schools were receiving information on a timely basis. Mr. Canavero said the number of tips would most likely continue to increase as the program was made available to more students. He noted that the large number of tips received to date was one of the justifications for requesting additional staff and the transfer of funds from DHHS.

Buddy Milazzo, Administrative Services Officer, DHHS Director's Office, said Work Program C42883 was a request to transfer funds from the Tobacco Wellness Grants category to the SafeVoice Program category to support the expansion of the program. He said the surplus of funds in the Tobacco Wellness Grants category was due to unobligated authority.

Assemblyman Edwards asked if the new staff would be responsible for answering incoming calls. Mr. Miller replied in the affirmative. He said staff would receive calls and gather the necessary information. Additionally, staff would vet the information to determine where it should be directed.

Assemblyman Edwards said a school administrator in his district indicated that notifications were received from the SafeVoice Program regardless of the time. He asked if there was a way to separate emergency notifications from non-emergency notifications.

Ms. McGill replied that as with any pilot program, a feedback loop was established, and the issue of tip notifications had been raised. She said protocols were being established regarding when a notification should be forwarded to a school administrator. Additionally, non-emergency tips would be forwarded in batches rather than individually. Ms. McGill said the SafeVoice Program was still being modified, and feedback was welcome from users and districts to provide the best tool possible.

Assemblyman Edwards said another type of feedback he received was the lack of information provided with online tip submissions, which created hours of work for school administrators in determining the parties involved and gathering the full details of the incident. He said it might be helpful to require the completion of certain fields before the tip could be submitted. Ms. McGill agreed that the issue needed to be addressed. She said she was currently collaborating with Mr. Canavero and Mr. Miller to draft emergency regulations. She noted that statute required an anonymous tip line; therefore, the regulations needed to be very specific about when names could be released.

Assemblywoman Spiegel said that over the years, she had been involved in committees and legislation addressing school violence and bullying. She said many times students did not know the names of the students who were bullying them. She thought it was important to consider that as the emergency regulations were being drafted so students were not discouraged from reporting a bullying incident.

Assemblywoman Spiegel said it appeared the majority of tips were submitted on certain days and times; however, the request for staff seemed level across all shifts. She asked why DPS was requesting to staff the SafeVoice support center consistently across all days and shifts. She indicated that staff may be underutilized during slow periods, and staffing levels may be inadequate during peak periods.

Mr. Miller replied that DPS took into consideration the volume of tips received during various days and times when assessing staffing levels; however, the department also considered the processes involved in the operation of the support center. He stated that the SafeVoice support center must be available 24/7/365 per statute, which meant staff was necessary at all times. The support center currently employed four contract staff, which caused limitations when considering vacancies, annual or sick leave, graveyard shift, holidays, etc. In order to adhere to the requirements of statute, the support center required a minimum of 12 staff to have enough personnel on each shift when taking into account the aforementioned items; otherwise, there may not be enough staff available to cover a shift. Mr. Miller indicated that an outline of the shift schedule was included as backup documentation to the work program.

Mr. Miller said multiple tips could be received within a few minutes, and various tasks were involved in the processing of each tip. He said processing a tip could take hours to vet if information was lacking. The staff member processing the tip was also responsible for forwarding the information to the appropriate entity and following up on the issue depending on the nature of the incident. Mr. Miller said SafeVoice support center staff were also responsible for managing help desk tickets. He explained that as district and school multidisciplinary teams changed, the system had to be updated and login information had to be issued to new users. Additionally, technical issues had to be addressed with the vendor.

Patrick Conmay, Division Administrator, Investigation Division, DPS, added that in addition to the staff responsibilities discussed by Mr. Miller, staff was also responsible for tracking and monitoring the outcome of reports. He understood the

Committee's concern about staffing levels during low-volume times and days; however, as DPS gained a better understanding of volume fluctuations, certain tasks could be reassigned to staff on low-volume shifts to reduce the workload for staff on high-volume shifts. Mr. Conmay said scheduling modifications may be required in the future; however, scheduling 12 employees over 3 shifts was currently the most effective method of complying with the 24/7/365 support center requirement.

Assemblywoman Diaz said she also heard concerns from school administrators about alerts from the SafeVoice Program. She indicated that students who were bullying other students were not being cited for incidents. Additionally, many bullying reports lacked pertinent information. She asked if schools were held accountable if a lack of information impeded their investigation.

Continuing, Assemblywoman Diaz thought the SafeVoice Program may be lacking outreach efforts to educate parents about the program. She said it was important to encourage parents to discuss bullying with their children and assist the school in the wellbeing and safety of students. She said many parents in her district did not know about the SafeVoice Program. Schools were promoting the program verbally as well as through their website and external signs; however, many parents were not educated about the program. Assemblywoman Diaz said she wanted SafeVoice to be a recognized program throughout the state. She said it was also important for schools to be proactive rather than reactive in addressing incidents of school violence.

Ms. McGill replied that one of the key differences between Nevada's SafeVoice Program and the Colorado program was that Nevada had a larger volume of self-reported bullying, even more so than peer-reported bullying. She said approximately 8 percent of the tips received in Colorado were self-reported, but Nevada reached double digits. In response, emergency regulations were drafted, because school administrators were concerned that names were not being provided with bullying reports.

Ms. McGill said the schools were responsible for responding to reports of bullying via the SafeVoice Program in the same manner they would respond to other reports of bullying. For example, the school would speak with the student who reported the bullying incident if the name of the accuser was not provided. The school would also ensure it had parental consent and that a safety plan was in place. Ms. McGill said schools were being educated on the essential need for parental consent and safety plans. She said parental consent was critical so that parents remained informed, and a safety plan was essential for the student to feel safe at school.

Ms. McGill said the marketing of SafeVoice thus far was rolled out in a very limited sense, because the program was part of a research grant with Cohort 1 (approximately half of Nevada's schools) and Cohort 2 (the remainder of the schools). Due to the large demand from communities to implement SafeVoice statewide, the NDE needed to expand outreach efforts to educate communities

throughout the state about the program. She said the department and its partners would work together to create an effective marketing campaign.

Chair Woodhouse said one of the high schools in her district hosted an assembly relating to school violence on March 14, 2018, the day of the National Student Walkout. She said 400 students stayed after school for two hours to attend the assembly. The school hosted a similar gathering that evening for parents. Chair Woodhouse said a majority of the presentations made by students were about the SafeVoice Program. She said it became evident to her, school board members, school police officers and Las Vegas Metropolitan police officers that the students were educated about the SafeVoice Program; therefore, school outreach had been very effective. On the other hand, parents were not familiar with the program. Chair Woodhouse said the Principal of the school was extremely proactive and was establishing a plan to ensure that parents and guardians were aware of the SafeVoice Program. She said there was also discussion at the student assembly and parent meeting about school safety. Chair Woodhouse said the Principal did not mind receiving alerts in the middle of the night or early morning, because it allowed school leadership and law enforcement to determine if an issue needed to be addressed before students arrived on campus at 7 a.m.

Chair Woodhouse thought the SafeVoice Program was working well. She said additional efforts to ensure students, parents, guardians and school administrators were more informed about the program would be beneficial; however, the state was taking positive steps in the right direction. Chair Woodhouse noted that the parents who attended the informational meeting wanted the remaining schools around the state to have access to the program as well so that everyone was safe.

Senator Kieckhefer noted that the cost of the eight contract positions for the remainder of FY 2018 was $163,000. He asked if DPS intended to request additional tobacco settlement funds to support the contract positions in FY 2019. He also asked for the total annualized cost. Mr. Milazzo replied that DPS would request approximately $640,000 for FY 2019.

In answer to a question from Senator Kieckhefer, Mr. Milazzo replied that the total unallocated balance of the Tobacco Settlement account was approximately $31 million. Senator Kieckhefer thought the amount seemed very high. He said tobacco settlement funds were typically used for public health issues, child care, etc. Although the tobacco settlement funds were flexible, he was unsure funding contract positions for the SafeVoice Program was an appropriate use, especially without any indication of a long-term funding stream for the project.

Mr. Canavero said the Governor's Statewide School Safety Task Force would be responsible for identifying and recommending school safety practices to present to the 2019 Legislature. He said given the interest in the SafeVoice Program by the school superintendents, the task force would likely recommend ongoing funding for the program.

Senator Gansert noted that legislation for school safety was originally brought forth by Senator Debbie Smith. She said it was an important topic, and the 2017 Legislature helped to advance it through S.B. 212. Senator Gansert said she appreciated the efforts of DPS, NDE and DHHS in rolling out the program quickly. Given some of the concerns about school safety, she thought SafeVoice was a perfect vehicle for students, faculty and staff to be able to report incidents. Senator Gansert said although the program may require some modifications, it appeared to be successful thus far. She said SafeVoice was critical component to school safety. She commended the prior efforts of Senator Smith and the recent work of the agencies involved in the program.

Mr. Miller said bullying was the single most reported issue to date. He said bullying was oftentimes a precipitating event to other types of threats or violence. He said bullying often preceded harassment, threat to school, suicide, anger issues, etc. He said all of those incidents required intervention; therefore, if even one tip saved a life, it was valuable.

Mr. Milazzo said DPS approached Richard Whitley, Director, DHHS, to ascertain whether there was funding available to use for the SafeVoice Program. *Nevada Revised Statutes* 439.630g indicated that DHHS had authority to allocate money for expenditure of programs that improved the health and wellbeing of residents of Nevada, including programs that improved health services for children. Mr. Milazzo said Mr. Whitley thought the SafeVoice Program met the requirements in NRS 439.630g, which was why Mr. Whitley approved the funding. Senator Kieckhefer stated that tobacco settlement funds had historically been used primarily for health programming related to physical health.

Senator Kieckhefer asked for confirmation that the balance of unallocated tobacco settlement funds was $31 million and could be used for anything related to public health.

Mr. Milazzo said he was previously employed at the Office of the State Treasurer where one of his responsibilities was overseeing the Master Service Agreement. He said the current Tobacco Settlement account reserve balance was approximately $31 million. He indicated that a payment of approximately $38 million to $40 million would be deposited into the Tobacco Settlement account on April 17, 2018. The amount budgeted in FY 2018 for Fund for a Healthy Nevada expenditures was approximately $23 million, which was somewhat offset by the $23 million received in tobacco settlement funds. As a result, the reserve balance of the Tobacco Settlement account would be reduced to approximately $31 million.

Assemblywoman Carlton noted that Work Program C42849 would only fund the contract positions through the remainder of FY 2018 and that DPS intended to submit a similar work program for FY 2019 at the June 2018 IFC meeting to fund the positions. She said the department wanted to triple its workforce; however, it may

take some time to fill the eight new positions. Assemblywoman Carlton proposed hiring four additional contract staff, which would double the workforce and provide DPS time to analyze workload volume and trends. The department could request the additional four positions at the IFC meeting in June 2018, if necessary. She said it was not always effective to do too much at one time. Additionally, it was important to consider how the summer months would impact the volume of tips received by the SafeVoice support center. Assemblywoman Carlton said the Committee would like a better understanding of the workload among shifts and days. She said SafeVoice was a pilot program so it was important to resolve current issues before adding more. She said the Committee supported the program and agreed that the support center needed adequate coverage; however, unintended consequences could result from growing the program too quickly. Assemblywoman Carlton said postponing four contract positions would provide an opportunity to fully evaluate staffing needs before readdressing the matter in June 2018.

Mr. Conmay agreed that it may be difficult to fill all 8 positions quickly. He clarified that DPS currently employed 4 contract staff, and adding 8 additional staff would bring the total number of staff to 12. Currently, DPS Dispatch was responsible for receiving tips during off hours, such as holidays, if contract staff was not available. Due to the unexpected volume of tips, the demand on DPS Dispatch was significant and occasionally impacted other Dispatch duties. Additionally, DPS Dispatch staff was concerned about whether it was adequately trained to handle some of the issues addressed by SafeVoice. Mr. Conmay said it would take time to hire and train new staff; therefore, it would be beneficial for the department to have the opportunity to get ahead of the curve now so staff would be able to manage other program responsibilities and be fully prepared for the 2018-2019 school year. He stated that DPS also had to take into account year-round schools when considering staffing levels. Additionally, as students became more familiar with the SafeVoice Program, it was likely that tips unrelated to school matters would be received year round.

In answer to a question from Assemblywoman Carlton, Mr. Conmay replied that DPS Dispatch staff was used during all off hours. He was unsure how many hours Dispatch had spent covering the support center but would provide the information to the Committee. He noted that the four existing contract staff were managing the SafeVoice support center Monday through Friday during business hours, DPS Dispatch was handling all other timeframes.

Assemblywoman Carlton said if the Committee approved all eight positions now, it was possible the department would return in June with only a few positions filled. She said it would be difficult to address staffing needs for FY 2019 without first analyzing the needs for FY 2018. She said it was always concerning to watch agencies expand a program too quickly. Assemblywoman Carlton thought the Committee needed more data, specifically the number of hours DPS Dispatch was covering the support center and the subjects related to non-emergency calls. She was concerned that students were utilizing SafeVoice for all school-related problems.

Ms. McGill replied that the SafeVoice Program was a response to public health matters as well as school safety issues based on the subject-matter of incoming tips. She said the tips received to date related to anxiety, depression, self-harm, suicide threats, drug or alcohol abuse, planned parties, unsafe driving, racist language, bullying or cyber-bullying, harassment, discrimination, threat to student, staff or school, gang activity, etc. Ms. McGill said the large variety of issues was one of the reasons NDE, DPS and DHHS were blindsided by the positive response to the SafeVoice Program, and why it was important to use the summer months to fully train staff before the 2018-2019 school year began.

Assemblywoman Carlton reiterated that she thought four additional contract staff would be adequate for the time being, which would reduce the transfer of tobacco settlement funds to DPS to $81,981 in FY 2018. She said staffing needs would be reanalyzed at the June IFC meeting, and FY 2019 staffing needs would also be discussed. She moved to approve Work Programs C42806 and C42883 as requested, and reduce the number of requested contract positions in Work Program C42849 to four, thereby reducing the transfer of tobacco settlement funds to $81,981. Assemblywoman Carlton said the agency could submit a 15-day expeditious work program if a problem arose.

> ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEMS E-126 AND E-127 AS REQUESTED AND REDUCE THE NUMBER OF REQUESTED CONTRACT POSITIONS IN AGENDA ITEM E-128 TO FOUR, THEREBY REDUCING THE TRANSFER OF TOBACCO SETTLEMENT FUNDS TO $81,981.
>
> SENATOR GANSERT SECONDED THE MOTION.

Senator Gansert asked if four additional staff was adequate, especially in the event of a level four issue. Mr. Conmay replied that a total of eight staff would be adequate to handle two of the three shifts, and DPS Dispatch would cover the third shift.

Assemblyman Pickard said he was also concerned that approving only four additional staff would not adequately meet the needs of the support center. He shared Assemblywoman Carlton's concern about authorizing too much, too soon; however, he preferred to see support center staff adequately prepared. Assemblyman Pickard asked if the motion could be tabled to ask additional questions on the matter.

Assemblyman Carlton said approving four positions instead of eight was not an arbitrary number. She said the number of schools utilizing the SafeVoice Program would double; therefore, doubling the number of staff seemed logical.

In answer to a question from Assemblywoman Diaz, Mr. Miller provided the following statistics concerning tips received by the SafeVoice support center from the beginning of the program through April 10, 2018:

- Telephone – 93
- Mobile web browser – 392
- Mobile application – 496
- Web browser – 678

Senator Gansert recalled testimony from Ms. McGill indicating that the volume of tips in the first few months of the SafeVoice Program was larger than the entire first year of the Colorado program; therefore, she was concerned about not having an adequate number of staff. Thus, she opposed the current motion and hoped to promote another motion which included more staff.

Chair Woodhouse asked Senator Gansert if she wished to withdraw her second to the original motion. Senator Gansert said she inadvertently seconded the motion.

SENATOR GANSERT WITHDREW HER SECOND.

SENATOR DENIS SECONDED THE MOTION.

Assemblywoman Swank asked if the four additional contract staff would supply two additional employees for two of the three shifts. Mr. Miller said he would need to review the schedule, but he hoped that would be the case.

Assemblywoman Swank asked if DPS Dispatch would respond to tips received between 11 p.m. and 7 a.m. She noted that only 7 percent of tips were received during the graveyard shift. Mr. Miller said DPS Dispatch would cover the support center during the third shift. He reiterated that the support center was responsible for other processes in addition to receiving tips, such as responding to help desk tickets. Additionally, staff was preparing for the statewide implementation of SafeVoice by updating the system with school multidisciplinary team information and law enforcement agency information, which had to be complete before going live with the program throughout the state.

Assemblywoman Swank said she was trying to find middle ground. She said she felt comfortable approving just the four additional positions now and readdressing the matter at the June IFC meeting, if necessary.

Senator Goicoechea said he was concerned about DPS Dispatch covering the support center, because there could be serious consequences if a tip was not processed correctly.

THE MOTION PASSED. (Senator Gansert, Senator Goicoechea, Senator Kieckhefer, Assemblyman Edwards, Assemblyman Hambrick, Assemblyman Kramer, Assemblyman Pickard and Assemblywoman Titus opposed the motion. Assemblywoman Benitez-Thompson was not present for the vote.)

RECLASSIFICATIONS:

Department of Education, Position Reclassification 0023, was discussed in conjunction with Agenda Item E-19. Refer to testimony and motion under Agenda Item E-19.

State Public Charter School Authority, Position Reclassification 0015, and DHHS, Division of Welfare and Supportive Services, Position Reclassification 3728-3729, were included in the motion to approve under Agenda Item E.

AGENCY	AGENCY/ ACCOUNT NUMBER	POSITION NUMBER	PRESENT CLASS, CODE, GRADE, SALARY	PROPOSED CLASS, CODE, GRADE AND SALARY
Department of Education	300/2716 **RELATES TO ITEM E. 19**	0023	Administrative Assistant 3 Code: 2.211 Grade: 27/01 Employee/Employer Paid Retirement $34,681.68	Business Process Analyst 3 Code: 7.655 Grade: 38/01 Employee/Employer Paid Retirement $55,039.68
State Public Charter School Authority	315/2711	0015	Administrative Assistant 4 Code: 2.210 Grade: 29/01 Employee/Employer Paid Retirement $37,646.64	Business Process Analyst 2 Code: 7.656 Grade: 36/01 Employee/Employer Paid Retirement $50,508.72
Department of Health and Human Services – Welfare and Supportive Services	407/3228	3728-3729	Social Services Program Specialist 3 Code: 12.315 Grade: 37/01 Employee/Employer Paid Retirement ~~$57,742.88~~ ***$52,742.88 REVISED 3-20-18***	Health Program Specialist 2 Code: 10.238 Grade: 37/01 Employee/Employer Paid Retirement $52,742.88

F. STATEMENT OF CONTINGENCY ACCOUNT BALANCE.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, LCB, directed the Committee to the Statement of Contingency Account Balance on page 213 in Volume III of the meeting packet (Exhibit C). The current balance of the unrestricted General Fund portion of the Contingency Account was approximately $15.5 million. He said there was an allocation request before the Committee from the Division of Forestry in the amount of $1,006,213. If approved, the balance of the unrestricted General Fund portion would be reduced to approximately $14.5 million. The balance of the Highway Fund portion of the Contingency Account was approximately $1.7 million, and there were no requests before the Committee. The balance of the restricted portion of the General Fund was approximately $15.3 million, and there were no requests before the Committee.

G. REQUEST 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) - State Department of Conservation and Natural Resources - Forestry Division - Request for an allocation of $1,006,213 for FY 2018 to fund emergency response expenses. **RELATES TO L.12.b.**

This item was discussed in conjunction with Agenda Item L-12(b).

Kacey KC, State Forester and Firewarden, Division of Forestry (NDF), Department of Conservation and Natural Resources (DCNR), said the division was requesting approximately $1 million in Contingency Account funds to fund fire activity. She said the request was the division's best estimate looking toward the June 2018 IFC meeting. To date, 29 human-caused fires had occurred, which burned about 1,700 acres statewide. Ms. KC said it was early in the year to have those starts, but the winter was very mild until March 2018. Unfortunately, March rain and snow would increase the grass loads, and there was not enough low-elevation snow to reduce the grasses in those areas, which would result in double growth. She said Predictive Services just released predictions for the upcoming fire season. Last season, the state did not have an above average prediction until June and July 2017, and many of the high timbered areas were excluded because of snow pack. However, in the current year, Nevada's first above average fire season estimate was for May 2018 along the Sierra front and up into northern Washoe County. She said the higher elevations were not excluded, because the snow pack was not significant enough to last very long. She indicated that Southern Nevada would have a normal fire season, but the northern areas were well above average into June. Ms. KC said currently, no areas were excluded in Predictive Services' forecast.

Ms. KC said since she became the acting and then State Forester about a year ago, the focus had been on regrounding the NDF to its mission. She said the management team read all the statutes related to the NDF to gain an understanding of the division's statutory authority and how the division's activities and actions tied into that. Following that, the division reviewed and updated all of its policies and procedures. She said the updates were being finalized and would be distributed to staff soon. Ms. KC said the division was also focused on training staff to the highest industry standards, both on the natural resource management side and the wildland firefighting side. Additionally, NDF was improving efficiencies in operations.

Assemblyman Kramer said he understood the division increased its forecast for the current fire season due to the dry winter and anticipated grass growth, but he was unsure how the division conceivably estimated costs for the fire season.

Ms. KC replied that the division worked with the Governor's Finance Office (GFO) and LCB Fiscal Division. She said five years of expenditures were reviewed, and the high-year projection (FY 2017) was removed to avoid over projecting. She noted that the NDF wanted to make conservative estimates based on actual expenditures. Ms. KC said the division may need to reconsider how it estimated costs, because the

four-year average was surpassed each month from January through April 2018 due to the fire season.

Assemblyman Kramer thought it would be better to estimate on the high side instead of the low side, because fires had to be extinguished regardless of cost. He said budgeting for higher costs required reducing costs in other areas.

Assemblywoman Titus thought fire prevention was less costly than fire suppression. She asked what percentage of the NDF budget was dedicated to fire prevention. Ms. KC said she did not know the exact percentage, but in 2017 the NDF treated over 5,000 acres in hazardous fuel reduction, treatments, forest health and Greater Sage-grouse habitat improvement projects. Additionally, over 5,000 new acres were entered into long-term stewardship plans across the state, which was continued progress. Ms. KC said much of the division's funding for those programs was provided by the U.S. Forest Service as well as the state and private forestry programs, which totaled about $3.5 million annually in grant funds. Also, adequate time was allocated for the crews to complete projects with cooperators on state and private lands. Ms. KC said the Good Neighbor Authority Agreement was recently signed and projects were in progress on federal lands, where applicable.

Chair Woodhouse asked what the current projections were for additional funding in the 2017-19 biennium after considering anticipated revenues. Ms. KC replied that the best estimate at the time of the projections was approximately $6.7 million; however, that figure was based on actuals through the end of March 2018. She said the division would continue to work closely with the LCB Fiscal Division and the GFO and would supply updated information up until the June IFC meeting to provide precise actuals, not just projections.

> ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM G.
>
> SENATOR PARKS SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY. (Senator Gansert, Assemblyman Araujo and Assemblywoman Benitez-Thompson were not present for the vote.)

H. STATEMENT OF DISASTER RELIEF ACCOUNT BALANCE.

Mr. Krmpotic directed the Committee to the Statement of Disaster Relief Account Balance on page 227 in Volume III of the meeting packet (Exhibit C). He said the current balance of the Disaster Relief Account was $8,566,076. The balance would be reduced to $8,542,992 if the request before the Committee totaling $23,084 was approved.

I. 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 $23,084 from the Disaster Relief Account to reimburse the City of Caliente for costs associated with the flash flood that occurred in July 2015.

Justin Luna, Administrative Services Officer, Division of Emergency Management (DEM), DPS, said the DEM was requesting approval of a grant from the Disaster Relief Account in the amount of $23,084 for reimbursement of 50 percent of the City of Caliente's total recovery costs from a flash flood event in July 2015. He said the costs included public infrastructure repairs, not individual assistance to private-property owners. Mr. Luna said the DEM worked with the City of Caliente throughout the application process. He said the City of Caliente was extremely proactive and cooperative. The division supported the request and thought it was a justifiable use of Disaster Relief Account funds.

There was no further discussion on this item.

> SENATOR GOICOECHEA MOVED TO APPROVE AGENDA ITEM I.
>
> ASSEMBLYMAN FRIERSON SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY. (Senator Gansert, Assemblywoman Benitez-Thompson and Assemblyman Sprinkle were not present for the vote.)

J. APPOINTMENT OF MEMBER TO THE COMMITTEE ON INDUSTRIAL PROGRAMS – NRS 209.4817(2).

Mr. Krmpotic said the Committee on Industrial Programs had a recent vacancy due to a resignation by Mike Magnani, who represented organized labor in the state. He said Mr. Magnani was appointed in June 2017 for a two-year term. Mr. Krmpotic referred the Committee to a cover letter and resume for Beverly Williams, a potential replacement for Mr. Magnani (Exhibit E). He said Ms. Williams currently represented Teamsters Local 986 in Las Vegas and appeared to meet the requirement for the Committee on Industrial Programs as a member representing organized labor. Mr. Krmpotic noted that Ms. Williams had served as an alternate for Mr. Magnani for a couple of meetings. He said Ms. Williams was a candidate before the IFC for selection as an appointee to the Committee on Industrial Programs.

> SENATOR PARKS MOVED TO APPROVE THE APPOINTMENT OF BEVERLY J. WILLIAMS TO THE COMMITTEE ON INDUSTRIAL PROGRAMS.
>
> ASSEMBLYMAN PICKARD SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY. (Senator Gansert, Assemblywoman Benitez-Thompson and Assemblyman Edwards were not present for the vote.)

K. ACCEPTANCE OF GIFTS AND GRANTS PURSUANT TO NRS 353.335(2)(a) – ACCEPTED BY THE GOVERNOR BECAUSE OF AN EMERGENCY AS DEFINED IN NRS 353.263 OR FOR THE PROTECTION OF LIFE OR PROPERTY – Department of Public Safety – Division of Emergency Management – Acceptance of Federal Emergency Management Agency grant funding of $2,567,997 in FY 2018 to cover emergency response and recovery costs associated with the January and February 2017 winter flood events. INFORMATIONAL ITEM ONLY.

Justin Luna, Administrative Services Officer, DEM, DPS, stated that the DEM accepted additional Federal Emergency Management Agency grant funding in the amount of $2,567,997 to pass through reimbursements for eligible costs for jurisdictions that were affected during the January 2017 winter flood events.

There was no further discussion on this item.

L. INFORMATIONAL ITEMS.

The Committee expressed interest in hearing testimony on Agenda Items L-3c, State Public Works Division and Nevada System of Higher Education; L-5, State Public Charter School Authority; L-6c, Department of Business and Industry, Taxicab Authority; L-8c(2), DHHS, DPBH; L-8d(1), DHHS, Division of Welfare and Supportive Services; L-9b, NDOC; L-10, Department of Motor Vehicles; L-12b, Department of Conservation and Natural Resources (DCNR), Forestry Division; and L-12c(1), DCNR, Division of Environmental Protection, Bureau of Air Quality Planning.

Assemblywoman Bustamante Adams requested further testimony on Agenda Item L-11a, Department of Public Safety, Director's Office.

1. OFFICE OF THE GOVERNOR – Office of Workforce Innovation – Semiannual report concerning the efforts and achievements of the Office for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

   There was no discussion on this item.

2. OFFICE OF THE ATTORNEY GENERAL – Grants Unit – Semiannual report on the number of the state's backlogged sexual assault test kits tested, the DNA profiles logged, the Combined DNA Index System (CODIS) hits obtained, the arrest warrants issued, and the number of arrests and prosecutions for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

   There was no discussion on this item.

3. DEPARTMENT OF ADMINISTRATION

a) Purchasing Division – Six-month report on preference for bid or proposal submitted by a local business owned by a veteran with a service-connected disability for the periods ending March 31, 2017, and September 30, 2017, pursuant to NRS 333.3368.

There was no discussion on this item.

b) State Public Works Division
   1) Information regarding the Project Status Exception Report pursuant to NRS. 341.100(8)(g).
   2) Report on Veterans with Service-Connected Disabilities Bidders' Preference pursuant to NRS 338.13846 for the period July 1, 2016, through December 31, 2017.

There was no discussion on these items.

c) State Public Works Division and the Nevada System of Higher Education – Biannual report of the status of the CIP Project 17-C15, Complete Planning and Begin Construction of a New Medical School Building at the University of Nevada, Las Vegas for the period ending December 31, 2017, pursuant to Senate Bill 553, Section 4.7 of the 2017 Legislative Session.

Chris Chimits, Interim Administrator, State Public Works Division (SPWD), Department of Administration, provided a brief report on the University of Nevada, Las Vegas (UNLV) Medical School Building. He said the following actions had occurred to date:

- The contract with Tate Snyder, Kimsey Architects, LTD was approved by the BOE in January 2018.
- The SPWD received $15 million of $25 million in donor funds in February 2018.
- The construction manager at-risk contract with Whiting-Turner Contracting Company was approved by the BOE in March 2018.

Mr. Chimits said the SPWD met with UNLV planning and construction staff in early April 2018 to establish a management plan for both the SPWD and UNLV. He said the SPWD would manage the project in accordance with S.B. 553 (2017 Legislature); however, the division wanted to establish and ensure close cooperation and a comprehensive communication plan throughout the design and construction process with UNLV. He said the SPWD recognized the unique relationship that UNLV had with the school and donors, and the division was willing to ensure all parties involved were confident and comfortable with the plan.

Mr. Chimits said in January 2018 the SPWD sent a letter to UNLV proposing a design approach for the entire 220,000 square foot facility. He said construction

could be completed in phases and correlated with donations. Completing the project in phases would allow the entire medical school building to be designed up front and the base bid to be awarded. He said certain alternates could also be awarded as additional funding was received. Mr. Chimits said the process would create some flexibility in funding the project and allow construction to proceed.

David Frommer, Executive Director of Planning and Construction, UNLV, introduced Scott Roberts, President of the UNLV Foundation. Mr. Frommer reiterated that UNLV and SPWD recently met to collaborate on the communication and project management plan to ensure the individual needs and management responsibilities of the SPWD and UNLV were sufficiently met. He said great progress was made at the meeting, and documentation concerning the outcome was being drafted.

Scott Roberts, President, UNLV Foundation, said fundraising continued for the UNLV Medical School Building project. He said it was not uncommon for fundraising efforts to slow down during University Presidential transitions. He explained that donors sometimes took time to gain clarity on the next steps for the university. Mr. Roberts said UNLV was currently experiencing that slowdown in fundraising; therefore, the timeline for fundraising efforts may be extended beyond what was originally anticipated.

Assemblyman Pickard asked for the total amount of donations to date. Additionally, he asked how the executed withdrawals of some donations would impact the construction schedule.

Mr. Chimits replied that the design and construction schedule had already been established. He said the SPWD would be willing to move forward with a smaller amount of funds using a phased design approach for the project.

Mr. Roberts indicated that the current donor commitment was $25 million for the medical school building project.

Assemblyman Pickard ask if the project could still be completed given the reduction in funding, or if the project would be similar to the situation with Fontainebleau. Mr. Frommer replied that the leadership transition at UNLV and the potential extension of the project timeline created more uncertainty in terms of the timing of fundraising. He said even with the $25 million in donor funds and $25 million in state funds, a significant amount of funding was still required to complete even a phased portion of the project.

Senator Kieckhefer recalled a recent news report in which a UNLV official indicated there was language in the $25 million donation agreement indicating that if a leadership change occurred, the money could potentially be retracted. He asked if such a clause existed, and if there was any threat of the donation being rescinded.

Mr. Roberts replied that $15 million of the $25 million in donor funds had been transferred to the state. He said as of April 10, 2018, the donor had no intention of redacting the gift. The donor was committed to seeing the completion of a medical education building for UNLV. Mr. Roberts said there was no such clause in the agreement for the $25 million anonymous donation. He thought perhaps the clause was referring to future donations.

Senator Kieckhefer asked Mr. Roberts to express the Legislature's appreciation to the donor for their commitment to the state.

Chair Woodhouse said the Committee understood that timing would be an issue considering the circumstances faced by the SPWD and UNLV, but there was also a great need for the UNLV School of Medicine project to proceed. She said the state was counting on the SPWD and UNLV to work hard to ensure continued progress of the project.

Mr. Frommer stated that existing space was available for medical school students and faculty. The medical school was currently operational with 60 students per class. He said the medical school was operating well and supporting the community; however, the new medical education building would allow the school to expand to 120 students per class as well as consolidate and enhance facilities. He said the UNLV Medical School Building project was very important, because it would support the future of the medical school program and its expansion, but the existing medical school was not threatened by the timing of fundraising. Mr. Frommer noted that Dr. Michael Gardner, Vice Dean, was in the audience earlier; however, he was unable to stay for the duration of the meeting.

4. NEVADA SYSTEM OF HIGHER EDUCATION – Biannual report on any additional fees and any additional nonresident tuition fees received by each institution beyond the authorized amounts for the period ending December 31, 2017, pursuant to Senate Bill 545, Section 8, Subsection 2 of the 2017 Legislative Session.

   There was no discussion on this item.

5. STATE PUBLIC CHARTER SCHOOL AUTHORITY – State Public Charter School Authority – Semiannual report on the progress of eliminating the backlog in reviewing charter applications and written correspondence to applicants recommended for denial, conducting required site visits, revising the academic and organizational framework, and completing regulatory enforcement review for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

   Patrick Gavin, Director, State Public Charter School Authority (SPCSA), introduced Jennifer Bauer, Director of Finance and Operations, SPCSA.

   Mr. Gavin said the SPCSA was required to provide a semiannual status report covering the period July 1, 2017, through December 31, 2017, pursuant to the LOI issued by the 2017 money committees. He indicated the SPCSA made substantial progress in a number of areas. Most notably, the agency fully eliminated the backlog

in reviewing charter applications that was reported during the 2017 Legislative Session. Recognizing there were specific statutory requirements in relation to reviewing charter applications as well as a litigation risk to the state, the SPCSA thought it was critical to address the backlog immediately.

Mr. Gavin said the agency also made substantial progress in reducing the backlog of written correspondence to applicants who were recommended for denial. Even if the applicant withdrew their application, the SPCSA provided written feedback concerning deficiencies in the event the applicant reapplied at a later date. Mr. Gavin said he anticipated the remaining backlog would be eliminated by the end of the current period, June 30, 2018.

Mr. Gavin said the SPCSA had made significant progress in remedying the deficiencies previously identified in the agency's financial performance framework. He said the agency worked closely with the NDE on the revisions for R0131-16AP, which was approved by the Legislative Commission in December 2017. The revisions substantially revised the requirements related to financial audits of charter schools. Mr. Gavin noted the SPCSA was also working closely with the NDE and other charter school sponsors to release new audit guidelines and required framework pursuant to the same regulation. He said James Wells, Director, GFO, Mr. Canavero, and himself made appointments to the committee responsible for the auditor selection and approval process in the future. He indicated that the first meeting would be held April 17, 2018.

Mr. Gavin said the SPCSA continued to work with the NDE like all other LEAs in the state. He said the SPCSA was required to implement changes relating to the monitoring of academic performance as a result of ongoing modifications to the State Consolidated Plan under the Every Student Succeeds Act. He said statutory changes during the 2017 Legislative Session related to high school performance, the graduation rate calculation, and the establishment of alternative diplomas. Mr. Gavin said the SPCSA was collaborating with the NDE to revise the high school framework in response to those statutory changes. He noted the modifications to the high school framework was a critical path item to revisions in the SPCSA academic framework.

Mr. Gavin said the SPCSA was also collaborating with the NDE in regard to elements of the required updates to the organizational framework. He noted that the Charter School Audit Guide required auditors to complete a series of questionnaires and transactional testing requirements as part of their monitoring of school compliance with applicable state laws and regulations. Based on feedback from other active charter school sponsors, it was determined by the NDE that the new forms would not be implemented for the upcoming audit season, rather, the forms would take effect in 2019. Mr. Gavin said those changes would require additional revisions to the SPCSA organizational framework over time.

Mr. Gavin said the 2017 Legislature approved four new FTEs for the SPCSA, essentially increasing the size of the agency by one-third. He said the following recruitments had been filled:

- General Counsel (Start date: October 13, 2017)
- Director of Charter School Authorizing (Start date: November 13, 2017)
- Management Analyst 4 (Start date: January 8, 2018)

Mr. Gavin said the Management Analyst 4 was recently offered a compelling opportunity with a non-state agency in Southern Nevada at a substantially higher compensation; therefore, the SPCSA was working on a new recruitment with the Division of Human Resource Management. He said the Management Analyst would work alongside the new Educational Programs Supervisor, who was responsible for overseeing academics. The Management Analyst and Educational Programs Supervisor would work to develop substantial revisions to the site visit protocol to ensure the process was legally defensible. Mr. Gavin indicated that it was unlikely the revisions would be completed by the next reporting period.

Mr. Gavin said as part of the reconfiguration of the school support team, the SPCSA visited 34 of 58 campuses, and a total of 28 charter holders statewide as of February 20, 2018. He noted that the visits were for support purposes only, not for evaluative purposes, which were different and distinct. Mr. Gavin stated that the SPCSA was statutorily unique. For example, as a statewide sponsor, the SPCSA could be sued in the event of a denial of a charter application. He noted that provision did not apply to other active charter school sponsors. Consequently, the SPCSA thought it was important to be very careful in terms of how they rolled out site visits, particularly in evaluative processes, because an error could result in a situation that could add more exposure for the state. Mr. Gavin said the SPCSA wanted to remain cautious to ensure that tax dollars were used wisely.

Chair Woodhouse asked for the timeframe to complete the 24 remaining school visits. Mr. Gavin clarified that the visits were support-related, not evaluative. He anticipated that nearly all support site visits would be complete by the end of the 2017-2018 academic year. However, he noted that the academic year was quickly coming to a close, and schools were not always amenable to visits during end-of-year testing. He said the SPCSA wanted to be sensitive to the needs of the schools.

6. DEPARTMENT OF BUSINESS AND INDUSTRY

a) Division of Industrial Relations – Annual report for the audits conducted by the Workers' Compensation Section for the period ending December 31, 2017, pursuant to NRS 616B.003(4). THE ANNUAL REPORT IS ON FILE IN THE FISCAL ANALYSIS DIVISION AND IS AVAILABLE FOR REVIEW UPON REQUEST.

There was no discussion on this item.

b) Housing Division – One-time report on the status of the implementation of the merger with the Manufactured Housing Division for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

There was no discussion on this item.

c) Taxicab Authority – Semiannual report on the long-term plan for financial sustainability for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

Terry Reynolds, Deputy Director, Department of Business and Industry (B&I), introduced Dale Hansen, Administrative Services Officer, B&I Director's Office; Alan Vance, Administrative Services Officer, B&I Director's Office; and J.D. Decker, Interim Administrator, Taxicab Authority, B&I.

Mr. Reynolds stated that the agency made adjustments and implemented programs to address the budget shortfall for the Taxicab Authority. He said the Taxicab Authority experienced a high of 27,792,000 taxi rides since FY 2015; however, that figure decreased to 18,289,000 taxi rides in FY 2018, a decrease of nearly 10 million. He noted that the Taxicab Authority received 20 cents per trip. Based on the decrease in taxi rides, revenue had declined significantly between FY 2015 and FY 2018. Unfortunately, taxi-related events, such as citations, consumer complaints and enforcement activities, remained the same. For example, 17,740 taxi-related events occurred in FY 2016 and 17,477 in FY 2017. He said the number of taxi-related events in FY 2018 was expected to be similar to FY 2017. Mr. Reynolds said everything remained stable from an enforcement standpoint. Concurrently, the number of registered Transportation Network Company (TNC) drivers exceeded 110,000. He indicated that at any given time, approximately 40,000 to 50,000 TNC drivers were on the streets, which was a significant amount. Based on those circumstances, the Taxicab Authority had to eliminate 15 positions in FY 2018 in addition to the 12 current vacancies. He said only a few of the vacancies would be filled to help balance the budget; however, that placed significant stress on enforcement officers.

Mr. Reynolds reiterated that several modifications and programs were implemented within the Taxicab Authority to address the declining revenue. He said the agency met with the Nevada Transportation Authority (NTA) regarding joint focused operations, which resulted in a memorandum of understanding between the two agencies. He said another area of focus were "gypsy cabs" as well as TNC drivers operating "off app," which were also considered gypsy cabs.

Mr. Reynolds said the business hours of the Taxicab Authority were changed to avoid the need for multiple shifts. The agency's new business hours were from 7:30 a.m. to 4:30 p.m. and closed for lunch, which seemed to be working well. He said the industry had adjusted to the change. Mr. Reynolds said the workload at the Taxicab Authority was adjusted wherever possible. Due to the passage of

A.B. 487 during the 2017 Legislative Session concerning the number of vehicle inspections, Vehicle Inspectors were now assisting with accident investigations, which had been helpful.

Mr. Reynolds said the agency was considering reducing the leased space in its building to save money. The agency was also considering the possibility of using technology improvements to convert some enforcement positions to compliance/audit positions to look at statistics and focus on areas that would be most effective in terms of enforcement. The agency was also considering reducing the number of agency vehicles now that there were less Compliance Enforcement Officers.

Mr. Reynolds said the Taxicab Authority was contemplating the use of a Reserve Officer program for special events. The policy had been drafted and B&I's legal division was reviewing the document to ensure the agency had authority to implement the program. He said several former enforcement officers had expressed interest in the Reserve Officer program. Mr. Reynolds said the program appeared to be a way to supplement the Taxicab Authority and NTA's current forces.

Mr. Reynolds said modifications and new programs were only stopgap measures. The taxi industry and TNCs were changing dramatically and would continue to change over the next four to five years. He said the Taxicab Authority and NTA were trying to conceptualize what the agencies would look like in the future, and what changes were necessary to handle the fluctuations of both the TNC and taxicab industries. He noted the agencies were also considering the possibility of merging into a single agency. Mr. Reynolds said there was much work to be done to manage the challenge of a fluctuating industry. He thought some of the issues would be addressed during the 2019 Legislative Session. In the meantime, the Taxicab Authority was trying to use staff effectively and manage with the resources that were available.

Assemblywoman Carlton asked if the Senior Ride Program was impacted by the agency's shortfall. Mr. Reynolds replied that the Senior Ride Program had not been impacted to date. He said the program was essential to keeping seniors mobile. He said although some senior citizens were utilizing Uber and Lyft, the Taxicab Authority was striving to keep the Senior Ride Program intact.

In answer to a question from Assemblywoman Carlton, Mr. Reynolds replied that Uber, Lyft and other TNCs did not contribute to the Senior Ride Program. He said at times, TNCs offered rides to seniors due to the cost differential. Additionally, some seniors used TNCs in lieu of the Senior Ride Program.

Assemblywoman Carlton recalled a budget cut to the Senior Ride Program a couple years ago due to the downturn in the economy. She asked if the program

funds were being fully expended each year. Mr. Reynolds responded in the affirmative.

Assemblywoman Carlton asked if the demand for the Senior Ride Program exceeded the available funds. J.D. Decker, Interim Administrator, Taxicab Authority, B&I, replied that he did not have the information available but would provide it to the Committee.

Assemblywoman Carlton said she had assisted constituents in finding other methods of transportation, because they could not get a senior ride. She said thankfully, a couple of nonprofit entities provided a similar service. Assemblywoman Carlton said she was concerned about the availability of senior rides, because many seniors had physical limitations requiring the use of walkers or other devices that certain vehicles could not accommodate, which was why she wanted to know how the current budget for the Senior Ride Program compared to the demand.

Mr. Reynolds said the agency shared Assemblywoman Carlton's concerns, which was why the agency strived to keep the Senior Ride Program whole. He said there was a considerable need for transportation in the senior citizen community, and it was unlikely the Taxicab Authority could fully meet that need based on the current budget.

7. DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS – Division of Museums and History - Museum Dedicated Trust Funds – Semiannual report regarding the investment and expenditure of private funds for the period ending December 31, 2017, pursuant to NRS 381.0033(1)(b).

   There was no discussion on this item.

8. DEPARTMENT OF HEALTH AND HUMAN SERVICES
   a) Director's Office – Grants Management Unit – Semiannual report on how tobacco settlement funds were used to expand and establish the Federal Qualified Health Centers (FQHCs) in the state for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

      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 December 31, 2017, pursuant to NRS 439.630(1)(c).
      2) Home and Community-Based Services – Semiannual report on the status of various aspects within the Autism Treatment Assistance Program for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

3) Early Intervention Services – Semiannual report on the status of various aspects within the Early Intervention Services program for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

There was no discussion on these items.

c) Division of Public and Behavioral Health

1) Public Health Preparedness Program – Report identifying its plan to fund the two workforce development positions (letter of intent, 2017 Legislature).

There was no discussion on this item.

2) Status report on the Community Based Living Arrangement (CBLA) homes.

Julie Kotchevar, Administrator, DPBH, DHHS, provided a status report on the corrective actions that were taken for Community Based Living Arrangement (CBLA) homes operated by the DPBH. As the division tried to remediate the inexcusable conditions of the homes, the DPBH provided regular updates to a number of interim committees in an effort to be as transparent as possible about the changes being implemented.

Ms. Kotchevar said the division shut down a number of CBLA homes and opened new homes. To date, Southern Nevada Adult Mental Health Services (SNAMHS) had 111 homes, and Northern Nevada Adult Mental Health Services (NNAMHS) had 28 homes. She said those figures did not account for the number of homes that were shut down and new homes that were opened, but the net difference was approximately 3 or 4 homes. She said the division closed about 28 homes in total and opened additional homes.

Ms. Kotchevar said one of the systemic problems was that CBLA home inspections were handled by the homes' case managers, which did not result in a positive outcome for the condition of the homes, as was evidenced in the audit. She said the Bureau of Health Care Quality and Compliance (HCQC) was now responsible for overseeing inspection of CBLA homes. She said eight positions were reclassified to Health Facility Inspectors, and those positions would be responsible for inspecting the homes. Seven of the eight positions had pending offers of employment, and a background check was pending for the eighth position. Ms. Kotchevar said the division hoped to have all eight candidates hired within the next week or so.

Ms. Kotchevar said the HCQC was also managing the CBLA complaint process. She said the division revised the expectations of case managers, and culture changes were helping them understand their responsibilities to residents. Case managers were responsible for ensuring the health and safety of the residents, and residents should be living in good conditions regardless if the state was paying the costs. Ms. Kotchevar said case

managers had already begun reporting issues to the HCQC, so noticeable outcomes were being seen.

Ms. Kotchevar said the division was nearly finished with the corrective actions, with the final action being the transfer of the responsibility to HCQC. She said the division continued to work with case managers to ensure they understood was what expected of them.

Senator Kieckhefer said he appreciated the swift action taken by the division to rectify the situation. He said the division closed 28 homes and made a number of modifications in a short period of time. Senator Kieckhefer said oftentimes positive things were overshadowed by the negative, and he appreciated the immediate response by the division.

d) Division of Welfare and Supportive Services

1) Temporary Assistance for Needy Families (TANF) – Semiannual report on the agency's progress in meeting TANF Work Participation Rate (WPR) measures for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

Steve Fisher, Administrator, Division of Welfare and Supportive Services (DWSS), DHHS, introduced Naomi Lewis, Deputy Administrator of Program and Field Operations, DWSS, DHHS, and Robert Thompson, Manager of Field Operations, DWSS, DHHS.

Naomi Lewis, Deputy Administrator of Program and Field Operations, DWSS, DHHS, said the division's response to the LOI issued by the 2017 money committees was a continuation of the discussion that took place during the 2017 Legislative Session about the Temporary Assistance for Needy Families (TANF) Work Participation Rate (WPR), including potential sanctions faced from 2007 to the present, as well as the agency's efforts to meet the requirements for the program. Ms. Lewis said the division used a three-pronged approach to resolve the All-Families WPR failure, including improving customer participation; focusing on population and case management; reducing the required rate through caseload reduction credit; and increasing community and workforce connections to work with recipients and their families to provide a better outcome for health and wellness.

Ms. Lewis said there were 705,000 people unique to one of the three programs within the DWSS. She said 26,000 were on TANF, which made it a small program, and 5,700 were mandatory participants in the Work Participation Program. The current unofficial raw participation rate for 2017 was 36.77 percent for the All-Families WPR and 49.10 percent for the two-parent WPR. With regard to case management, the division implemented multiple initiatives, such as tiered case management, additional classes, pre-eligibility orientations and employment retention payments.

Additionally, data analysis identified that more than 50 percent of applicants were first-time applicants and young families, and they had not remained on assistance beyond the first 12-month sit out. Ms. Lewis said the division's efforts were effective in helping individuals earn a General Education Diploma (GED), learn job activities, attend life-skills classes, and overcome family instability or crisis. She said a completed education allowed young families to care for their family. The division also discovered through data analysis that the highest unemployment rate was for individuals between the ages of 20 and 24 years, the same population the division was working with. Although the regular unemployment rate was very low, the unemployment rate for this population was 15.7 percent in Clark County and 13.6 percent in Washoe County. Ms. Lewis said the division also served teen parents between the ages of 16 and 19 years. She said the unemployment rate for that population was approximately 30 percent statewide, making it the highest unemployment population.

Ms. Lewis said the division was utilizing the caseload reduction credit to address WPR measures. She said the division submitted its 2017 financial reports in December 2017. In the reports, the agency conveyed an excess maintenance of effort (MOE) of $35 million, which equated to a reduction in the All-Families WPR by approximately 22 percent. The division's original target was 50 percent; however, by reducing the All-Families WPR, the division's target rate was now approximately 27.4 percent for 2018. Ms. Lewis noted that the division's unofficial raw participation rate was 36.77 percent in 2017 so DWSS was on target.

Ms. Lewis said MOE in-kind support could be obtained from any entity in the state that supported the same population as DWSS, and for the same purpose. She said the division was able to collect MOE in-kind support through Nevada 211, Family Preservation Program, Autism Treatment Assistance Program, Family Resource Centers, DETR Career Enhancement Program, Respite Program, Child Care Program and the Universal Energy Credit Program. She indicated it would be a constant and real duty for the agency to continue to gather the information and funds.

Ms. Lewis said DWSS was collaborating with Western Nevada College, Truckee Meadows Community College, Workforce Connections, Catholic Charities, Clark County School District and many others to build networks of support for the population served by the division. She said economic improvement in the state resulted in uneven changes in the division's caseloads. For example, the caseload decrease was 28 percent in Clark County, 41 percent in the rural areas, and 68 percent in Washoe County. Consequently, the division needed to increase its efforts in developing support networks in Clark County.

Ms. Lewis said the federal Administration of Children and Families (ACF) recently provided the division with onsite technical assistance. She said the ACF was pleased with the program that Nevada created; therefore, the division was confident it was moving in a positive direction for TANF.

Assemblywoman Bustamante Adams noted the large disparity between unemployment in Northern and Southern Nevada. She asked if the division had established written strategies to increase efforts in Clark County to provide livable wages for young families. Ms. Lewis replied that conversations were occurring as support networks were being built. For example, the division was a participant in the efforts outlined in A.B. 354 (2017 Legislature). She said DWSS was assessing the data and identifying the baseline further to target initiatives as potential solutions. Ms. Lewis said that was one of many of the division's efforts to target change.

2) Welfare Field Services – Semiannual report on the average wait times of clients at its district offices and any action that may have been taken for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

There was no discussion on this item.

3) Annual report concerning the FY 2017 evaluation of programs of energy assistance required pursuant to NRS 702.280(2)c.

There was no discussion on this item.

9. DEPARTMENT OF CORRECTIONS

a) Semiannual report on the agency's statistical data related to the implementation of body and stationary cameras for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

There was no discussion on this item.

b) Quarterly report on department-wide overtime for the period ending December 31, 2017, as requested during the August 24, 2017, meeting of the Interim Finance Committee.

This item was discussed in conjunction with Agenda Item D. Refer to testimony under Agenda Item D.

10. DEPARTMENT OF MOTOR VEHICLES – System Modernization – Semiannual report on the status of the system modernization project for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

Terri Albertson, Director, Department of Motor Vehicles (DMV), provided a semiannual status report of the system modernization project. She said the report

was submitted to the Committee for review; however, significant changes relating to the system modernization project had occurred since the reporting period ending December 31, 2017.

Ms. Albertson said the department entered into a contract with Tech Mahindra on April 12, 2016, for a system modernization effort. An internal audit of the project was initiated by the DMV on March 27, 2018, by the Governor's Finance Office, Division of Internal Audits, with a focus on contract compliance. The audit was completed in August 2017 and included one recommendation to improve project management effectiveness. The audit identified weaknesses on the part of the vendor and the DMV's Project Management Office. Ms. Albertson said the DMV proposed eight corrective action items, which were fully implemented by December 31, 2017. She said the contract with Tech Mahindra was amended on December 19, 2017, to include a detailed project plan, one of the key elements that was previously missing. Additionally, the DMV engaged the services of Gartner Consulting in November 2017 to complete an independent health assessment of the project, which was completed on January 29, 2018.

Ms. Albertson said the audit findings from the Division of Internal Audits was originally scheduled to be heard by the Executive Branch Audit Committee (EBAC) on October 11, 2017, but the meeting was cancelled. The audit findings were subsequently heard at the EBAC meeting on January 16, 2018. She indicated that the delay provided a five-month period for the vendor and department to implement corrective measures and improve project management effectiveness.

Ms. Albertson said she requested an update on the progress of the project plan task and issues log on January 19, 2018. She stated that numerous tasks were late or had not been started. Additionally, numerous issues were listed that had been addressed repeatedly with the vendor but were still unresolved. On January 23, 2018, the department issued a 60-day notice to terminate the contract with Tech Mahinda effective March 23, 2018.

Continuing, Ms. Albertson said based on the health assessment report conducted by Gartner Consulting, the department was taking a 120-day pause to reassess and reevaluate the path forward. During that time, the department was working to restructure the DMV Project Management Office to mirror the staffing of the SMART 21 Project, which was comprised of state employees, not contractors. Ms. Albertson said the department was evaluating a transfer solution with the Arizona Motor Vehicles Department, potentially bring the project in-house, or beginning the process of procuring a new vendor. Gartner Consulting was working with a Business Process Analyst to revise and validate current requirements. In addition, Gartner Consulting would assist the DMV in establishing core project management disciplines, processes, tools and templates; establishing project governance; and developing a project charter focusing on expected business benefits. Given recent contract approval by the BOE, the work would begin April 13, 2018, and was expected to be complete by June 30, 2018.

Ms. Albertson said the department did not intend to request additional funding authority for the system modernization project, regardless of the path forward. Moreover, the DMV aspired to complete the project under budget by 2020. She asked the Committee to respect the fact that the department was taking 120 days to reassess and reevaluate the process forward. The department intended to come before the Committee in June 2018 to request that the funds be balanced forward to FY 2019. At that time, she hoped to provide the Committee with additional updates regarding the progress to date.

There was no further discussion on this item.

11. DEPARTMENT OF PUBLIC SAFETY
    a) ***Director's Office*** – Initial report regarding the operations and effectiveness of the Nevada Office of Cyber Defense for the period ending December 31, 2017 (letter of intent, 2017 Legislature). **REVISED 3-15-18**.

    Assemblywoman Bustamante Adams noted that UNLV and North Las Vegas were not included on the outline of activity provided by the Office of Cyber Defense Coordination (page 179, Exhibit D). She asked if those entities were included, but not listed in the documentation.

    Shaun Rahmeyer, Administrator, Office of Cyber Defense Coordination (OCDC), DPS, said it was important to note that the report only represented a period of approximately 70 days in 2017. He said a number of additional efforts were made outside of that time period. Mr. Rahmeyer said he had traveled to Las Vegas several times since January 2018 to meet with other entities. Particularly, the OCDC was working closely with the Chief Information Security Officer in Clark County and the Registrar of Voters due to the upcoming midterm elections. He indicated he was focused on the Las Vegas area; however, it was not included in the update that was provided to the Committee. Mr. Rahmeyer said he became the Administrator of the OCDC on October 23, 2017, and spent the majority of the time establishing the office and developing the strategic plan. He said while some outreach efforts occurred during that time, the update for the next reporting period would demonstrate extensive outreach in the Las Vegas area.

    In response to a question from Assemblywoman Bustamante Adams, Mr. Rahmeyer said he would provide a link to the strategic plan to the Committee.

    Assemblywoman Bustamante Adams recalled a cybersecurity committee within the Office of the Attorney General. She asked if that committee still existed, and if it remained separate from the OCDC. Mr. Rahmeyer replied that the Technological Crime Advisory Board still existed; however, its primary focus was cybercrimes. He said the OCDC focused on cyber security, strategy, policy and coordination within the Executive Branch and political subdivisions at the county and local levels, as well as tribal government and the private sector.

b) Division of Parole and Probation
   1) Quarterly report on the status of the agency's pre-sentence investigations backlog for the period ending December 31, 2017 (letter of intent, 2017 Legislature).
   2) Semiannual report on programs implemented to reduce the number of inmates housed in Nevada's correctional facilities and institutions that have been paroled, but have not been released due to non-viable housing plans for the period ending December 31, 2017 (letter of intent, 2017 Legislature).
   3) Semiannual report regarding the implementation and operations of the Day Reporting Centers (DRC) to provide high-risk offenders with rehabilitative services for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

There was no discussion on these items.

12. DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
   a) Off-Highway Vehicles Commission – Notice to increase one part-time equivalent position to a full-time equivalent position (FTE) due to an increased visibility and success of the program. **RELATES TO AGENDA ITEM E. 112**

      There was no discussion on this item.

   b) Forestry Division – Semiannual report regarding its review and evaluation of select operational processes and programs for the period ending December 31, 2017 (letter of intent, 2017 Legislature). **RELATES TO ITEM G.**

      This item was discussed in conjunction with Agenda Item G. Refer to testimony under Agenda Item G.

   c) Division of Environmental Protection
      1) Bureau of Air Quality Planning – Semiannual report on the status of the Volkswagen Settlement and the Mitigation Fund for the period ending December 31, 2017 (letter of intent, 2017 Legislature). THE SEMIANNUAL REPORT IS ON FILE IN THE FISCAL ANALYSIS DIVISION AND IS AVAILABLE FOR REVIEW UPON REQUEST. **RELATES TO ITEMS E.1 and 2**.

         Agenda Items E-1, E-2 and L-12 c(1) were discussed together. Refer to testimony and motion to approve under Agenda Item E-2.

      2) Waste Management and Corrective Action – Follow-up response regarding the Anaconda Copper Mine Site as requested during the February 8, 2018, meeting of the Interim Finance Committee. THE REPORT IS ON FILE IN THE FISCAL ANALYSIS DIVISION AND IS AVAILABLE FOR REVIEW UPON REQUEST.

         There was no discussion on this item.

13. 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 December 31, 2017, pursuant to NRS 501.3585.

    There was no discussion on this item.

14. TAHOE REGIONAL PLANNING AGENCY – Annual report of audited expenditures and progress achieving performance measures and benchmarks for the period ending December 31, 2017, pursuant to NRS 277.220(2). THE ANNUAL REPORT IS ON FILE IN THE FISCAL ANALYSIS DIVISION AND IS AVAILABLE FOR REVIEW UPON REQUEST.

    There was no discussion on this item.

15. SILVER STATE HEALTH INSURANCE EXCHANGE – Semiannual report on how applicable new or modified federal laws would impact its operations for the period ending December 31, 2017 (letter of intent, 2017 Legislature).

    There was no discussion on this item.

16. CLARK COUNTY SCHOOL DISTRICT – Semiannual progress report which describes each expenditure incurred for a human resource management information system for the period ending December 31, 2017, pursuant to Senate Bill 550, Section 2, subsection 2(a) (2017 Legislature).

    There was no discussion on this item.

17. LEGISLATIVE AUDITOR – Six-month reports on agencies' implementation of recommendations made by the Legislative Auditor pursuant to NRS 218G.270.
    a) Department of Administration – Division of Human Resource Management
    b) Nevada Department of Education
    c) Department of Business and Industry – Division of Mortgage Lending
    d) Department of Health and Human Services
    1) Aging and Disability Services
    2) Division of Child and Family Services
    e) Department of Motor Vehicles
    f) Department of Public Safety
    1) Division of Parole and Probation
    2) Investigation Division
    g) Nevada Department of Wildlife
    1) October 8, 2016 report
    2) January 18, 2017 report
    h) Office of Military
    i) Silver State Health Insurance Exchange
    j) Nevada State Board of Dental Examiners

There was no discussion on these items.

18. Reports on the use of consultants for the June 30, 2017, through December 31, 2017, reporting period:
    a) Reports from school districts pursuant to NRS 391.155.
    b) Reports from boards and commissions pursuant to NRS 333.705(7).
    c) Reports from the Nevada System of Higher Education, pursuant to NRS 333.705(7)

There was no discussion on these items.

M. PUBLIC COMMENT.

There was no public comment.

N. ADJOURNMENT.

Chair Woodhouse adjourned the meeting at 4:14 p.m.

_____
Senator Joyce Woodhouse, Chair
Interim Finance Committee

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