MINUTES OF THE OCTOBER 24, 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 9:40 a.m. on October 24, 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 Moises Denis
Senator Pete Goicoechea
Senator Ben Kieckhefer
Senator David Parks
Senator Julia Ratti for Senator Aaron Ford
Senator James Settelmeyer
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Irene Bustamante Adams
Assemblywoman Olivia Diaz
Assemblyman Chris Edwards
Assemblyman Jason Frierson
Assemblyman Al Kramer
Assemblywoman Daniele Monroe-Moreno for Assemblyman Araujo
Assemblywoman Ellen Spiegel
Assemblyman Michael Sprinkle
Assemblywoman Heidi Swank
Assemblywoman Robin Titus
Assemblyman Jim Wheeler for Assemblyman Oscarson

COMMITTEE MEMBERS EXCUSED:
Senator Aaron Ford
Assemblyman Nelson Araujo
Assemblyman John Hambrick
Assemblyman James Oscarson

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:
Rick Combs, Director, Legislative Counsel Bureau
Mark Krmpotic, Fiscal Analyst, Senate
Cindy Jones, Fiscal Analyst, Assembly
Sarah Coffman, Principal Deputy Fiscal Analyst
Alex Haartz, 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

A. ROLL CALL.

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

B. PUBLIC COMMENT.

Bill Stanley said he represented Southern Nevada apprenticeship programs on behalf of the Southern Nevada Building Trades Unions (SNBTU). Mr. Stanley provided testimony concerning Agenda Item E-2, which was a request to transfer $291,358 from the Department of Employment, Training and Rehabilitation (DETR) to the Office of Workforce Innovation (OWINN) for the Technical Readiness and Apprenticeship Program. He said, for a very long time, the Technical Readiness and Apprenticeship grant funds were administered by DETR to the Division of Workforce and Economic Development at the College of Southern Nevada (CSN) as well as Truckee Meadows Community College (TMCC) in Northern Nevada. The funds were subsequently transferred to registered apprenticeship programs throughout the state. Mr. Stanley said the Technical Readiness and Apprenticeship grant funds were vital to the apprenticeship programs as well as the community colleges. Depriving the community colleges of the funds could be detrimental to the Technical Readiness and Apprenticeship Program. The building trades and apprenticeship programs found that concerning, because the community colleges administered the memorandum of understanding that allowed apprentices to be dual enrolled in an apprenticeship program and community college for credit toward an Associate in Applied Science Degree.

Mr. Stanley said SNBTU was leery about allowing one agency, OWINN, to house all the apprenticeship funding in the state. He said he represented more than 20 apprenticeship programs that depended on the funding. He said, to his knowledge, OWINN did not hold any stakeholder meetings to explain the purpose of the funds transfer, which he found concerning.

Jack Grade, Joint Apprenticeship and Training Committee (JATC) Coordinator for Bricklayers and Allied Craftworkers, said apprenticeship was vital to many underprivileged and impoverished people. The Technical Readiness and Apprenticeship grant funds gave apprentices a sense of empowerment by providing careers they would not have otherwise. Mr. Grade and the apprentices he represented were opposed to the transfer of funds to OWINN, because approximately 60 percent of those funds were meant for apprenticeship training. In years past, the apprenticeship programs received funding in early August, but the programs had not received the funds to date in 2018. Consequently, the apprenticeship programs did not have adequate funds to support their

programs. Due to the lack of notification and stakeholder meetings, Mr. Grade found the transfer highly suspect. He was hopeful the Committee would help resolve the matter.

C. APPROVAL OF MINUTES OF THE JUNE 20, 2018, MEETING.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE MINUTES OF THE JUNE 20, 2018, MEETING.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

D. APPROVAL OF MINUTES OF THE AUGUST 16, 2018, MEETING.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE MINUTES OF THE AUGUST 16, 2018, MEETING.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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-8, Department of Administration, Division of Human Resource Management; E-24, Department of Health and Human Services (DHHS), Division of Child and Family Services (DCFS); E-33, Department of Motor Vehicles (DMV), Field Services Division; E-44, Nevada Department of Transportation (NDOT); E-47 and E-48, Department of Conservation and Natural Resources (DCNR), Division of Forestry; and Position Reclassifications for the Department of Administration, State Library, Archives and Records, Position Number 0003; and DETR, Position Number 0015.

Agenda Item E-17, DHHS, Division of Public and Behavioral Health (DPBH), was withdrawn.

The following items involved the allocation of block grant funds, which required a public hearing: Agenda Items E-26, DHHS, DCFS; E-27, DHHS, DCFS; E-28, DHHS, Director's Office; and E-29, DHHS, DCFS.

Assemblywoman Carlton and Assemblywoman Titus requested further testimony on Agenda Item E-2, Office of the Governor, OWINN.

Assemblyman Kramer requested further testimony on Agenda Item E-13, DHHS, Director's Office.

Assemblywoman Titus requested further testimony on Agenda Items E-14, DHHS, Division of Health Care Financing and Policy (DHCFP); E-19, DHHS, DPBH; E-35, DCNR, Natural Heritage; and E-38, DCNR, Division of Environmental Protection.

Senator Kieckhefer requested further testimony on Agenda Item E-20, DHHS, DPBH.

ASSEMBLYMAN FRIERSON MOVED TO APPROVE THE REMAINING WORK PROGRAM REVISIONS AND POSITION RECLASSIFICATIONS.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

1. **Office of the Governor - Office of Science, Innovation and Technology – FY 2019 -** Addition of $100,350 in William N. Pennington Foundation grant funds to provide subgrant awards to fund robotics programs in nine Northern Nevada school districts. Requires Interim Finance approval since the amount added to the Pennington Science, Technology, Engineering and Mathematics grant category exceeds $75,000. **Work Program #C44054**

   Refer to motion for approval under Agenda Item E.

2. **Office of the Governor - Office of Workforce Innovation - FY 2019 -** Addition of $291,358 in Technical Readiness and Apprenticeship in Nevada grant funds transferred from the Department of Employment, Training and Rehabilitation to fund apprenticeship programs throughout the state. Requires Interim Finance approval since the amount added to the Technical Readiness and Apprenticeship in Nevada grant category exceeds $75,000. **RELATES TO AGENDA ITEM E. 30**. **Work Program #C45295**

   Dennis Perea, Deputy Director, DETR, noted that Manny Lamarre, Executive Director, OWINN, was delayed. In response to Mr. Stanley's comments, he said DETR originally had a third work program that encompassed the money for the apprenticeship programs at the community colleges, but that work program was postponed until the December 2018 IFC meeting.

   Mr. Perea said Work Program #C45295 was a planning grant to fund the Technical Readiness and Apprenticeship Nevada (TRAIN) program. He explained that the USA Expansion grant was a discretionary grant through the U.S. Department of Labor (DOL), and none of the funds would be transferred to the apprenticeship programs at the community colleges. Mr. Perea said discretionary grants such as the USA Expansion grant were centered on policy, not service delivery. From DETR's standpoint, policy grants needed to be managed by OWINN, and DETR worked closely with OWINN on those grants.

Assemblywoman Titus thanked Mr. Perea for his explanation, because she was concerned that the apprenticeship programs would not receive funding. She asked for a breakdown of policy-related expenditures compared to service delivery expenditures.

Mr. Perea said he would provide that information to the Committee. He said funds from a variety of sources were contributed to the programs, so DETR would provide that information as well.

Mr. Perea provided background information on the community college apprenticeship program (CCAP). He said DETR and the community colleges were discussing how to standardize the program. The CCAP was originally a Department of Education (NDE) program funded by the General Fund during the recession. The program was subsequently transferred to DETR and became federally funded; however, the CCAP was unstructured and all four community colleges administered the program differently, which was concerning for DETR. Mr. Perea explained that Senator Debbie Smith's vision for the CCAP was for apprentices to receive college credit while going through an apprenticeship program and become well-rounded through the community college system. However, that was not always the case, because some community colleges did not provide college credit to apprentices. Thus, the CCAP needed to be standardized to honor the original intent.

Mr. Perea did not think the funds for the apprenticeship programs would be transferred to OWINN until December 2018. He said the service delivery grants were meant to tie the apprenticeship council and workforce system together. He said the purpose of moving the TRAIN program to OWINN was to provide better support to apprenticeships through the workforce system.

Assemblywoman Carlton said, historically, the apprenticeship programs received funding by late summer; however, the funds would not be disbursed until December this year. Consequently, the future livelihood of apprentices was impacted. She asked for an explanation concerning the delay in funding for the apprenticeship programs.

Mr. Perea thought the work program was delayed until December for technical reasons.

In response to a comment from Assemblywoman Carlton, Mr. Perea confirmed that the apprenticeship programs typically began in August. He said DETR, OWINN and the community colleges were working together to standardize the CCAP, which delayed the roll out of the program in program year 2018.

Assemblywoman Carlton noted that there was an apprenticeship program on the edge of her district. By the time apprentices finished the program, they had an Associate in Applied Science Degree. Currently, that program could not accept new students due to the funding delay. She recalled that during the 2017 Legislative Session there were concerns about prospective changes to apprenticeships, and whether those changes would hinder apprentices from gaining employment. She

said, delaying the apprenticeship funding until December caused the programs to be delayed as well, which was cause for concern.

Mr. Perea replied that the intent was to roll out the standardized program quickly, but it had to be correct, and it had to honor the original intent of the program. He apologized for DETR's role in the delay.

Assemblywoman Carlton said the Committee was told that the funds in Work Program #C45295 were not intended for the CCAP. She asked how the funds were utilized prior to the establishment of OWINN, if they were not meant for the apprenticeship programs. She said she did not want OWINN utilizing dollars that could help people get jobs.

Manny Lamarre, Executive Director, OWINN, apologized for his lateness. He explained that he was attending a sector council meeting of the Governor's Workforce Development Board.

Mr. Lamarre clarified that OWINN was not taking funds away from the apprenticeship programs at the community colleges. He said the CCAP was being restructured so that outcomes could be determined and to ensure that apprentices received support.

Assemblywoman Bustamante Adams said the intent of the 2017 Legislature was for OWINN to be a point guard to help coordinate apprenticeships. She said she appreciated DETR's work with the community colleges, especially CSN. Assemblywoman Bustamante Adams said it was important for the CCAP to be structured correctly so that detailed outcomes could be provided to the Legislature. She noted that the Legislative Commission's Sunset Subcommittee also analyzed how the funds were being used. She sought assurance that apprentices were receiving dual credit; that funds meant to support apprenticeship programs were not being used for other purposes; and that the grant funds in the work program would be used to restructure the CCAP so outcomes could be determined. She wanted to understand OWINN's intent in order to make an informed decision.

Mr. Lamarre replied that it had been difficult to determine the outcome of the USA Expansion grant funds in the past, but that would be resolved by providing more structure to the program. He said apprentices would continue to receive dual credit. In fact, by adding more structure to the program, OWINN would be able to determine exactly how many apprentices received dual credit as a result of the grant funds.

Assemblywoman Bustamante Adams said the trades seemed to be unaware of the funding transfer in the work program. She asked if the transfer was discussed in an open forum. She also asked how well OWINN, DETR and the trade organizations communicated with one another.

Mr. Lamarre replied that the memorandum of understanding with the trade organizations was through the community colleges. OWINN had been communicating with the community colleges since May 2018. In July 2018, OWINN sent an e-mail to representatives of the community colleges alerting them to the

delay in apprenticeship funding. OWINN received notice in September 2018 that some of the trades were unaware of the funding delay. Mr. Lamarre said he had not been contacted by Mr. Stanley, but he did have meetings with a number of other individuals who had reached out to OWINN directly. The individuals he spoke with expressed two specific concerns, the first of which was the late communication regarding the delay in apprenticeship program funding. Mr. Lamarre reiterated that the information was communicated to the community colleges in July; however, the community colleges were unable to communicate the information to their apprenticeship partners. Thus, OWINN would communicate directly with the trade organizations in the future.

Mr. Lamarre said the second concern related to employers' participation in the program. He said employers could report training outcomes using tools such as dispatch forms. That information was communicated by OWINN to the community colleges, and a follow-up memo was sent to trade organization representatives. Mr. Lamarre said he also had a discussion with CSN concerning communication between the college and the trades.

Mr. Lamarre said OWINN provided an extension to allow the trade organizations adequate time to submit an application for the TRAIN grants. He noted that OWINN was managing the application for the trade organizations, thereby removing the workload from the community colleges.

Assemblywoman Benitez-Thompson said it was her understanding that OWINN was requesting expenditure authority for $291,358 of the $968,595 TRAIN grant award. Mr. Lamarre confirmed that was correct.

Assemblywoman Benitez-Thompson asked if OWINN would provide a funding map for the balance of the grant funds. Mr. Lamarre replied that the grant application process required OWINN to provide a comprehensive plan for the entire grant award. He clarified that $291,358 was just for FY 2019 to begin work on the project.

Assemblywoman Benitez-Thompson said it appeared that $291,358 would go into the Operating category for the TRAIN program. She asked for a more detailed explanation of how the funds would be utilized.

Mr. Lamarre replied that the grant funds would be used for three core components, the first of which was to expand youth apprenticeship opportunities in the state. He noted that workforce participation rates in Nevada for ages 16 to 24 declined in 2017 by 10 percentage points. He said one of the biggest challenges was helping young people become employed. Mr. Lamarre said OWINN would begin by hiring staff to focus on expanding youth apprenticeship opportunities in Nevada.

Mr. Lamarre said the second core component would be working with the Nevada System of Higher Education (NSHE) to support the work of apprenticeship statewide through the support of work-based learning initiatives and programs. Finally, the third component centered on employer outreach and incentives, because many

people were still unaware of the great opportunities within the apprenticeship programs.

Mr. Lamarre noted that roundtables were established to help OWINN learn from best practices.

Assemblywoman Benitez-Thompson said the information conveyed by Mr. Lamarre provided clarity for the Committee. She said it appeared that the largest portion of the funds would be used to obtain the services of a research firm rather than operating costs, people and programs, which would be a more effective use of funds. She thought obtaining the services of a research firm in one fiscal year might be helpful, but it did not make sense to have a disproportionate amount of funds dedicated to the services of a research firm.

Assemblywoman Carlton said she was thankful for the detailed explanation concerning the use of the grant funds; however, she had concerns about approving the planning portion of the grant without reviewing the service delivery portion at the same time. She thought it was important to review both pieces simultaneously to ensure that all the issues expressed by the Committee were addressed. Additionally, reviewing both items at the same time would allow the Committee to ensure that all the components were as discussed when OWINN was established.

Mr. Perea said Agenda Item E-3 was unrelated to the apprenticeship program. He explained that Work Program #C45312 involved a federal grant for occupational licensure. He said the grant was developed in conjunction with LCB staff and the Governor's Office for the continuation of the review and reform program for state occupational licensing.

Assemblywoman Carlton clarified that she was not proposing to defer Agenda Item E-3; she was strictly referring to Agenda Item E-2.

Mr. Lamarre said, although the expiration date for round two of the TRAIN grant was extended by the DOL, delaying approval of the work program would make it difficult to expend the funds entirely prior to the expiration date, because the agency was already behind schedule. Consequently, the grant dollars would revert to the federal government.

In response to a question from Assemblywoman Carlton, Mr. Lamarre replied that Workforce Innovation and Opportunity Act (WIOA) dollars could be rolled over, but Work Program #C45295 related to the TRAIN grant, and those funds could not be rolled over. Assemblywoman Carlton noted that the TRAIN grant was a three-year grant that provided $161,000 in FY 2019, $144,000 in FY 2020, and $144,000 in FY 2021.

Assemblywoman Carlton said the state did not want to lose grant funds, but she thought it was unfair to ask the Committee to make a decision on something without all of the necessary information. She said the Committee needed to see all of the

pieces together to understand exactly how the programs were being managed jointly by OWINN, especially because OWINN was a newly established office.

Senator Denis asked if the state would lose grant funds if the work program was deferred until December 2018.

Mr. Lamarre said he was quite certain the state would lose grant funds if the work program was deferred. He said that, technically, OWINN was almost a year behind in expending the grant funds. Based on the comprehensive plan provided to the DOL, it was unlikely OWINN would be able to spend the funds prior to their expiration date. He said the project required three years to complete, but would be reduced to two or two and a half years.

Senator Denis asked how much money the state would lose if the funds were not spent before the expiration date. Mr. Lamarre said he was unable to provide an exact figure, but he offered to provide the Committee with a projected amount. He said OWINN received the grant award in June 2018, and if the work program was not approved until December 2018, it would take until January or February 2019 before work could begin. He said there would be a period of approximately seven or eight months during the three-year grant period when funds could not be expended. Consequently, the state would lose a significant amount of grant funds if they were not spent by the expiration date.

In answer to a question from Senator Denis, Mr. Lamarre replied that the round one grant funds were extended from April 2019 to October 2020.

Assemblyman Frierson remarked that the Committee understood that the issue raised by Mr. Stanley was separate from Agenda Item E-2. He thought it seemed like programming was being put before the actual program, and people wanted the focus to be on the program itself. He thought many of the Committee's questions derived from the fact that funding for the apprenticeship programs was being delayed until December 2018.

Assemblyman Frierson recalled that Mr. Lamarre indicated that OWINN was behind schedule. He asked exactly what tasks were behind schedule, and why the agency was a year behind.

Mr. Lamarre said OWINN received the grant award letter from the DOL in June 2018 regarding the extension, but the agency was unable to submit the work program in time for the August 2018 IFC meeting. He explained that OWINN had to receive IFC approval and begin the contracting process prior to expending the grants funds. He said there were approximately eight months between receipt of the award letter and completion of the contracting process when the agency would be at a standstill, which would delay the project.

Assemblyman Frierson thought perhaps two different grants were being discussed. He asked which grant was behind schedule.

Mr. Lamarre said the work program that would be discussed at the December 2018 IFC meeting pertained to WIOA Governor's Reserve grant funds for the apprenticeship programs at the community colleges. In regard to Agenda Item E-2, he said the agency was behind schedule on the scope of work that was outlined in the TRAIN grant application. The scope of work included tasks such as hiring contract staff, performing outreach at the schools, and working with the community, employers and associations to establish youth apprenticeship pipelines.

Chair Woodhouse halted discussion of Agenda Item E-2 at 10:41 a.m. Discussion of Agenda Item E-2 resumed at 1:13 p.m.

Assemblyman Edwards said it sounded as though the agency must utilize year one funds in the applicable fiscal year or the funds would be lost. Consequently, OWINN would have to rely on year two funds to begin work on the project.

Mr. Lamarre said that was correct. He said the grant was a policy and planning grant in the amount of $968,595, a portion of which the agency was requesting for FY 2019. He said OWINN would return at a later date to request additional funding authority. Mr. Lamarre said, postponing approval of the work program would cause a significant delay to the project scope that the agency provided to the federal government concerning performance measures.

Assemblyman Edwards asked if the agency's ability to secure grant funds in the future would be negatively impacted if the project timeline was delayed.

Mr. Lamarre confirmed that was correct. He said performance measures were tied to the second round of the TRAIN grant. The agency would be unable to meet some of those performance measures if the timeline was delayed.

Assemblywoman Benitez-Thompson asked for a breakdown of expenditures for the $291,358. Mr. Lamarre replied that OWINN submitted a comprehensive plan divided into two phases with the application for the round two grant funds. He said he would provide the Committee with a copy of the plan.

Assemblywoman Benitez-Thompson asked if the $291,358 had to be spent by December 31, 2018. Mr. Lamarre said the $291,358 did not have to be spent by December. He clarified that the total grant amount of $968,595 had to be utilized by October 2020. He said OWINN broke down the grant funds by fiscal year and was only requesting expenditure authority for the FY 2019 portion. The balance of the funds remained in the agency request budget.

Mr. Lamarre noted that it was unlikely OWINN would be provided another extension for the portion of the round two TRAIN grant that focused on youth apprenticeships.

Senator Ratti asked the agency to clarify the actual scope of work. She wanted to know the exact items involved in the implementation of the project, the specific goal of the project, and which tasks the agency was concerned would not be completed by the end of FY 2019.

Mr. Lamarre said the following tasks would be impacted if the work program was delayed until December 2018: 1) the hiring of staff to coordinate with K-12, NSHE, and industry and labor to create high school apprenticeship programs; 2) coordination with NSHE regarding dual credit programs and the development of program standards for apprenticeships; 3) outreach events directed at high school students and other young adults; and 4) outreach to employers and other apprenticeship programs.

Assemblywoman Spiegel asked for clarification regarding why the project was delayed by a year. She asked why the initiatives did not begin as soon as possible during the first year of the three-year grant.

Mr. Lamarre replied that although the grant award was received in June 2018, the IFC process delayed implementation of the project. If the work program was deferred until December, the project would be behind schedule by a year or more.

In answer to a question from Assemblywoman Spiegel, Mr. Lamarre replied that there were seven months between the time the award letter was received until the December 2018 IFC meeting; however, some of the tasks that were scheduled to begin in February or March 2019 would have to be postponed if staff was not hired by that time, which would delay the overall project by approximately one year.

Assemblywoman Spiegel said as she understood it, the project was only seven months behind schedule. She thought that implying the project would be delayed by a year made the situation sound dire.

Mr. Lamarre said, if the work program was deferred until December, the project would be delayed by about nine months, because tasks would not begin immediately upon the Committee's approval. He said the situation was dire, because the funds could not be rolled over, thus the state would lose a significant amount of money.

Assemblywoman Spiegel asked exactly how much money the state would lose. Mr. Lamarre said he could not provide a specific dollar amount, because the entirety of the grant was for three years. He said he would have to review all of the activities and allocate a percentage for each month to provide an estimate.

In answer to a question from Assemblywoman Spiegel, Mr. Lamarre reiterated that he could not provide a specific dollar amount that the state was at risk of losing. He said the state would lose funding as it related to the discretionary grant. He said OWINN provided a project plan for a three-year period, which was the entirety of the

grant. For every percentage of time that OWINN did not spend on the grant, those were funds the state would not be able to utilize going forward.

Assemblywoman Carlton noted that the actual effective date of the extension was May 3, 2018. She asked if the project scope could be amended since it pertained to only a small portion of the total grant funds.

Mr. Perea replied that, generally speaking, project scopes could be amended; however, the project had already been amended once, and each successive amendment was less likely to be approved. Additionally, it could take 60 to 90 days to receive approval.

Mr. Lamarre said, because rounds one and two of the TRAIN grant were combined by the DOL, OWINN was still under the current performance measures that had to be reported on a quarterly basis. He said any delay in the project timeline would impact the agency's performance measures.

Assemblywoman Carlton remarked that the first action item on the Grant Modification/Notice of Award from the DOL was to extend the period of performance from April 30, 2019, to October 31, 2020 (page 240, Exhibit A). She was unsure why deferring the work program by two months would cause a serious delay in the project. She remarked that the grant award was received in May, but the work program did not come before the Committee until October, which was a longer timeframe than indicated. Assemblywoman Carlton said she wanted the Committee to review the details of the TRAIN program and apprenticeships as a whole. She recalled that concerns were expressed during the 2017 Legislative Session regarding the establishment of OWINN, thus the Committee wanted to be kept up-to-date on the agency's progress.

Mr. Lamarre reiterated that he could provide the Committee with the comprehensive plan that was developed for the grant application. He said he could also discuss the specific details of the grant. Given that the TRAIN grant was a policy and planning grant, it required OWINN to hire staff for youth apprenticeship; work with NSHE on the apprenticeship programs; develop employer incentives; and perform outreach activities to connect young adults to apprenticeships. Additionally, the agency was required to conduct a policy evaluation of apprenticeship systems. Mr. Lamarre said the overall objective of the grant was to expand opportunities for youth apprenticeships and support the infrastructure of apprenticeship in the state.

Assemblywoman Carlton clarified that when she spoke of apprenticeships as a whole, she was referring to every program within the state involving apprenticeships. She said it was important to ensure there was still availability in apprenticeship programs for individuals who wanted to become an apprentice, earn an Associate in Applied Science Degree, and eventually become an employed journeyman. She said she was not referring to just the policy and planning grant, but the entirety of apprenticeship, including the WIOA funds that flowed through to the community colleges and helped to educate and train people in the state.

Assemblywoman Carlton said she found it concerning that the Committee was being asked to make a decision on the policy and planning side without seeing how the monies would flow on the service delivery side, and how constituents would benefit.

Assemblywoman Carlton recommended deferring Agenda Item E-2 to the December IFC meeting so the Committee could review the full apprenticeship makeup in the state to ensure that OWINN, as a new agency, was addressing the issues that were discussed during the 2017 Legislative Session. She noted that Agenda Item E-30, which was approved during the consent agenda, would also have to be deferred to the December IFC meeting.

> ASSEMBLYWOMAN CARLTON MOVED TO RESCIND THE MOTION FOR APPROVAL ON AGENDA ITEM E-30 AND DEFER AGENDA ITEMS E-2 AND E-30 TO THE DECEMBER 2018 MEETING OF THE INTERIM FINANCE COMMITTEE.
>
> SENATOR PARKS SECONDED THE MOTION.
>
> THE MOTION PASSED. (Assemblywoman Bustamante Adams and Assemblywoman Diaz opposed the motion.)

3. **Office of the Governor - Office of Workforce Innovation - FY 2019 -** Addition of $161,551 in federal Employment Security Occupational Licensing grant funds transferred from the Department of Employment, Training and Rehabilitation to administer the State Occupational Licensing review and reform program. Requires Interim Finance approval since the amount added to the Occupational Licensing category exceeds $75,000. **RELATES TO AGENDA ITEM E. 31. Work Program #C45312**

   Refer to motion for approval under Agenda Item E.

4. **Office of the Attorney General - Grants Unit - FY 2019** - Addition of $2,383,798 in Sex Assault Services Program grant funds to continue the testing of sexual assault kits. Requires Interim Finance approval since the amount added to the Sexual Assault Kit Initiative category exceeds $75,000. **Work Program #C44938**

   Refer to motion for approval under Agenda Item E.

5. **Office of the Attorney General - Victims of Domestic Violence - FY 2019 -** Deletion of $35,000 in the Services Training Outreach Prosecutors funds, addition of $72,351 in federal Victims of Crime Act Victim Assistance grant funds, transfer of $9,206 from the Reserve category to the Personnel Services category, transfer of $6,455 from the Domestic Violence Council category to the Committee Expenses category to the Ombudsman Expenses category to align state and federal authority to continue programs related to domestic violence. Requires Interim Finance approval since the amount added to the Victim Information Notification System category exceeds 10 percent of the legislatively approved amount for that category.

Work Program #C44723

Refer to motion for approval under Agenda Item E.

6. **Office of the Secretary of State - Help America Vote Act Election Reform - FY 2019** - Transfer of $480,285 from the Reserve Title I Help America Vote Act (HAVA) category to the Administration of Elections category and transfer of $7,149 from the Reserve Title I HAVA category to the Equipment category to fund attendance at two conferences, three Master Service Agreement IT contractors for cybersecurity enhancements, and various equipment. Requires Interim Finance approval since the amount transferred to the Administration of Elections category exceeds $75,000. **Work Program #C44761**

   Refer to motion for approval under Agenda Item E.

7. **Office of the Secretary of State - Help America Vote Act Election Reform - FY 2019** - Addition of $104,640 in Nevada Department of Emergency Management Homeland Security grant funds to provide Intrusion Detection System monitoring and netflow analysis services for voting security hardware previously purchased. Requires Interim Finance approval since the amount added to the Homeland Security grant category exceeds $75,000. **Work Program #C45344**

   Refer to motion for approval under Agenda Item E.

8. **Department of Administration - Human Resource Management - FY 2019** - Transfer of $86,800 from the Reserve category to the Operating category to fund a pilot recruitment program with LinkedIn. Requires Interim Finance approval since the amount added to the Operating category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C44875**

   Chair Woodhouse reminded the Committee that there was a lengthy discussion regarding the LinkedIn program at the August 16, 2018, IFC meeting.

   Patrick Cates, Director, Department of Administration, introduced Jenni Cartwright, Administrator, Administrative Services Division, Department of Administration, and Peter Long, Administrator, Division of Human Resource Management (DHRM), Department of Administration.

   Mr. Cates said the DHRM submitted a similar work program at the August 16, 2018, IFC meeting that included two components for a pilot project for LinkedIn. One of those components was LinkedIn Learning, which would have provided access for all state employees to use LinkedIn's online training resources. He said there was a lot of discussion about the learning component, but it was ultimately withdrawn from the pilot program due to concerns expressed by the Committee. However, the learning component was included in the agency's budget request for consideration by the Governor.

   Mr. Cates said Work Program #C44875 was a request for approval for the LinkedIn Recruiting portion only. He said LinkedIn Recruiting was spurred by the human resource working group, a group of state agency heads and human resource

professionals that met to discuss ways to improve the Executive Branch workforce. Recruitment was a large part of that initiative; therefore, the working group was supportive of pursuing the LinkedIn Recruiting program. Approval of the work program would allow for the implementation of a pilot program with LinkedIn, which would include one recruiter license to be used by DHRM staff. The state would be provided with a recruitment page on the LinkedIn website, and as many as 51 recruitments would rotate on the state's LinkedIn page, which was approximately a quarter of the state's recruitments at any given time.

Mr. Cates said LinkedIn Recruiting would give the DHRM the capability to target people on the LinkedIn network. He noted that a substantial portion of the United States workforce had a LinkedIn profile. The DHRM would be able to target LinkedIn users based on interests and skills and encourage them to apply for state jobs, all of which would be done electronically through the LinkedIn application.

Mr. Cates thought LinkedIn Recruiting was an exciting opportunity to improve the state's recruitment process as well as the quality and quantity of candidates. He said LinkedIn Recruiting would be a supplement to the state's current recruitment tools.

Mr. Cates recalled that the Committee expressed concern at the August IFC meeting about the procurement methods for the LinkedIn program. He noted that the LinkedIn Recruiting component was a pilot program. The state often used pilot programs for a trial period with a vendor before proceeding with formal procurement. Jeff Haag, Administrator for the Purchasing Division, approved the same approach for the LinkedIn program. Mr. Cates reassured the Committee that the ten-month pilot program would not impact customer rates in FY 2019; the cost of the program would be a one-time expense paid for with reserves, for which the DHRM had adequate funding. If the Governor included the LinkedIn program in The Executive Budget for the 2019-21 biennium, the cost would increase to approximately $250,000, which would include six recruiter licenses and allow approximately 200 recruitments to be posted on the LinkedIn page at one time, which was the average number of open state recruitments at any given time.

Mr. Cates said approval of Work Program #C44875 would be for the pilot program only. He said the full program would be vetted by the money committees during the 2019 Legislative Session. With regard to customer rates, Mr. Cates said the DHRM anticipated collecting approximately $6.2 million in personnel assessments in FY 2020. An increase of $250,000 for the full LinkedIn program would result in a 4 percent increase in personnel assessments, or approximately $10.85 per full-time equivalent (FTE), because personnel assessments were based on the number of FTEs per agency. He said that would be the approximate impact in FY 2021 should the full legislature approve the program during the 2019 Legislative Session.

Mr. Cates said, if the Committee approved the pilot program, the DHRM would be able to provide feedback to the 2019 Legislature. If the program was working well, the DHRM could request funding approval and proceed with a formal request for proposal (RFP) to see if there were other vendors that could provide a similar

service. Mr. Cates said the agency had informally reviewed other vendors; however, LinkedIn was the best fit and price for the state. He said multiple procurement options were lawful under NRS 333 if the DHRM proceeded with the full LinkedIn proposal. Many state procurements were handled through the National Association of State Procurement Officers (NASPO), which had value-point contracts. The state participated in developing many of those contracts, so there were existing, lawfully procured and competitively procured contract vehicles available through NASPO that would allow the state to reach LinkedIn and other vendors. He stated that the pilot program was permitted under state procurement law and would allow the DHRM to test the program and report back to the 2019 Legislature.

Assemblyman Sprinkle asked how the effectiveness of the LinkedIn pilot program would be measured.

Peter Long, Administrator, DHRM, Department of Administration, replied that the division would be reviewing multiple data points, such as how many individuals were targeted, and if those individuals had the necessary skillsets; and the number of targeted individuals who applied for state positions, and of those, how many were interviewed and hired, and their tenure with the state. With a ten-month pilot program, it would be too early to determine if the employees met their probationary period, but input from the hiring agency would help the division determine if the employee was doing well in their position. He said the division would also track how many additional applications were received compared to the regular recruitment process. Mr. Long noted that a recent newspaper article reported that the unemployment rate in Nevada was 4.5 percent, which meant the current applicant pool was very small. With the pilot program, the DHRM intended to focus on difficult to recruit positions, such as information technology, health care, engineers and unclassified positions at the professional administrator level. The division would evaluate the average turnover in those positions, how long they were vacant, and if they were filled more quickly than usual.

Assemblyman Sprinkle said the DHRM would provide the 2019 Legislature with feedback prior to the completion of the ten-month pilot program. He asked how the Legislature would be able to evaluate the program if the division had only minimal data.

Mr. Long replied that the division intended to roll out the pilot program quickly to begin the recruiting process through LinkedIn and start accruing data. He thought the division would be able to provide the Legislature with six to seven months of data, which should be enough information to determine whether the program should continue.

In answer to a question from Senator Denis, Mr. Long replied that the division's goal was to begin the pilot program on November 1, 2018, or mid-November at the latest.

Chair Woodhouse said she was not enamored with LinkedIn; however, she was not opposed to the recruitment pilot program. She thought the state needed a thorough evaluation of the pilot program before instituting the full program. Additionally, she

thought a formal RFP process was necessary even if the pilot program through LinkedIn was successful.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE AGENDA ITEM E-8.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

9. **Department of Agriculture - Nutrition Education Programs - FY 2019 -** Addition of $97,126 in federal Administrative Review and Training grant funds to improve program operations in school food authorities that have demonstrated a high level or high risk for administrative error. Requires Interim Finance approval since the amount added to the Federal Administrative Review and Training grant category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C45250**

   Refer to motion for approval under Agenda Item E.

10. **Department of Agriculture - Nutrition Education Programs - FY 2019 -** Addition of $136,138 in federal Team Nutrition grant funds to provide training and technical assistance for school nutrition professionals to increase the selection of healthy foods by children. Requires Interim Finance approval since the amount added to the Team Nutrition grant category exceeds $75,000. **Work Program #C45257**

    Refer to motion for approval under Agenda Item E.

11. **Department of Business and Industry - Industrial Relations Division - Occupational Safety and Health Enforcement - FY 2019 -** Addition of $57,238 in federal Occupational Safety and Health (OSHA) grant funds and transfer of $57,238 from the Personnel category to the 23G OSHA Program category to fund the purchase of one vehicle and other equipment. Requires Interim Finance approval since the amount added to the 23G OSHA Program category exceeds $75,000. **Work Program #C44613**

    Refer to motion for approval under Agenda Item E.

12. **Department of Business and Industry - Industrial Relations Division - Safety Consultation and Training - FY 2019 -** Addition of $163,259 in federal Occupational Safety and Health 21D Consultation Program grant funds to purchase replacement vehicles, equipment, supplies and publications for the agency's Safety Consultation and Training Program. Requires Interim Finance approval since the amount added to the 21D Consultation Program Funds category exceeds $75,000. **Work Program #C44588**

    Refer to motion for approval under Agenda Item E.

13. **Department of Health and Human Services - Director's Office - Problem Gambling - FY 2019** - Transfer of $346,034 from the Reserve category to the Problem Gambling grants category to increase the support of prevention and

treatment of problem gambling services. Requires Interim Finance approval since the amount added to the Problem Gambling grants category exceeds $75,000. **Work Program #C44189**

Assemblyman Kramer said, with regard to problem gambling treatment, he thought many of the performance standards set by the Department of Health and Human Services (DHHS) were subjective, especially because individuals with gambling addictions were often in denial (page 313, Exhibit A). The methods of measuring success did not take into account the individual's earnings and bill management. He thought the questions focused on whether the person was successfully overcoming their addiction rather than the determining factors of success.

Cindy Routh, Chief, Grants Management Unit (GMU), DHHS Director's Office, replied that the ten items listed in the Problem Gambling Treatment Grantee Performance Standards were based on a formula using the national standard. She said those standards could probably be improved by including markers for determining whether the individual was successful in overcoming their gambling addiction, and whether the individual relapsed. Ms. Routh said she would provide additional information to the Committee.

Assemblyman Kramer said he did not recall if the report accounted for relapses. He said it did not appear that the Problem Gambling program reviewed an individual's earnings and expenditures. Instead, the individual was responsible for self-reporting, which was concerning, because problem gamblers were often self-delusional and in denial about their addiction. He thought it was difficult to measure success without concrete figures.

Ms. Routh said problem gambling clients typically struggled with a mental health or substance abuse issue as well. The DHHS Director's Office was discussing the matter of co-occurring issues and how to blend services to better serve the client.

Ms. Routh noted that she did not have an answer in regard to tracking the income and expenditures of problem gambling clients.

Assemblyman Kramer stated that more than 600 problem gamblers received treatment through the program. He thought the $346,034 requested by the agency would be used to further fund counseling services, which meant the number of people receiving treatment had increased. He noted that the budget for the Problem Gambling program was approximately $2 million, which seemed like a significant amount.

Ms. Routh replied that the formula was based on each agency's performance. She said funding for each agency ebbed and flowed based on the client base, which was assessed on a quarterly basis. If the number of clients increased at one agency and decreased at another, the money also increased or decreased per client performance, which was based on a contract with the University of Nevada, Las Vegas (UNLV). She said UNLV reviewed the information as well as the client files.

ASSEMBLYMAN KRAMER MOVED TO APPROVE AGENDA ITEM E-13.

SENATOR RATTI SECONDED THE MOTION.

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

14. **Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2019 -** Addition of $66,689,573 in federal Title XIX grant funds to allow federal reimbursement for certain emergency medical transportation services. Requires Interim Finance approval since the amount added to the Pass Through to Local Governments category exceeds $75,000. **Work Program #C44479**

Assemblywoman Titus said her questions pertained to the state plan and emergency medical transport. She noted that a letter from the Centers for Medicare and Medicaid Services (CMS) concerning revisions to the state plan was included in the backup documentation; however, the actual state plan was not included (page 319, Exhibit A). She said she was concerned about what the agency considered "reimbursable emergency medical transportation." She asked if reimbursement was available for mental health emergencies in addition to medical emergencies. Assemblywoman Titus said there was a large void in the state for coverage for emergency mental health transportation. She added that other entities provided emergency transportation, in addition to fire districts.

Marta Jensen, Administrator, Division of Health Care Financing and Policy (DHCFP), apologized that a copy of the state plan was not included in the backup documentation. She said the definition of emergency transportation in the state plan was ground ambulance or air ambulance, fixed wing or rotary aircraft, the lower of the billed charge fixed base rate plus a fixed amount per mile. She said reimbursement was available for any emergency requiring that type of transportation.

Assemblywoman Titus said it appeared that only fire districts were reimbursed for emergency medical transportation, which only included ground transportation. She asked if other types of emergency transportation were included in the state plan.

Ms. Jensen confirmed that ground and air transportation were included in the state plan. She said she would provide a copy of the state plan to the Committee.

Senator Kieckhefer asked if all the fire districts were registered as Medicaid providers, thereby making them eligible for reimbursement. Ms. Jensen replied that providers had to be enrolled as a Medicaid provider to receive reimbursement.

Senator Kieckhefer said the Regional Emergency Medical Services Authority (REMSA) was not included in the list of ground emergency medical transportation provided by the agency (page 318, Exhibit A). He said REMSA was the primary transport agency in Washoe County, as well as a nonprofit entity. He asked why REMSA had not applied for emergency medical transport reimbursement.

Ellen Crecelius, Administrative Services Officer, DHCFP, DHHS, said an entity had to be a state, city, county or fire district to participate in the program affected by Work Program #C44479.

Senator Kieckhefer asked if that requirement was based on the state plan or federal rule. Ms. Crecelius said she was uncertain of the answer, but she would provide the information to the Committee.

Senator Kieckhefer asked if Washoe County was the only county that franchised its ambulance services. Ms. Jensen thought that only Washoe County franchised ambulance services, but would check on Clark County as well.

Senator Kieckhefer remarked that Clark County was receiving a lot of money so he assumed the county did not franchise its ambulance services.

Senator Kieckhefer said the matter would need to be discussed further if it was a requirement of the state plan that only state, city, county or fire districts could receive reimbursement for medical transport.

Senator Ratti asked the agency to clarify whether fire districts could bill for emergency medical transport services and then forward the funds to the local jurisdictions. Ms. Jensen said she would provide that information to the Committee.

> ASSEMBLYWOMAN TITUS MOVED TO APPROVE AGENDA ITEM E-14.
>
> SENATOR KIECKHEFER SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY. (Assemblywoman Spiegel was not present for the vote.)

15. **Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2019 -** Addition of $7,217,036 in federal Title XIX grant funds, ~~$9,369,889~~ ***$9,396,889*** in County Reimbursement funds and transfer of $16,969,238 from the Waiver category to the County Indigent Program category to allow the receipt of county assessments for the county indigent program not to exceed the 8 cent limitation established pursuant to NRS 428.285. Requires Interim Finance approval since the amount added to the County Indigent Program category exceeds $75,000. **Work Program #C44629. WITHDRAWN 10-19-18.**

16. **Department of Health and Human Services - Public and Behavioral Health - Health Statistics and Planning - FY 2019** - Transfer of $200,029 from the Reserve category to the Operating category to support three contract positions to assist with the compliance of contractual obligations of the National Center for Health Statistics. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $75,000. **Work Program #C44490**

Refer to motion for approval under Agenda Item E.

17. **Department of Health and Human Services - Public and Behavioral Health - Health Care Facilities Regulation - FY 2019** - Transfer of $276,347 from the Reserve category to the Operating category and $29,845 from the Reserve category to the Division Cost Allocation category to add contract Hospital Compliance Specialists and a contract Influenza Coordinator. Requires Interim Finance approval since the amount transferred to the Operating category exceeds $75,000. **Work Program #C44811**

    This item was withdrawn.

18. **Department of Health and Human Services - Public and Behavioral Health - Health Care Facilities Regulation - FY 2019** - Transfer of $1,816,283 from the Reserve category to the Federal Inspection Surveys category and $196,159 from the Reserve category to the Division Cost Allocation category to continue support of inspection activities in medical facilities. Requires Interim Finance approval since the amount transferred to the Federal Inspections Surveys category exceeds $75,000. **Work Program #C44950**

    Refer to motion for approval under Agenda Item E.

19. **Department of Health and Human Services - Public and Behavioral Health - Biostatistics and Epidemiology - FY 2019** - Addition of $2,648,440 in federal Public Health Crisis Response grant funds to help in the fight against the opioid crisis. Requires Interim Finance approval since the amount added to the Nevada Public Health Crisis Response category exceeds $75,000. **Work Program #C45220**

    Assemblywoman Titus said the agency was requesting the addition of approximately $2.6 million in federal Public Health Crisis Response grant funds. She said the Public Health Crisis Response grant was a one-time grant, and the funds must be fully expended within the allotted timeframe. She thought integrating electronic health care records (EHR) with the Prescription Drug Monitoring Program (PDMP) within that timeframe was an ambitious goal. She asked if the division had a backup plan.

    Julia Peek, Deputy Administrator, DPBH, DHHS, replied that the division had already met with the vendor, Appriss, which had performed the integration for other states. She said the vendor would only need to address the piece with the EHR vendors. Ms. Peek said Appriss had honored its time guarantee on other state IT projects. She noted that in some circumstances, Appriss completed the work in a shorter period of time than promised in other states. Ms. Peek said the only project in question was HealthHIE Nevada, the state's health information exchange, but Appriss thought the connection could be completed in the promised timeframe as well. However, the division would continue to monitor the situation.

    Assemblywoman Titus said, as a provider, she interacted with the PDMP on a daily basis. She asked if the division would ensure that individual providers and health care systems within the hospital districts were fully integrated.

Ms. Peek replied that Appriss worked with vendors nationally. For example, Appriss arranged with eClinicalWorks for the PDMP icon to become automatically available to providers after the EHR integration was complete. She noted that vendors were not permitted to charge providers a fee for the service; the state paid the fee on behalf of providers. Ms. Peek said she could provide the Committee with a list of all the participating vendors; however, Appriss indicated that approximately 99 percent of vendors were participating in the integration of EHR and the PDMP. She said the only limitation would be major hospitals that developed their own EHR systems, in which case integration would have to be done independently from the mass integration.

ASSEMBLYWOMAN TITUS MOVED TO APPROVE AGENDA ITEM E-19.

SENATOR PARKS SECONDED THE MOTION.

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

20. **Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2019** - Addition of $7,219,593 in federal Opioid Response grant funds to support the Governor's state priority of opioid use, prevention and treatment. Requires Interim Finance approval since the amount added to the Opioid Response grant category exceeds $75,000. **Work Program #C45413**

Senator Kieckhefer noted that approximately $7.2 million in additional Opioid Response grant funds would be placed in a special use category. He asked if all the funds were targeted for medication-assisted treatment. He also noted that backup information on how funding would be spent was not provided.

Stephanie Woodard, Medical Epidemiologist, DPBH, DHHS, replied that the vast majority of the funding would be disbursed to community providers for prevention services, direct treatment services or recovery support services.

In response to a question from Senator Kieckhefer, Ms. Woodard replied that medication-assisted treatment was just one evidence-based practice that needed to be implemented statewide for the identification and treatment of individuals with substance use disorders. The division was strictly prohibited from using Opioid Response grant funds to supplant any other funding. If a service was reimbursable through Medicaid, and the individual was covered by Medicaid, the grant funds could not be used to pay for those services. However, the funds could be used for individuals without medical insurance or if the service was not otherwise reimbursable through their insurance provider. Ms. Woodard said recovery housing and services for incarcerated individuals were two efforts that the division would fund directly.

Senator Kieckhefer asked how many providers the division would contract with. Ms. Woodard replied that the division typically ran a competitive request for applications (RFA). The number of contracts and subgrants would be dictated by the number of applications and the suitability of the scope of work in the budget.

Senator Kieckhefer said he would follow up with the division offline to discuss the matter further.

SENATOR KIECKHEFER MOVED TO APPROVE AGENDA ITEM E-20.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

21. **Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2019** - Transfer of $5,650,834 from the Personnel Services category to the Professional Services category and $486,017 from the Personnel Services category to the Mental Health Tech Services category to continue services with temporary and contracted staff to meet the needs of clients. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds $75,000. **Work Program #C44552**

    Refer to motion for approval under Agenda Item E.

22. **Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2019** - Addition of $837,393 in federal Child Abuse and Neglect grant funds to support statewide services to prevent, assess, identify and treat child abuse and neglect. Requires Interim Finance approval since the amount added to the Child Abuse and Neglect category exceeds $75,000. **Work Program #C44334**

    Refer to motion for approval under Agenda Item E.

23. **Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2019** - Addition of $419,682 in federal Adoption and Legal Guardianship Incentive Payments Program grant funds to provide incentives for finding permanent homes for children in foster care through adoption or legal guardianship. Requires Interim Finance approval since the amount added to the Adoption/Legal Guardian Incentive category exceeds $75,000. **Work Program #C44409**

    Refer to motion for approval under Agenda Item E.

24. **Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2019** - Addition of $269,528 in federal Title IV-B Subpart 2 grant funds to support the development, enhancement or evaluation of the

Kinship Navigator program. Requires Interim Finance approval since the amount added to the Kinship Navigator Program category exceeds $75,000. **Work Program #C44428**

Reesha Powell, Deputy Administrator, Division of Child and Family Services (DCFS), DHHS, said a new federal law was enacted on February 9, 2018, called the Family First Prevention Services Act (FFPSA). The FFPSA enabled Title IV-E agencies to receive Title IV-E funding for Kinship Navigator programs. To assist states in being prepared to participate in the new Kinship Navigator funding option, Congress set aside money to be granted to states to develop, enhance or evaluate Kinship Navigator programs. She stated that DCFS applied for and was awarded $269,528 in Title IV-E funding.

Ms. Powell said the Kinship Navigator program provided support to relatives caring for children in foster care or at risk of entering the foster care system by connecting the families with services and support. The division planned to partner with the Foster Kinship Program, which was a nonprofit organization in Clark County established in 2011. She said DCFS planned to establish services throughout the state, enhance services that were currently provided in Clark County, and implement an evaluation component.

Assemblyman Sprinkle asked how the division would determine if the state was meeting the promising practice standard to be eligible for future federal funding. Ms. Powell replied that a portion of the $269,528 would be used for an evaluation. The division had used the RFP process to identify an evaluator. The contract for the evaluator would be considered by the Board of Examiners in December 2018. Ms. Powell said the evaluator would work closely with the Foster Kinship Program as well as DCFS to ensure that the state met the promising practice standard.

Assemblyman Sprinkle said it was his understanding that the division was requesting to expand the Kinship Navigator program statewide. He asked for a report on the effectiveness of the current program, and the division's rationale for expanding the program.

Ms. Powell replied that the division required the Committee's approval prior to expanding the Kinship Navigator program statewide. However, national studies had shown that Kinship Navigator programs were effective. She said relative caregivers identified safety goals for children more effectively through Kinship Navigator programs; children in the care of relatives had higher rates of permanency and stability; and Kinship caregivers made substantial progress toward accomplishing their own wellbeing, and also the wellbeing of the children and families in their care. Additionally, reentry into foster care was reduced when families were connected with a Kinship Navigator program.

Ms. Powell reported that the Foster Kinship Program served over 2,000 families, including 4,704 children, in 2017. As of October 18, 2018, the Foster Kinship Program had served 2,911 families, including 6,440 new children, in 2018. The program was reaching a significant number of families and children in Clark County.

Ms. Powell said the Foster Kinship Program had a few contracts with Clark County Division of Family Services (DFS), and when DCFS reviewed the outcomes of those contracts, the response from families was always very positive. She said the families thought the Foster Kinship Program was extremely beneficial. Community connection goals were met, as well as the legal, financial and emotional support needs for approximately 88 to 90 percent of the families.

Assemblyman Sprinkle said, as he understood it, DCFS planned to expand the Kinship Navigator program statewide based on outcomes of the Foster Kinship Program in Clark County. Ms. Powell said that was correct.

Assemblyman Sprinkle asked if DCFS intended to continue the Kinship Navigator program even if it did not meet the promising practice standard, and if so, how would the program be funded.

Ms. Powell replied that the division would try to continue the program if it proved beneficial for children and families. She said the program infrastructure, including the referral line and support groups, would already be established statewide. With regard to funding for the Kinship Navigator program, she thought the division would look toward other grant funds to supplement the program if Title IV-E funds were not available.

In answer to a question from Assemblyman Sprinkle, Ms. Powell confirmed that it was the division's intent to acquire another funding source to keep the Kinship Navigator program operational.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE AGENDA ITEM E-24.

SENATOR RATTI SECONDED THE MOTION.

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

25. **Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2019** - Addition of $1,108,353 in federal Title IV-B Subpart 1 grant funds to support child welfare services. Requires Interim Finance approval since the amount added to the Title IV-B 1 grant projects category exceeds $75,000. **Work Program #C44742**

Refer to motion for approval under Agenda Item E.

26. **Department of Health and Human Services - Child and Family Services - Washoe County Child Welfare - FY 2019 -** Deletion of $676,300 in federal Title XX grant funds transferred from the Director's Office to allocate funds directly to Washoe County and no longer pass through the division. **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 deleted**

from the Child Welfare category exceeds $75,000. **RELATES TO AGENDA ITEM E. 28. Work Program #C43647**

Agenda Items E-26 through E-28 were discussed jointly. Refer to testimony and motion for approval under Agenda Item E-28.

27. **Department of Health and Human Services - Child and Family Services - Clark County Child Welfare - FY 2019 -** Deletion of $1,970,568 in federal Title XX grant funds transferred from the Director's Office to allocate funds directly to Clark County and no longer pass through the division. **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 deleted from the Clark County Ongoing category exceeds $75,000. RELATES TO AGENDA ITEM E. 28. Work Program #C43650**

    Agenda Items E-26 through E-28 were discussed jointly. Refer to testimony and motion for approval under Agenda Item E-28.

28. **Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2019 -** Transfer of $2,500,569 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. **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 AGENDA ITEMS E. 26 and 27. Work Program #C43716**

    Agenda Items E-26 through E-28 were discussed jointly.

    Buddy Milazzo, Administrative Services Officer, DHHS Director's Office, said Agenda Items E-26 and E-27 were necessary to decrease DCFS expenditure authority, and Agenda Item E-28 would allow the Grants Management Unit (GMU) to subgrant Title XX funding directly to Washoe and Clark Counties as direct providers of child welfare services. Additionally, the GMU would provide oversight and management of the subgrants. Mr. Milazzo said the change was being made based on a recommendation from a Title XX audit conducted in 2017. He said similar work programs for FY 2018 were approved by the IFC.

    Mr. Milazzo said DHHS was utilizing the IFC meeting as the required public hearing per NRS 353.337.

    Senator Kieckhefer asked if the transfer would change oversight requirements based on the grant or alter how the state would have to clawback funding at the direction of the federal government.

Cindy Routh, Social Services Chief, DHHS Director's Office, replied that DCFS would no longer be responsible for the review; the responsibility would fall on the DHHS Director's Office.

In response to a question from Senator Kieckhefer, Mr. Milazzo replied that historically, the GMU transferred the funds to DCFS, and DCFS would fund Washoe and Clark Counties. The requested transfer would allow the GMU to fund the counties directly and provide oversight as opposed to a pass-through to DCFS.

Senator Kieckhefer asked if DCFS was responsible for grant monitoring under the previous structure. Mr. Milazzo replied that DCFS held that responsibility until FY 2018. He said the GMU was now responsible for grant monitoring.

Agenda Items E-26, E-27 and E-28 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 ITEMS E-26 THROUGH E-28.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

29. **Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2019 -** Addition of $318,409 in federal Title IV-E grant funds and $17,958 in federal Title XX grant funds transferred from the Director's Office to realign grant authority allowing the division to continue providing child welfare services and additional outreach activities. **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 added to Title XX Grant Projects category exceeds $75,000**. **Work Program #C43711**

Reesha Powell, Deputy Administrator, DCFS, DHHS, noted that the division was using the IFC meeting for the required public hearing for Work Program #C43711.

Ms. Powell said the work program aligned the Title XX grant funds available in FY 2019. A portion of the available Title XX Block Grant funding would be used to provide direct child welfare-related services to benefit children and families. The services would include an update to the training curriculum for foster parents and adoptive parents; continuation of recruitment of foster homes; continuation of a mentoring program for youth and families to assist with stabilization; provision of safety and management services to maintain children in their own homes; expansion of community-building activities to complete social summaries, home studies and improve relations with courts and stakeholders; improvements to forensic training; and provision of differential response within the rural communities.

Agenda Item E-29 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-29.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

30. **Department of Employment, Training and Rehabilitation - Workforce Development - FY 2019** - Addition of $291,358 in federal Apprenticeship grant funds to provide programs to produce highly skilled Nevada workers who can meet the needs of employers in a competitive and global economy. Requires Interim Finance approval since the amount added to the Apprenticeship grant category exceeds $75,000. **RELATES TO AGENDA ITEM E. 2. Work Program #C45261**

    Refer to motion for approval under Agenda Item E and motion to rescind approval under Agenda Item E-2.

31. **Department of Employment, Training and Rehabilitation - Workforce Development - FY 2019** - Addition of $161,551 federal Employment Security Occupational Licensing grant funds to provide research as to the state of occupational licensing in Nevada and compare them with the state's in-demand occupations. **RELATES TO AGENDA ITEM E. 3. Work Program #C45296**

    Refer to motion for approval under Agenda Item E.

32. **Department of Motor Vehicles - Motor Vehicle Pollution Control - FY 2019 -** Transfer of $1,382,037 from the Reserve category to the City/County Air Quality category to fund the required compliance to annually distribute funds in excess of $1,000,000 to Clark and Washoe Counties. Requires Interim Finance approval since the amount transferred to the City/County Air Quality category exceeds $75,000. **Work Program #C44784**

    Refer to motion for approval under Agenda Item E.

33. **Department of Motor Vehicles - Field Services - FY 2019 -** Transfer of $423,898 from the Personnel Services category to the Information Services category and $7,505 from the Operating category to the Information Services category for a new automated customer queuing system. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds $75,000. **Work Program #C44729**

    Tonya Laney, Administrator, Field Services Division, Department of Motor Vehicles (DMV), said the department was requesting a transfer of $423,898 from the

Personnel Services category to the Information Services category, and $7,505 from the Operating category to the Information Services category for a new automated customer queuing system. She said Qmatic won the RFP bid to replace the current QLess system. Ms. Laney noted the contract for the QLess system was due to expire at the end of December 2018.

Assemblywoman Carlton recalled that the QLess system was recently installed at the smaller DMV offices. She asked what issues the DMV had been experiencing with the system.

Ms. Laney clarified that the Qmatic system was recently installed at the smaller offices, and the department was not experiencing any issues with the system. She said the QLess system, which was currently in use at the 12 medium and larger offices, would be replaced with the Qmatic system. The software platform would be different from the software used in the smaller offices, but the same vendor would be the supplier.

In answer to a question from Assemblywoman Carlton, Ms. Laney replied that the problem with the QLess system was that data could not be evaluated at the technician level to determine which transactions were being processed on a daily basis that could be managed online and/or through a kiosk. Additionally, the DMV was currently unable to collect appointment data. Ms. Laney explained that in response to positive feedback on the appointment system, the department expanded the number of available appointments at the metro offices, which caused the QLess system to crash. Consequently, the agency had not been able to collect wait time and appointment data since April 2018. She said the system also crashed in 2017, which resulted in the loss of approximately 90 days of data. The DMV was hopeful the new system would allow the department to collect basic data, such as the number of appointments being made, and the number of appointments that were honored, rescheduled or cancelled.

Assemblywoman Carlton asked if approval of the work program would hinder the department's ability to fill vacancies in the field offices.

Ms. Laney said the new system would not hinder the department's ability to fill vacancies. She said the DMV traditionally reverted approximately $2.5 million from the Personnel Services category to the Highway Fund due to natural attrition. She explained that there was a gap of time between the department's hiring period and the start of the new hire academies. The personnel costs for that gap of time were usually reverted back to the Highway Fund. Ms. Laney said the amount of funds in the Personnel Services category to date in FY 2019 was nearly $2.5 million, so the department had adequate funds to fill staff vacancies.

Senator Denis asked if the department was aware of the limitations with the QLess system when it was implemented. Ms. Laney replied that the department was not aware of the system's limitations. She said the DMV was told that an appointment system would not be successful based on response from study groups; however, it proved to be very successful. The DMV utilized a phased approach with

the QLess system to gradually increase the availability of appointments. The department discovered during the second phase that the QLess system was unable to handle a larger number of appointments.

In answer to a question from Senator Denis, Ms. Laney replied that the DMV initially implemented the appointment system to determine whether it would be successful; therefore, system limitations were not considered.

Senator Denis asked why the DMV chose to use the Qmatic system for the smaller offices. Ms. Laney replied that the department had successfully used Qmatic in the past. She explained that the rural offices did not need advanced technology, because it was not feasible to have appointments in the smaller offices due to the limited number of staff. Because the DMV was familiar with the core functionality of the Qmatic system, the department knew it would work well in the small offices.

In response to a question from Senator Denis, Ms. Laney replied that appointments were still not available at the smaller DMV offices despite the more sophisticated technology available through the Qmatic system. She said the Qmatic system was installed in the smaller offices to collect data because of complaints that constituents were utilizing the rural locations over the metro locations due to wait times. Customers could now make appointments at the metro offices, which deterred them from using the rural locations.

Senator Denis asked if switching to Qmatic in the larger offices would impact the department's ability to accept appointments. Ms. Laney replied that the software for the Qmatic system in the larger offices was different than the software used in the rural offices. She said the rural offices used the Solo software platform, but the metro offices would use the Orchestra software platform, which was capable of handling appointments.

In answer to a question from Senator Denis, Ms. Laney replied that the DMV was hopeful the new system would be capable of handling a larger number of appointments without crashing. She said the department had previous experience with the vendor and was familiar with its support service.

Assemblywoman Benitez-Thompson noted that the largest portion of funding would be used for the production environment. She asked if that was the cost for the software. Ms. Laney confirmed that the production environment cost was for the software solution, which included the interface and customization for the DMV offices. She said the majority of the hardware was already in place so there would not be an additional cost for hardware.

Assemblywoman Benitez-Thompson asked if preplanning projects such as planning and administration deliverables and workflow capabilities would be managed by the DMV or collaboratively with the Qmatic vendor. Ms. Laney replied that the preplanning projects were not done yet, because the department required IFC approval first; however, the projects would be jointly managed by the DMV and Qmatic. She said Qmatic would visit and evaluate each of the DMV offices. After

initial planning and customer flow meetings, a pilot program would be implemented at the DMV location in Reno. Ms. Laney said the $387,549 would cover all of those costs.

In response to a question from Assemblywoman Benitez-Thompson, Ms. Laney replied that the pilot program was being done as a security measure. If the pilot was unsuccessful, the vendor would not receive any funds from the state. She said the department should know within two weeks after starting the pilot program whether the new system would be capable of handling additional appointments, because the number of appointments would be increased immediately.

Assemblywoman Benitez-Thompson said, as she understood it, the preplanning tasks and associated fees were the actual costs. If the pilot program was successful, additional costs would be on the backend; however, if it was unsuccessful, the state would not be responsible for any of the costs. Ms. Laney confirmed that was correct.

Assemblywoman Spiegel asked the department for an explanation regarding the lengthy wait times at the larger offices, particularly the Henderson office.

Ms. Laney said, due to recent failures with the current system, the DMV was unable to capture accurate wait time data in the metro offices. She said customers with an appointment did not have to wait, so the goal of the new system was to increase the number of appointments and decrease wait times at the metro DMV offices.

Senator Denis asked if the department would be able to reuse all of the existing hardware. Ms. Laney confirmed that the DMV would be able to reuse all the current monitors and audio equipment. She said the vendor indicated that the liquid crystal display (LCD) monitors that were previously used to display ticket numbers above each customer service window may be compatible with the new system. She explained that the DMV discontinued use of the monitors with the previous vendor. If new monitors were required, the department had already built the cost into the requested amount.

SENATOR DENIS MOVED TO APPROVE AGENDA ITEM E-33.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

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

34. **Department of Conservation and Natural Resources - Forestry - Administration - FY 2019 -** Addition of $300,000 in federal Landscape Scale Restoration grant funds to support the Truckee River Ecosystem Integrated Weed Management Plan through invasive weed mapping, weed treatment and native vegetation restoration. Requires Interim Finance approval since the amount added to the Federal Landscape Scale Restoration category exceeds $75,000. **Work Program #C44270**

Refer to motion for approval under Agenda Item E.

35. **Department of Conservation and Natural Resources - Nevada Natural Heritage - FY 2019 -** Addition of $222,683 in U.S. Environmental Protection Agency (USEPA) grant funds to support wetland program activities. Requires Interim Finance approval since the amount added to the USEPA grant category exceeds $75,000. **Work Program #C44372**

Assemblywoman Titus said Work Program #C44372 was for the addition of $222,683 to study the springsnail species. She said it appeared the funds would be used for guidance and strategies to study the springsnail (page 132, Exhibit B). She asked how many springsnail species there were. She also asked for further clarification on how the funds would be used.

Kristin Szabo, Administrator, Nevada Natural Heritage Program (NNHP), Department of Conservation and Natural Resources (DCNR), said Work Program #C44372 was requesting revenue and expenditure authority for year two of an existing two-year grant from the U.S. Environmental Protection Agency (EPA). She said there were four large aspects of the grant, one of which was a springsnail conservation strategy. She said the three other components were wetland-related tasks and would require the majority of the funding.

Assemblywoman Titus asked if any of the funding would be used for wetland restoration. Ms. Szabo replied that the funds would not be used for restoration activities. She said the restoration portion of the state's wetland program had not begun. The NNHP had one quality control task to perform on existing data. Additionally, a survey needed to be conducted in certain areas of the state to obtain new springs data. Ms. Szabo said the agency was working on level 1 and level 2 assessment protocols. She explained that the levels were established by the EPA and determined how detailed the assessments should be. Level 1 assessments were done via computer, while level 2 assessments were done in the field. She said the NNHP was establishing a rapid assessment protocol for field work.

Assemblywoman Titus asked how much money would be used to study the springsnail. Ms. Szabo replied that $50,000 would be used for the study, 25 percent of which was matched by the Department of Wildlife. The NNHP assembled a springsnail conservation team to develop a study strategy. She clarified that none of the funds would be used specifically to study the springsnail.

In answer to a question from Assemblywoman Titus, Ms. Szabo replied that the study strategy would focus on the conservation of the springsnail and its habitat.

Assemblyman Edwards asked why the springsnail was being studied. He also asked what outcomes the NNHP was anticipating from the two-year study.

Ms. Szabo replied that $50,000 of the two-year grant would be used to establish a conservation strategy for the springsnail and its habitat. She said the springsnail species was important, because it was only found in one spring in Nevada and nowhere else in the world; therefore, the springsnail was at risk of extinction.

In answer to a question from Assemblyman Edwards, Ms. Szabo replied that part of the strategy would be developing action items, goals and objectives to save the springsnail species from extinction. She said the NNHP had been involved in conservation strategies for a long time for species such as the Tahoe Yellow Cress and the Columbia spotted frog. The agency was striving to prevent species from becoming listed under the Endangered Species Act.

Assemblyman Frierson said the discussion concerned approximately $12,000 in state funds compared to hundreds of thousands of dollars in federal funds to save a species. He was perplexed that a lengthy discussion was necessary about a straightforward, basic ecology issue.

> ASSEMBLYMAN FRIERSON MOVED TO APPROVE AGENDA ITEM E-35.
>
> SENATOR DENIS SECONDED THE MOTION.
>
> THE MOTION PASSED. (Senator Settelmeyer, Assemblyman Edwards, Assemblywoman Titus and Assemblyman Wheeler opposed the motion.)

36. **Department of Conservation and Natural Resources - Environmental Protection - Air Quality - FY 2019 -** Addition of $120,970 in federal Environmental Protection Agency Particulate Matter 2.5 Monitoring Network grant funds to support air monitoring and quality activities. Requires Interim Finance approval since the amount added to the Particulate Matter 2.5 Monitoring Network category exceeds $75,000. **Work Program #C44448**

    Refer to motion for approval under Agenda Item E.

37. **Department of Conservation and Natural Resources - Environmental Protection - Air Quality - FY 2019 -** Addition of $211,979 in federal State Clean Diesel grant funds to support diesel emission reduction activities. Requires Interim Finance approval since the amount added to the Clean Diesel grant program category exceeds $75,000. **Work Program #C44489**

    Refer to motion for approval under Agenda Item E.

38. **Department of Conservation and Natural Resources - Environmental Protection - Waste Management and Corrective Action - FY 2019 -** Addition of $250,000 in Transfer of Management of Hazardous Waste to provide technical contracting services in support of environmental cleanup efforts at the Anaconda Copper Mine. Requires Interim Finance approval since the amount added to the Corrective Actions category exceeds $75,000. **Work Program #C44193**

    Assemblywoman Titus asked if any of the funds to support environmental cleanup efforts at Anaconda Mine would be used for remediation efforts.

    Jeff Kinder, Deputy Administrator, Division of Environmental Protection (DEP), DCNR, said the state became the regulatory lead for the Anaconda Mine in

February 2018. He said the design and planning stage was currently in progress. The $250,000 requested in Work Program #C44193 would be used for the contractor to review the site studies that were being performed to determine a final remedy for the Anaconda Mine. He said construction was set to commence at the end of 2019 for the Arimetco portion of the site.

In answer to a question from Assemblywoman Titus, Ms. Kinder replied that site characterization, remedial investigation and feasibility studies were steps leading up to the final remedy for the site. Those steps would lead to a final remedy selection and public participation process, and then work would begin at the site. He reiterated that work was scheduled to commence at the end of 2019.

Assemblywoman Titus said she had been observing the progress at the Anaconda Mine for about 30 years. She remarked that, although multiple studies had been done, remediation work still had not begun.

SENATOR PARKS MOVED TO APPROVE AGENDA ITEM E-38.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Woodhouse called a recess at 11:43 a.m. The meeting was reconvened at 12:15 p.m.

39. Department of Wildlife - Habitat - FY 2019 - Addition of $248,683 in Habitat Conservation fees transferred from the Wildlife Fund to support projects that rehabilitate and restore wildlife habitat. Requires Interim Finance approval since the amount added to the Habitat Rehabilitation and Restoration category exceeds $75,000. **Work Program #C44432**

Refer to motion for approval under Agenda Item E.

40. Department of Wildlife - Habitat - FY 2019 - Addition of $183,216 in federal Wildlife Restoration grant funds, $38,784 in federal Sport Fish grant funds and $74,000 in Sportsmen Revenue transferred from the Wildlife Fund to support the Wildlife Management Area (WMA) System program activities. Requires Interim Finance approval since the amount added to the WMA System category exceeds $75,000. **Work Program #C44459**

Refer to motion for approval under Agenda Item E.

41. Department of Wildlife - Habitat - FY 2019 - Addition of $118,060 in federal Wildlife Restoration grant funds to support wildlife water development activities. Requires Interim Finance approval since the amount added to the Wildlife Water Development category exceeds $75,000. **Work Program #C44615**

Refer to motion for approval under Agenda Item E.

42. Department of Wildlife - Habitat - FY 2019 - Addition of $547,700 in Transfer of Industrial Development Assessment fees transferred from the Wildlife Fund to support projects that rehabilitate and restore wildlife habitat. Requires Interim Finance approval since the amount added to the Industrial Development Assessment category exceeds $75,000. **Work Program #C44619**

Refer to motion for approval under Agenda Item E.

43. Department of Wildlife - Habitat - FY 2019 - Addition of $191,669 in Dream Tags Charitable Fund grant funds to support projects that rehabilitate and restore wildlife habitat in wildfire burned areas. Requires Interim Finance approval since the amount added to the Dream Tag Projects category exceeds $75,000. **Work Program #C44653**

Refer to motion for approval under Agenda Item E.

44. Department of Transportation - Transportation Administration - FY 2019 - Addition of ~~$11,730,000~~ ***$5,981,614*** in Highway Fund authorizations to begin the replacement of the Nevada Shared Radio System. Requires Interim Finance approval since the amount added to the Nevada Shared Radio System Replacement category exceeds $75,000. **Work Program #C45030. REVISED 10-4-18.**

Rudy Malfabon, Director, Nevada Department of Transportation (NDOT), said Work Program #C45030 related to the Nevada Shared Radio System (NSRS), which had reached its end of life and was in need of replacement to upgrade to the new digital standard, which was P25 compliant. He said many state, local and federal agencies relied on the system for essential public safety communications. The NSRS was a partnership between Washoe County, which owned 11 sites; NV Energy, which owned 36 sites; and NDOT, which owned 66 sites. He said Washoe County maintained the NSRS in the populated area of Washoe County; NV Energy maintained the system in the populated area of Clark County; and NDOT maintained the system in the remainder of the state.

Mr. Malfabon said NDOT included the estimated cost of the system replacement in its 2017-19 biennial budget request. The 2017 Legislature directed NDOT to request budget authority from the IFC when actual costs were determined. Additionally, the 2017 Legislature also directed NDOT to work with the Governor's Finance Office and LCB staff to determine an appropriate cost allocation between non-Highway Fund agencies using the NSRS and State Highway Fund users.

Mr. Malfabon said the three parties that owned the current system selected Harris Communications as the preferred vendor to develop the NSRS replacement using a design-build approach. Each party negotiated their own contract with Harris Communications for their portion of the system replacement. He said NDOT's cost was approximately $63.5 million, which included the support contract with Federal Engineering, the department's system replacement consultant.

Washoe County's contract with Harris Communications was $26.5 million and NV Energy's contract was $27.7 million.

Mr. Malfabon said it was expected to take six years to fully replace the NSRS. He said NDOT estimated it would cost $6.5 million in FY 2019 to replace the system, of which approximately $5.9 million would be Highway Funded as reflected in Work Program #C45030. The remaining $513,000 would be requested at the December 2018 IFC meeting.

Mr. Malfabon said NDOT analyzed radio system usage in FY 2018 and recommended a cost share of 92.1 percent Highway Fund, 7.1 percent General Fund and 0.8 percent other funds, based on minutes of usage by the various agencies. Non-Highway Fund agencies would pay for end user equipment that they would receive via a transfer to NDOT, with Highway Fund agency equipment being paid for directly by NDOT using Highway Funds.

Mr. Malfabon noted that several technical and financial NDOT staff were present to answer questions from the Committee.

Senator Parks sought reassurance that the vendor, Harris Communications, was capable of performing the services outlined in the contract. He reminded the Committee that Harris Communications had problems a few years ago with a $40 million contract with the Las Vegas Metropolitan Police Department (LVMPD). As he understood it, the contract between Harris Communications and the LVMPD was terminated on grounds that Harris Communications was unable to perform its responsibilities as contracted. Senator Parks reiterated that he would like to be assured that NDOT believed Harris Communications could deliver on the $63 million NSRS project.

Mr. Malfabon confirmed that there were some issues with the contract between Harris Communications and the LVMPD. He recalled that the radio system for that particular contract was OpenSky. He said a rigorous process involving technical score and cost was used to procure the new NSRS radio system, which was P25-compliant. He thought the NSRS was different from the OpenSky system due to changes in technology since 2012. Mr. Malfabon said Harris Communications was the preferred vendor by all three entities that conducted the procurement.

Seth Daniels, Assistant Chief Traffic Operations Engineer, NDOT, added that the OpenSky radio system was interim digital technology during the transition from analog in the absence of the current P25 standards. He said NDOT evaluated the situation with Harris Communications and the LVMPD and used that information to develop the RFP. One of the issues with OpenSky, also known as DesertSky, was an insufficient communications backbone between the radio sites and the core equipment. Also, the coverage guarantee was for mobile, and in radio terms that referred to in-vehicle radios that have a stronger reception. The NSRS was designed for portable coverage, or wearable radios, that were used by law enforcement officers. Mr. Daniels said, in addition to evaluating the

OpenSky project, NDOT also evaluated each of the companies and technologies in the new government P25 standard.

Senator Denis asked if the new system would accommodate changes in the future. Mr. Malfabon said that was correct. The NSRS would be accessible to others with P25-compliant radios. He said the new system had interoperability, which would be desirable in the future.

Mr. Malfabon added that NDOT anticipated there might be other users, such as the rural counties, that might want to join the NSRS once it was built out. He said NDOT hired Federal Engineering to develop the process to assess how others could join the system.

Mr. Daniels added that a subscriber identity module (SIM) card could be used in the current production radios, which would allow the radios to function on the 800 MHz P25 system as well as cellular networks. The concern was mostly in the rural areas where it would take a long time to develop those cellular technologies.

Senator Denis asked if the radio range would increase. Mr. Daniels replied that the range was similar, because of the technology. He said NDOT would add sites where necessary to provide additional coverage.

Assemblywoman Swank asked if there was a way to safeguard the investment, such as a performance bond, to guarantee fulfillment of the contract. Mr. Malfabon replied that an extended warranty was built into the contract.

Mr. Daniels added that a performance bond was included in the contract. Additionally, a payment bond was included in the agreement for subcontractors and material suppliers, and liquidated damages were included for missed deadlines. Lastly, the contractor was required to meet guaranteed coverage maps.

Chair Woodhouse noted that Harris Communications and NDOT each had a contingency amount of $5.1 million. She asked why the contingency amount was larger than usual.

Mr. Malfabon replied that contingencies were included in the contract to manage unexpected issues that may arise during construction. For example, additional work may be necessary at certain sites, such as upgrades to an existing building to accommodate new equipment or increase space. Therefore, NDOT and Harris Communications built contingencies into the contract, because of the nature of the project. Including contingencies in the contract was a reasonable approach for design-build contracts as well as other types of contracts. Mr. Malfabon said NDOT thought it was appropriate to have a contingency built into the contract with Harris Communications, because the project involved new technology. He said the department was coordinating the contingency with Federal Engineering, the project consultant.

Assemblyman Edwards asked if the project could be completed sooner than the six-year timeframe.

Denise Inda, Administrator, NDOT, replied that one of the reasons the project was expected to take six years was because many of the mountaintop sites were remote and could not be accessed during wetter times of the year, which constricted the timeline and the amount of time available to work at those sites. Ms. Inda said an extensive amount of work needed to be completed. All of the equipment at the mountaintop sites needed to be replaced, upgraded and fine-tuned. To speed up the process, work would begin in Region 1 first, which was Southern Nevada. She said work could begin immediately and proceed through the winter months. Upon completion of Region 1, work would begin in Region 2, which was the northwestern portion of the state, and then finally in Region 3, which was the northeastern part of the state.

In answer to a question from Assemblyman Edwards, Felicia Denney, Administrative Services Officer, NDOT, replied that the non-Highway Fund portion of $513,081 was for FY 2019. She said that contribution was part of the 7.9 percent in system-wide costs, which totaled $3.9 million. In addition, there were costs for subscriber equipment, which included the radios needed to access the system. She said equipment costs would be based on actual cost, the total of which was estimated to be $4.1 million for the nine Highway Funded-agencies.

Assemblyman Edwards clarified that he was referring to the estimated $55,773 for fees or internal service charges, which was approximately 0.9 percent of the overall cost.

Mr. Krmpotic explained that the information referenced by Assemblyman Edwards related to the portion of the project in FY 2019 that would be funded through the General Fund, which was 7 percent, estimated at $457,000. The portion funded from fee-funded agencies totaled $55,773. He said the item before the Committee was just the Highway Fund portion represented at about $6 million of the $6.5 million in FY 2019.

Chair Woodhouse asked the Governor's Finance Office (GFO) how the non-Highway Fund budgets would fund their portions of the project in FY 2019. Additionally, she asked if the proposed costs of the system would negatively impact the budgets of the fee-funded agencies in carrying out their operational responsibilities.

Paul Nicks, Acting Director, GFO, said, through coordination with LCB Fiscal staff, the entirety of the Contingency Account request would be included in the largest budget, which was the Department of Public Safety's Division of Parole and Probation budget. He said that item would go before the Board of Examiners in November 2018 and would be included on the agenda for the December 2018 IFC meeting. With regard to the fee-funded agencies, the GFO had not been alerted to any negative impacts by the agencies to date.

Chair Woodhouse asked the GFO to provide the Committee with updated information if it became available, and Mr. Nicks agreed.

SENATOR PARKS MOVED TO APPROVE AGENDA ITEM E-44.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

45. Gaming Control Board - FY 2019 - Addition of $100,000 in General Fund appropriations to fund the special counsel for legal services. Requires Interim Finance approval pursuant to Section 3 of Senate Bill 545 (2017 Legislative Session). **Work Program #C45588. RECEIVED AFTER SUBMITTAL DEADLINE, 10-9-18.**

Refer to motion for approval under Agenda Item E.

46. Office of the Governor - Governor's Finance Office - Special Appropriations - FY 2019 - Addition of $1,377,250 in prior year refund from the University of Nevada, School of Medicine to fund the Graduate Medical Education grant to the University of Nevada Las Vegas, School of Medicine. Requires Interim Finance approval since the amount added to the Graduate Medical Education category exceeds $75,000. **Work Program #C45605. RECEIVED AFTER SUBMITTAL DEADLINE, 10-11-18.**

Refer to motion for approval under Agenda Item E.

47. Department of Conservation and Natural Resources - Forestry - Wildland Fire Protection Program - FY 2019 - Transfer of $506,383 from the Reserve category and $247 from the Equipment category to the Transfer to Budget Account 4196 category (Forest Fire Suppression) to support a projected shortfall due to higher than anticipated expenditures for fire response operations. Requires Interim Finance approval since the amount transferred to the Transfer to Budget Account 4196 category exceeds $75,000. **RELATES TO AGENDA ITEMS H.2 and E. 48. Work Program #C45626. RECEIVED AFTER SUBMITTAL DEADLINE, 10-11-18.**

Agenda Items E-47, E-48 and H-2 were discussed jointly. Referred to testimony and motion under Agenda Item E.48.

48. Department of Conservation and Natural Resources - Forestry - Fire Suppression - FY 2019 - Addition of $506,630 from the Wildland Fire Protection Program account to support a projected shortfall due to higher than anticipated expenditures for fire response operations. Requires Interim Finance approval since the amount added to the Fire Suppression Costs category exceeds $75,000. **RELATES TO AGENDA ITEMS H.2 and E. 47**. **Work Program #C45634**. **RECEIVED AFTER SUBMITTAL DEADLINE, 10-11-18.**

Agenda Items E-47, E-48 and H-2 were discussed jointly.

Kacey KC, State Forester Firewarden, Division of Forestry (NDF), DCNR, introduced Dave Prather, Deputy Administrator, NDF, DCNR.

Ms. KC provided an update on the fire season to date. She said the state was following historical trends whereby the three years following a significantly wet year were big fire seasons. She said the state was in year two of the three years following Nevada's wettest year, and it had been a big fire season for the state.

Ms. KC said new data was available indicating that fire seasons were becoming longer in duration, as seen by the amount of fires in January, February and March 2018. According to recent data, fire seasons had increased in duration by about 20 days per decade over the last four decades. The traditional fire season in Nevada lasted approximately five to seven months; however, current fire seasons were eight and ten months in duration on average, with some lasting year round.

Ms. KC said the 2017 fire season was the most devastating on record nationwide, both from a loss of lives and loss of acreage. She said 10 million acres burned nationwide. Of those 10 million acres, over 1.3 million were in Nevada. Also, more than 12,000 homes nationwide were lost to fires in 2017. Prior to 2001, less than 900 homes were lost.

Ms. KC said the nation was experiencing new trends in fire behavior. As of October 23, 2018, there had been 615 fires in Nevada, which burned more than 1.1 million acres. She noted that was just shy of the state's total for 2017. Ms. KC reported that 332 of the 615 fires, or 54 percent, were human-caused. In 2017, the trend transitioned from human-caused fires to lightning-caused fires later in the fire season; however, that was not the case in 2018. She said 57 percent of the total acres burned were from human-caused fires in 2018. Ms. KC said the NDF was working with all of its partners to educate and inform the public on wildfires.

Ms. KC provided an update on the division's fire expenses. She said overall expenses for the NDF were about $32 million with carry forward from past years and including the division's portion of fire costs in the current year. Overall, expected receivables in FY 2019 exceeded $8 million. The current amount billed by the NDF exceeded $2 million, but that changed daily as additional bills were processed.

Continuing, Ms. KC said the division did not receive as many Fire Management Assistance Grants (FMAG) through the Federal Emergency Management Agency (FEMA) in 2018. One FMAG was approved for the Upper Colony fire, and an appeal was in process for the South Sugarloaf fire.

Ms. KC said Agenda Items E-47 and E-48 requested a transfer of funds from the Wildland Fire Protection program to pay for fire bills from the reserve category. She stated that the division had similar requests last year for a larger amount. Ms. KC noted that in FY 2018, the NDF paid back all of the IFC and Contingency Account funds using revenue from fire billings. Additionally, the division reverted approximately $1 million to the General Fund at the end of FY 2018. She was unsure

the NDF would be able to repeat that in FY 2019, but the division was hopeful to receive revenue soon.

Assemblyman Kramer said he appreciated the division's efforts to reduce the fuel load in certain areas, which helped reduce the severity of future fires. He said certain areas, such as Voltaire Canyon in Carson City, were subject to recurring fires. He asked if permanent fire breaks or water stations could be installed to get ahead of fires and reduce firefighting costs.

Ms. KC said the NDF collaborated with its partners and cooperators on many prevention efforts. She noted that the NDF was responsible for state lands throughout the state, but not federal lands. The division worked closely with local and federal partners in the planning process to discuss areas of the state that experience annual fire cycles. Ms. KC said the annual fire cycle contributed to the significant increase in costs and fire intensity, largely because of the invasive grasses that were relatively new to certain areas of the state. The NDF and local and federal agencies were assessing the areas with fire cycle trends and trying to pool funds, because none of the agencies had enough money to perform the work at the scale which was necessary. A significant amount of work could be accomplished by pooling resources and human capital in addition to the funding available to the NDF. Ms. KC said the division historically treated about 5,500 acres per year, and the U.S. Forest Service and Bureau of Land Management (BLM) treated much more. The NDF tried to assist the U.S. Forest Service and BLM as much as possible.

Senator Goicoechea recalled that Ms. KC indicated the division would have less incoming funds in FY 2019 compared to FY 2018; however, Nevada experienced three major fires in the current year. He said the Martin Creek and South Sugarloaf fires accounted for approximately two-thirds of the acreage burned in the state. Senator Goicoechea also recalled that Ms. KC indicated that Nevada would probably not receive federal reimbursement for the South Sugarloaf fire. He asked if the federal government did not think Nevada was entitled to reimbursement for that fire.

Ms. KC replied that FEMA denied the division's FMAG for the South Sugarloaf fire. She clarified that the FMAG was actually submitted twice for the South Sugarloaf fire, once on August 22, 2018, and once on August 24, 2018; however, reimbursement was denied based on merits. The NDF appealed the denial, which was currently being reconsidered at the federal level. Ms. KC said the appeal was submitted on September 18, 2018, and the federal government had 90 days to make a decision. She said she was unsure if the FMAG would be granted or denied.

Senator Goicoechea asked why the FMAG was denied. Ms. KC said she was unsure of the exact reason for the denial, but important data may have been overlooked in the first submittal. She explained that FEMA used four criteria when considering allotments, one of which was the threat to lives and property. The other three criteria included preparedness level and availability of local resources to help fight fires; fire activity and behavior in the region; and economic impact. Ms. KC said the division submitted a comprehensive appeal; however, fires in the area of

Humboldt National Forest traditionally did not qualify for reimbursement, probably because there were minimal homes in the area.

Senator Goicoechea said there was only about three miles between Winnemucca and the Bruno River in Idaho that was not burned. He said a significant amount of acreage was affected by recent fires. He stated that Nevada could not continue to spend millions of dollars to fight fires that burned a million acres per year. Senator Goicoechea hoped the issue would be addressed during the 2019 Legislative Session.

Assemblyman Sprinkle asked if the division had noticed an increase in the number of FMAG denials.

Ms. KC replied that the NDF reviewed previous denials, and the South Sugarloaf fire followed suit on what had been denied in the past. She said the NDF recently met with the regional FEMA advisor, who had provided training in the past. She said FEMA agreed to provide training for new staff on writing FMAG requests. Ms. KC thought the state's need for training would help FEMA become more aware of the significant amount of land burning in Nevada. The State of Nevada did not traditionally compete with California, which was also experiencing a significant number of fires. Ms. KC said the FMAG was a national grant, but it did not appear the four criteria were weighted. She was hopeful the conversations with FEMA would help the agency realize that Nevada experienced a lot of value and economic loss in the state, even when homes were not impacted.

Assemblywoman Titus asked how much money the division budgeted for fire prevention, such as grazing and cleanup activities.

Ms. KC replied that the division was requesting funding from the Forest Fire Suppression account to pay existing bills. The division had a prioritization list and was trying to pay the small vendors first. She explained that small vendors provided a service to the state and could not afford to float loans. She said local jurisdictions were second priority, and federal and other state governments were third priority. She said the agency was working through that process. Ms. KC said the requests before the Committee were not focused on fire prevention. The division's funding for work on the ground primarily came from a U.S. Forest Service grant, but the division also had a lot of human capital that was paid for by the State of Nevada; therefore, the NDF was reevaluating how to use staff for other purposes. She said staff schedules, primarily staff in the conservation camp programs, had been adjusted so that more prevention work could be accomplished. Ms. KC said that type of information was not presented to the IFC, because more often than not, the division was before the Committee to request funding for the Forest Fire Suppression account. However, there was another side of the division that performed a lot of work to maintain forest, rangeland and watershed health and resiliency.

Senator Kieckhefer said it was his understanding that the requested funds would not cover the entire shortfall for FY 2019. He assumed the NDF would need a supplemental appropriation during the 2019 Legislative Session. He asked if the division anticipated the need for another allocation from the Contingency Account.

Ms. KC confirmed that the division would be requesting another allocation from the Contingency Account. She said the amount of the current request would not be enough to cover all of the division's current fire bills, because the number of bills changed daily. Ms. KC said the current Contingency Account request did not include projections; therefore, the December 2018 request would include projections based on the 2017 fire season to help the division manage until a supplemental appropriation could be requested. She reiterated that the division's overall cost for the current fire season exceeded $32 million. The NDF did not anticipate the full cost of $32 million would come due in FY 2019, but it was difficult to anticipate when bills would be received. Ms. KC said the division was hoping that more money would come in and some of the bills could be pushed forward during the next legislative session. Although the division would still have the debt, it would be pushed forward.

Senator Kieckhefer proposed that the Committee discuss increasing the division's current Contingency Account request to allow the NDF cover the bills that had been received to date.

Mr. Krmpotic said the request before the Committee included a Contingency Account request of $3.8 million to address the vendor bills referenced by Ms. KC. The transfer from the Wildland Fire Protection budget would address a portion of the shortfall; however, in the Salary category, an unfunded portion of salaries would remain which exceeded the budgeted expenditure level for FY 2019. Staff recommended increasing the Contingency Account request by $792,438 for a total of $4,592,438 to fully fund the Salary category, largely represented in overtime costs and firefighting for FY 2019. The additional funding would also provide for further projected expenditures through December 2018 until the agency returned to the IFC for additional funds to address fire season costs for FY 2018 and FY 2019.

Chair Woodhouse asked if the NDF and GFO concurred with the revision to the Contingency Account request.

Ms. KC said the division concurred with the revision. She said the NDF had been working closely with the GFO and LCB Fiscal staff over the last two years. The division appreciated the efforts of the GFO and LCB Fiscal staff to find solutions to address the problem.

Mr. Nicks said the GFO also concurred with the revision.

> ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEMS E-47 AND E-48 AS SUBMITTED AND AGENDA ITEM H-2 IN THE REVISED AMOUNT OF $4,592,438.
>
> SENATOR PARKS SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY.

RECLASSIFICATIONS

All position reclassifications were included in the motion for approval under Agenda Item E except the following:

Department of Administration, State Library, Archives and Records - Reclassification of a Library Technician 1 to a Management Analyst 3.

Department of Employment, Training and Rehabilitation - Reclassification of an Administrative Assistant 2 to a Rehabilitation Manager 1.

Patrick Cates, Director, Department of Administration, introduced Jenni Cartwright, Administrator, Administrative Services Division, Department of Administration.

Mr. Cates provided a brief overview of the proposed position reclassification. He said the current Library Technician 1 position supported the Library Cooperative (CoOp), which was a consortium of library systems in the state. The CoOp was charged in statute with developing and operating inter-library systems, applying new technologies, and improving access to advanced research. The Nevada State Library and Archives (NSLA) was a member of the CoOp and also served as its fiscal agent.

Mr. Cates said the NSLA was requesting the reclassification of a Library Technician 1 to a Management Analyst 3. In 2016, a Management Analyst 3 supported the CoOp program. He said the program was created in the early 1980s and was staffed with a management analyst for years. When the incumbent retired, the CoOp made the decision to eliminate the management analyst position and divide the duties between a Library Technician 1 and an IT Technician. He said recruitment and retention for the positions was difficult; therefore, the NSLA decided to reclassify the Library Technician 1 back to a Management Analyst 3 in May 2018. Mr. Cates explained that in addition to recruitment challenges, part of the rationale for reverting the position back to a management analyst was because of the change in direction for the CoOp. He said many of the library resources had been moved to the cloud, which reduced the amount of IT activity, but a high level of management assistance was still necessary.

Assemblywoman Carlton said it was her understanding that the reclassification back to a Management Analyst 3 was billed as an emergency fill and then made permanent two or three months later. She said reclassifications typically required IFC approval prior to filling the position. She stated that the employee would have to be provided retroactive pay back to April 2018. Assemblywoman Carlton asked why the NSLA did not request IFC approval first.

Mr. Cates said the reason for the emergency hire was because the former incumbent resigned abruptly, creating a crisis for the program. He said the CoOp Board approved the reclassification after the emergency hire was done.

In answer to a question from Assemblywoman Carlton, Mr. Cates said the position was filled as a Library Technician 1 during an emergency hire in January 2018. He said the position was converted to a permanent position on April 24, 2018. The CoOp Board voted to reclassify the position to a Management Analyst 3 in May 2018.

Assemblywoman Carlton reiterated that a position reclassification was generally approved by the IFC prior to filling the position. She said a significant amount of time had passed between when the CoOp Board voted to reclassify the Library Technician 1 and the reclassification request before the Committee today. She said she was concerned about how the process occurred, as well as the amount of retroactive pay due to the employee.

Mr. Cates said he understood Assemblywoman Carlton's concerns about the process used to fill the position. He reiterated that it was an emergency hire. He agreed that the reclassification should have been presented to the IFC after the CoOp Board voted to reclassify the position in May 2018. Mr. Cates stated that administrative issues within the Department of Administration caused the reclassification to be delayed, which was no fault of the CoOp Board or the incumbent.

Jenni Cartwright, Administrator, Administrative Services Division, Department of Administration, confirmed that the retroactive pay would go back to April 2018. She said the retroactive pay would be more than sufficiently funded through vacancy savings, because the CoOp was effectively combining two positions into one. Upon approval of the reclassification, the intent was to eliminate the IT Technician position. She stated that the salary savings from the elimination of that position would adequately fund the Management Analyst 3 position going forward as well as the retroactive pay.

> ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE RECLASSIFICATION OF A LIBRARY TECHNICIAN 1 TO A MANAGEMENT ANALYST 3 WITHIN THE NEVADA STATE LIBRARY AND ARCHIVES.
>
> SENATOR DENIS SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY.

Mechelle Merrill, Bureau Chief of Vocational Rehabilitation, Rehabilitation Division, DETR, said the reclassification of an Administrative Assistant 2 to a Rehabilitation Manager 1 was a reactionary request fueled by the increased demands placed upon DETR by the Workforce Innovation and Opportunity Act (WIOA) and the requirements therein, as well as growth in Clark County. She said two specific laws within WIOA were putting increased stress on the Vocational Rehabilitation program, thereby requiring the division to expand the program. Thus, staff had been transferred from the northern district in Reno to Las Vegas to provide service to individuals, primarily transition youth. The transition team for the Vocational Rehabilitation program was expanded to serve the 113 high schools in Clark County. The agency also expanded the team that served individuals who traditionally worked in sub-minimum wage environments. Through WIOA, those individuals were being given the opportunity to try competitive employment, which required a lot of expertise and specific staff. The Rehabilitation Division was trying to expand the Vocational Rehabilitation program to meet those needs, but the amount of supervision in the program had not increased, which added to the challenge. Ms. Merrill said the division began the reclassification process about a year ago when it was determined that the program required more supervision.

Chair Woodhouse asked why the position reclassification was being requested during the interim rather than in conjunction with the 15 positions requested for the 2019-21 biennium.

Ms. Merrill replied that the division recognized the need for more program supervision about a year ago and began the process of the position reclassification request. The division thought the reclassification was necessary now and could not be postponed until the 2019 Legislative Session. She said it would be almost a year before the positions requested for the 2019-21 biennium would be filled, and the need for more supervision was already too great.

Assemblywoman Carlton asked why it took the division a year to request the position reclassification. Ms. Merrill replied that the division had been working with DHRM and DETR's human resources unit, but the reclassification process was time-intensive.

Assemblywoman Carlton asked if the position reclassification would have an impact on caseload ratios. She also asked how a supervisory position would impact caseload ratios.

Ms. Merrill replied that the new position would not affect caseload ratios, but it would allow the Rehabilitation Manager 2 to provide better supervision, and ultimately, better care to clients and better services to consumers. She said caseload ratios in Las Vegas were higher than in Northern Nevada. Currently, 25 percent of all caseloads in Southern Nevada exceeded 100 clients, whereas only one caseload in Northern Nevada exceeded 100 clients. Ms. Merrill said large caseloads resulted in a different level of stress, which required more supervision. As a result, services to consumers would improve.

Assemblywoman Carlton said the addition of a supervisory position would not reduce caseloads. She thought a frontline employee would be more appropriate if the goal of the division was to reduce caseload size. She remarked that 100 clients per employee was a large caseload.

Ms. Merrill agreed that 100 clients per employee was a large caseload. She said, during her time as a counselor, she thought 75 to 80 clients per caseload was ideal. Due to caseload size, the division transferred positions to Southern Nevada to meet the growing need. She said there were currently five supervisory teams in the division's southern district compared to three supervisory teams in the northern district, which was disproportionate. Ms. Merrill said the Vocational Rehabilitation program did not have enough supervision. The program's only manager, a Rehabilitation Manager 2, did not have time to work with administration, serve the needs of employers, reach out to the school districts, or perform higher level tasks, because they were too invested in day-to-day tasks. She stated that the division needed another manager to focus on routine tasks and move the Vocational Rehabilitation program forward in line with administration.

In response to a question from Assemblywoman Carlton, Ms. Merrill confirmed that the Rehabilitation Manager 1 position would be located in Southern Nevada.

Assemblywoman Carlton said she was concerned about the caseload ratios. She said she would prefer to see more frontline staff, but she was willing to support the position reclassification. She thought further discussion would be necessary during the 2019 Legislative Session when the other 15 positions were discussed. The Legislature would need to examine the division's workloads, and determine whether 15 positions were adequate, and if those positions should be frontline staff or supervisors. Assemblywoman Carlton requested that the division provide a status report on the Vocational Rehabilitation program since the establishment of the new team in Southern Nevada.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE RECLASSIFICATION OF AN ADMINISTRATIVE ASSISTANT 2 TO A REHABILITATION MANAGER 1 WITHIN THE REHABILITATION DIVISION OF THE DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

AGENCY	AGENCY/ ACCOUNT NUMBER	POSITION NUMBER	PRESENT CLASS, CODE, GRADE, SALARY	PROPOSED CLASS, CODE, GRADE and SALARY
Office of the Attorney General, Investigations, WCFU	030/1033	011	Criminal Investigator 2 Code: 13.248 Grade: 38/01 Employee/Employer Paid Retirement $56,689.20	Compliance/Audit Investigator 2 Code: 11.365 Grade: 33/01 Employee/Employer Paid Retirement $45,810.72
Office of the Attorney General, Investigations, WCFU	030/1033	014	Criminal Investigator 2 Code: 13.248 Grade: 38/01 Employee/Employer Paid Retirement $56,689.20	Compliance/Audit Investigator 2 Code: 11.365 Grade: 33/01 Employee/Employer Paid Retirement $45,810.72
Office of the Attorney General, Investigations, WCFU	030/1033	015	Criminal Investigator 2 Code: 13.248 Grade: 38/01 Employee/Employer Paid Retirement $56,689.20	Compliance/Audit Investigator 2 Code: 11.365 Grade: 33/01 Employee/Employer Paid Retirement $45,810.72
Department of Administration, Enterprise IT Services	180/1387	0003	Telecommunications Coordinator 1 Code: 6.964 Grade: 35/09 Employee/Employer Paid Retirement $70,741.44	IT Professional 2 Code: 7.926 Grade: 38/09 Employee/Employer Paid Retirement $80,972.64
Department of Administration, Enterprise IT Services	180/1387	0007	Telecommunications Coordinator 1 Code: 6.964 Grade: 35/10 Employee/Employer Paid Retirement $73,956.96	IT Professional 3 Code: 7.925 Grade: 40/10 Employee/Employer Paid Retirement $92,895.12
Department of Administration, State Library, Archives & Records	332/2895	0003	Library Technician 1 Code: 4.122 Grade: 27/09 Employee/Employer Paid Retirement $49,777.92	Management Analyst 3 Code: 7.624 Grade: 37/01 Employee/Employer Paid Retirement $54,329.76

AGENCY	AGENCY/ ACCOUNT NUMBER	POSITION NUMBER	PRESENT CLASS, CODE, GRADE, SALARY	PROPOSED CLASS, CODE, GRADE and SALARY
Department of Agriculture, Food and Nutrition Division	550/2691	0028	Quality Assurance Specialist 1 Code: 10.244 Grade: 33/04 Employee/Employer Paid Retirement $52,032.96	School/Community Nutrition Coordinator 2 Code: 12.342 Grade: 33/04 Employee/Employer Paid Retirement $52,032.96
Department of Agriculture, Food and Nutrition Division	550/2691	0030	Quality Assurance Specialist 1 Code: 10.244 Grade: 33/01 Employee/Employer Paid Retirement $45,810.72	School/Community Nutrition Coordinator 2 Code: 12.342 Grade: 33/01 Employee/Employer Paid Retirement $45,810.72
Department of Agriculture, Food and Nutrition Division	550/2691	0027	Quality Assurance Specialist 1 Code: 10.244 Grade: 33/04 Employee/Employer Paid Retirement $52,032.96	School/Community Nutrition Coordinator 2 Code: 12.342 Grade: 33/04 Employee/Employer Paid Retirement $52,032.96
Department of Health and Human Services, Division of Health Care Financing and Policy	403/3158	0224	Administrative Assistant 2 Code: 2.212 Grade: 25/04 Employee/Employer Paid Retirement $37,208.16	IT Technician 3 Code: 7.940 Grade: 30/01 Employee/Employer Paid Retirement $40,361.04
Department of Health and Human Services, Welfare and Supportive Services	407/3228	2744	Telecommunications Coordinator 2 Code: 6.969 Grade: 38/10 Employee/Employer Paid Retirement $84,772.80	IT Professional 3 Code: 7.925 Grade: 40/10 Employee/Employer Paid Retirement $92,895.12
Department of Health and Human Services, Welfare and Supportive Services	407/3228	3714	Telecommunications Coordinator 2 Code: 6.969 Grade: 38/04 Employee/Employer Paid Retirement $64,686.24	IT Professional 3 Code: 7.925 Grade: 40/04 Employee/Employer Paid Retirement $70,741.44
Department of Health and Human Services, Welfare and Supportive Services	407/3228	3658	Telecommunications Coordinator 1 Code: 6.964 Grade: 35/03 Employee/Employer Paid Retirement $54,329.76	IT Professional 2 Code: 7.926 Grade: 38/03 Employee/Employer Paid Retirement $61,888.32
Department of Health and Human Services, Welfare and Supportive Services	407/3228	0418	Quality Control Specialist 1 Code: 12.371 Grade: 34/01 Employee/Employer Paid Retirement $47,710.80	Administrative Assistant 3 Code: 2.211 Grade: 27/01 Employee/Employer Paid Retirement $35,725.68
Department of Employment, Training and Rehabilitation	901/3265	0015	Administrative Assistant 2 Code: 2.210 Grade: 25/01 Employee/Employer Paid Retirement $32,990.40	Rehabilitation Manager 1 Code: 12.409 Grade: 38/07 Employee/Employer Paid Retirement $73,956.96

AGENCY	AGENCY/ ACCOUNT NUMBER	POSITION NUMBER	PRESENT CLASS, CODE, GRADE, SALARY	PROPOSED CLASS, CODE, GRADE and SALARY
Department of Public Safety, ~~Director's Office~~ ***Highway Patrol Division***, **REVISED 10-5-18**	651/4713	0146	Administrative Assistant 3 Code: 2.211 Grade: 27/09 Employee/Employer Paid Retirement $49,777.92	Fleet Services Specialist 1 Code: 7.671 Grade: 31/07 Employee/Employer Paid Retirement $54,329.76
Department of Transportation	800/4660	067-035	Business Process Analyst 3 Code: 7.655 Grade: 38/01 Employee/Employer Paid Retirement $56,689.20	Transportation GIS Analyst 2 Code: 6.341 Grade: 36/01 Employee/Employer Paid Retirement $52,032.96
Department of Transportation	800/4660	077-004	Administrative Assistant 3 Code: 2.211 Grade: 27/08 Employee/Employer Paid Retirement $47,710.80	Personnel Analyst 1 Code: 7.527 Grade: 30/07 Employee/Employer Paid Retirement $52,032.96
Public Employees' Benefits Program	950-1338	0030	Administrative Assistant 4 Code: 2.210 Grade: 29/10 Employee/Employer Paid Retirement $56,689.20	Program Officer I Code: 7.649 Grade: 31/10 Retirement $61,888.32

F. DEPARTMENT OF ADMINISTRATION – STATE PUBLIC WORKS DIVISION

1. Request to modify the scope of CIP Project 15-S03, Statewide Fire and Life Safety Program to replace fire pumps at both the Campos Building and Grant Sawyer Office Building in Las Vegas.

   Ward Patrick, Administrator, State Public Works Division (SPWD), Department of Administration, said the division was requesting to modify the scope of CIP Project 15-S03, Statewide Fire and Life Safety Program, to replace fire pumps in the Campos and Grant Sawyer Buildings in Las Vegas. He noted that the Campos Building was constructed in 2009 and the Grant Sawyer Building was constructed in 1995. Mr. Patrick stated that the fire pumps were vertical turbine pumps standing approximately 17 feet high with a 10,000 gallon tank. He said the division intended to fund the projects with approximately $600,000 that remained in CIP Project 15-S03.

   Mr. Patrick said the Fire and Life Safety Program achieved savings in a number of areas within CIP Project 15-S03. He said the SPWD received favorable bids in two areas due to the contractor's familiarity with the sites.

   Assemblywoman Carlton said she understood the need to replace the fire pump at the Grant Sawyer Building due to the age of the building; however, the Campos Building was a newer building. She recalled that the building often experienced issues, and she asked for further details concerning the fire pump.

Mr. Patrick replied that the Campos Building was an 188,000 square foot building constructed in 2009. He said the consultant that was hired to help with the project recently provided the division with a draft report. In reviewing the report, it was determined that the Campos Building fire pump failure was premature; therefore, the division was examining the issue further and would provide an update to the Committee when further details became available.

Assemblyman Edwards asked for the life expectancy of fire pumps and the length of the warranty. Mr. Patrick replied that the life expectancy of a fire pump was approximately 20 years. He said the warranty was a one-year contractor's warranty.

Assemblyman Edwards asked why a longer warranty was not included in the contract. Mr. Patrick replied that the Capital Improvement Program now required a 20-year, no dollar limit warranty on roofs for various projects. However, it was irregular to provide a warranty beyond one year on major equipment.

In response to a question from Assemblyman Edwards, Mr. Patrick replied that warrantees could be extended beyond one year in a contract, but the state would pay a premium on equipment that was generally supposed to last more than 20 years.

Assemblyman Edwards remarked that, in a sense, the state was already paying a premium by spending over $600,000 to replace fire pumps.

Assemblyman Edwards said he found it difficult to support a request to replace equipment with a one-year warranty that was prematurely failing after only 10 years. He asked if the warranty could be extended to a minimum of 10 or 15 years.

Mr. Patrick replied that approximately half of the funds would be used to replace the 20-year old fire pump at the Grant Sawyer Building that had reached the end of its useful life. He said the other half of the request was to replace the 9-year old fire pump at the Campos Building. The contract for that building was executed and completed in 2009. Mr. Patrick said patent and latent defects may come into play with regard to warranty issues; however, he thought that terminated about six years after the project was complete. He said the division could research the matter and provide the information to the Committee. Additionally, he said the SPWD could consider extended warrantees for fire pumps on future projects.

Assemblywoman Swank said as she understood it, the fire pump at the Campos Building was failing prematurely, and the cost to replace it was $280,000. On the other hand, the fire pump at the Grant Sawyer Building was beyond its useful life and in need of replacement. She thought it would be helpful to know how much more the state would be spending on extended warrantees compared to replacing a fire pump on the rare occasion that one failed prematurely. Assemblywoman Swank said she would like to know if there was

a return on investment for an extended warranty. She thought the state may end up spending a lot more in warrantees than replacing an occasional fire pump.

Mr. Patrick replied that the division would need to perform a cost benefit analysis to provide feedback on the cost difference between extended warrantees and fire pumps. He noted that the only fire pumps in the Division of Buildings and Grounds' inventory were the pumps at the Campos and Grant Sawyer Buildings, so the risk of having to replace the pumps again was low. He thought there were other fire pumps within the state system, but fire pumps were generally limited to buildings in low-pressure regions or buildings with five or more stories.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM F-1.

SENATOR DENIS SECONDED THE MOTION.

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

2. Request to modify the scope of CIP Project 17-M52, Air Handling Unit Replacement, Lake's Crossing, to increase the authority to receive and expend an additional $400,000 to address project shortfalls, pursuant to NRS 341.145(1)(f), and to transfer $300,000 from CIP Project 17-M21, Security System Installation, Desert Regional Center and $100,000 from CIP Project 17-M08, Replace Emergency Generator, Desert Regional Center, pursuant to Section 34 of Senate Bill 546 of the 2017 Session, to fund the shortfall for CIP Project 17-M52. **RECEIVED AFTER SUBMITTAL DEADLINE, 10-3-18.**

Mr. Patrick said the SPWD was requesting to modify the scope of CIP Project 17-M52, Air Handling Unit Replacement, Lake's Crossing, to increase authority to receive and spend $400,000 from two projects. The two projects included CIP Project 17-M21 at Desert Regional Center offering $300,000, and CIP Project 17-M08 at Desert Regional Center offering $100,000.

Mr. Patrick said there were two issues prohibiting the project from coming in under budget, the first of which was the volatility of the metals market. He said, much of the project required new equipment, and the current cost of that equipment was higher than anticipated two years ago. Additionally, Lake's Crossing was an essential facility that housed clients awaiting adjudication. One of the project tasks was to replace duct work in some of the coves along the ceiling in the building; however, it was difficult to gain access to the ceiling to perform the work, because Lake's Crossing was the only facility in the state to house that particular type of client. Mr. Patrick said the SPWD did not estimate the proper costs to allow the contractor to work within those confines.

SENATOR PARKS MOVED TO APPROVE AGENDA ITEM F-2.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

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

3. Request to modify the scope of CIP Project 17-C15, Complete Planning and Begin Construction of a New Medical School Building, UNLV, to design and construct a 49,000 square foot Medical School/Health Sciences Library Building, and to increase the authority to receive and expend an additional $10,000,000 of university funds for the costs associated with the project, pursuant to NRS 341.145(1)(f). **WITHDRAWN 10-19-18.**

4. Request to delay the completion of CIP Project 17-C05, National Guard Readiness Center, and to defer $3.4 million in project costs for consideration in the 2019 CIP, due to the unforeseen escalation of construction costs at the time the project was estimated, pursuant to 341.145(1)(j). **RECEIVED AFTER SUBMITTAL DEADLINE, 10-3-18.**

   Mr. Patrick introduced Clayton Chappell, Director, Office of Installations and Environment, Nevada Army National Guard, and Major Brian Hunsaker, Design and Project Manager, Nevada Army National Guard.

   Mr. Patrick said the SPWD was requesting to delay the completion of CIP Project 17-C05, National Guard Readiness Center, which would be approximately 78,000 square feet in size. Additionally, the division was requesting to defer $3.4 million in project costs for consideration in the 2019 CIP due to the unforeseen escalation in construction costs at the time the project was estimated.

   Mr. Patrick said the division was requesting to defer certain tasks within the project scope of CIP Project 17-C05 to a future 2019 CIP project. If the 2019 CIP project was not approved, completion of the facility would be delayed. The SPWD was currently bidding the balance of the project, and proposals to implement the project would be available in November 2018. Mr. Patrick said the estimated cost of the first portion of the project was about $32 million.

   Continuing, Mr. Patrick stated that inflation would be added to the $32 million project cost if construction was delayed until after the 2019 Legislative Session. The SPWD anticipated that the Board of Examiners would approve the construction project at its meeting in January 2019. A notice to proceed would be issued to the contractor shortly thereafter. He said the estimated completion date was the summer of 2020. Mr. Patrick said the project could proceed if the deferral of the items was approved by the Committee.

Chair Woodhouse asked if there was any likelihood that some of the project costs could be supported by federal funding.

Major Brian Hunsacker replied that it was unlikely that project costs would be supported by federal funding. He said the National Guard Bureau received authorization in 2018 for about $218 million, $32 million of which was awarded to Nevada. Additional funding may become available if other states had bid savings; however, that information would not be available until all the states had submitted their bids. Major Hunsacker said the Nevada National Guard would submit a request for additional funds if there was an overage. If additional federal funds did become available, the Nevada National Guard would withdraw the request before the start of the 2019 Legislative Session.

Senator Kieckhefer asked which project tasks would not be deferred. He also asked if the building would be usable despite project delays.

Major Hunsacker replied that the building would be functional, but in a degraded mode. He said kitchen equipment would be deferred; therefore, food would be provided by the new facility two miles away. He said it was not an ideal situation, but workable. Additionally, the vehicle parking lot would be deferred. Major Hunsacker explained that Clark County had dust suppression codes; therefore, vehicles had to be parked on concrete, not gravel. He said some vehicles would have to be stored offsite at the Nevada National Guard's southern or northern Las Vegas location. He said soldiers in training would not have ready access to the vehicles and there would be an additional expense for offsite vehicle storage.

Assemblywoman Carlton said it had been difficult to keep CIP projects within budget due to inflationary costs. She asked how the division could improve the accuracy of cost estimates to avoid situations in which people were working in a degraded facility.

Mr. Patrick replied that the SPWD was using the best cost estimating process in the state. The division used construction cost estimators in Southern and Northern Nevada to determine accurate project costs. He said many CIP projects were procured using the construction manager at-risk method authorized in NRS 338, which permitted project contractors to assist the SPWD with cost estimations in addition to professional cost estimators. He said several parties were involved in determining the cost for large projects including professional cost estimators, contractors and subcontractors, and representatives from the architecture and engineering community. Mr. Patrick said the division felt fortunate that projects were coming in close to budget. He said about ten years ago, inflation rates were 12 to 14 percent, and projects were often put on hold or deferred to the next legislative session. As a result, costs escalated by 40 to 50 percent compared to the 10 percent estimated escalation for CIP Project 17-C05. Mr. Patrick said the state was still in a similar climate as ten years ago; however, only a portion of the project scope was being deferred rather than the full scope.

Continuing, Mr. Patrick said there was variability in smaller projects coming in close to budget. Smaller projects were being priced to ensure they were completed in the allotted timeframe. He said some of those projects were coming in significantly under budget, which allowed the SPWD to utilize funds for other projects. He said the division was being as resourceful as possible. For example, new conductors may not be necessary for a door control or security camera project due to the type of system being installed. Mr. Patrick said the division tried to adequately price projects; however, some of the budget issues with smaller projects largely stemmed from the volatility of the market.

Mr. Patrick said two years ago inflation for CIP Project 17-C05 was anticipated at 5 percent, but now it could be 10 or 12 percent. The SPWD was still trying to get conclusive information. He said some CIP projects were being upgraded to emergency status, such as the fire pumps at the Campos and Grant Sawyer Buildings. During the 2019 Legislative Session, the SPWD recommended Priority 1 projects, but the cost was too high; therefore, projects were divided into Priority 1a and 1b for the first time. Mr. Patrick thought former SPWD Administrator, Gus Nunez, would caution the Legislature to expect more emergency-type projects, because very few projects were being completed ahead of schedule. Mr. Patrick thought the 2019 CIP would also include Priority 1a and 1b projects, which could result in more emergency-type projects.

Chair Woodhouse asked if the division anticipated that other projects would need to be deferred to the 2019 CIP. Mr. Patrick replied that a portion of CIP Project 17-M70, Exterior Renovation of the Capitol Building, may need to be deferred to the 2019 CIP.

> ASSEMBLYWOMAN MONROE-MORENO MOVED TO APPROVE AGENDA ITEM F-4.
>
> SENATOR DENIS SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY. (Assemblyman Wheeler was not present for the vote.)

5. Information regarding the Project Exception Report pursuant to NRS 341.100(8)(g).

Mr. Patrick referred to the Project Exception Report for September 2018 (page 381, Exhibit B). He noted that the Nevada Youth Training Center was added to the October 2018 report. In total, four projects on the report were from the 2015 CIP and had been on hold for almost two years. The SPWD was currently working on an action plan with the using agencies. Consequently, the division may need to request authority from the Committee to shift funds to compete those projects, and some projects may require an extension.

There was no further discussion on this item.

G. STATEMENT OF CONTINGENCY ACCOUNT BALANCE.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, LCB, referred to the Statement of Contingency Account on page 387 in Volume II of the meeting packet (Exhibit B). He said, since the August 16, 2018, meeting of the IFC, about $5.6 million in reversions to the Contingency Account were recorded, including $2.6 million from NDF as referenced earlier in the meeting. He said the balance of the unrestricted portion of the General Fund was approximately $8.4 million; the balance of the restricted portion of the General Fund was approximately $16.4 million; and the balance of the Highway Fund was approximately $1.6 million. Mr. Krmpotic noted that the balances provided were subsequent to requests before the Committee.

H. REQUESTS FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO NRS 353.268 (Note: IFC may approve a different amount for an allocation than the amount requested). State Department of Conservation and Natural Resources

1. State Engineer – Request for an allocation of $250,000 to restore funds in the Account for the Channel Clearance, Maintenance, Restoration, Surveying and Monumenting Program pursuant to NRS 532.230 to provide funding for channel clearance activities.

   Tim Wilson, Deputy Administrator, Division of Water Resources, DCNR, said the division was requesting a replenishment of $250,000 for the river maintenance and clearance fund. He said 32 projects on the Carson, Walker and Truckee Rivers had been funded since the creation of the Channel Clearance, Maintenance Restoration, Surveying and Monumenting Program. Expenditures ranged from $5,000 to over $100,000. Since the division's last request in 2015, all of the agency's resources had been committed to projects, thus the need for additional funding. Mr. Wilson said various entities had informed the division of their desire to fund additional projects, which would consume all of the funds being requested by the division.

   Assemblywoman Titus recalled that most of the projects through the Channel Clearance, Maintenance Restoration, Surveying and Monumenting Program had a matching community investment, as was the case with a recent project in her district through the Mason Valley Conversation District. She asked if the division had commitments from other entities to match the requested funds.

   Mr. Wilson replied that the division could match up to 50 percent, but conservation districts typically acquired multiple funding sources for projects. He said the funds were well invested, and Assemblywoman Titus agreed.

   Chair Woodhouse asked if the agency had received subsequent requests, or if there were pending applications for funding beyond the $28,228.

Mr. Wilson replied that once the program account was full, the division solicited through clearinghouse to the public. Entities submitted projects to the Channel Clearance, Maintenance Restoration, Surveying and Monumenting Program, and the projects were subsequently prioritized and approved. Mr. Wilson said he reached out to the conservation districts to get an idea of potential projects, and the conservation districts submitted a number of project ideas. He noted that those projects had not been officially submitted for review. The division would have to receive the funding and go through the process of noticing the public first. However, the division was aware of a number of projects that would easily consume the $250,000.

SENATOR GOICOECHEA MOVED TO APPROVE AGENDA ITEM H-1.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

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

2. Division of Forestry – Request for an allocation of ~~$3,000,000~~ ***$3,800,000*** to fund emergency response activities. **RELATES TO AGENDA ITEMS E. 47 AND 48**. **REVISED 10-9-18.**

Agenda Items E-47, E-48 and H-2 were discussed jointly. Referred to testimony and motion for approval under Agenda Item E.48.

I. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (HIGHWAY FUND) PURSUANT TO NRS 353.268 (Note: IFC may approve a different amount for an allocation than the amount requested). Department of Public Safety – Highway Safety Plan and Administration – Request for an allocation of $72,639 $53,387 to fund a full time position to support the implementation of Senate Bill 259 (2017 Legislature), requirements relating to ignition interlock devices. **REVISED 10-9-18**.

Amy Davey, Administrator, Office of Traffic Safety (OTS), Department of Public Safety (DPS), introduced Victoria Hauan, State Impaired Driving Prevention Program Manager, OTS, DPS, and Sheri Brueggemann, Chief Financial Officer, DPS Director's Office.

Ms. Davey said OTS was requesting Contingency Account funds to staff a Program Manager 2 position with a prospective start date of January 1, 2019. The position would support DPS statutory requirements related to the implementation of Nevada's new impaired driving ignition interlock laws. The use of ignition interlock devices was a proven and well-researched method to safeguard the public and reduce alcohol-impaired crashes and fatalities. She stated that the use of ignition interlock devices would enhance safety on Nevada's roads. Ms. Davey said OTS was appreciative of the 2017 Legislature for passing Senate Bill (S.B.) 259.

Ms. Davey said the division's request stemmed from S.B. 259, which specified that reports of ignition interlock device violation be provided by DPS to the courts to assist with determination of the period for which the driver who was convicted for driving under the influence (DUI) must use the ignition interlock device. In a 2017 fiscal note, DPS initially estimated seven positions would be required to meet its statutory obligations; however, OTS believed that a Program Officer 2 position would allow the division to meet the requirements of S.B. 259 until it was determined which state agency would have overall authority for the program.

Ms. Davey explained that the courts send DUI conviction information to the DMV to provide the terms for which an ignition interlock device was required. She said DPS had not historically received individual DUI arrest, conviction or driver's license information, so the OTS needed to establish a new process to collect violation reports and distribute them to the courts. Additionally, new requirements were assigned to the Nevada Committee on Testing for Intoxication (NCTI) to adopt regulations related to ignition interlock devices, and DPS supported that committee.

Continuing, Ms. Davey said the implementation date of the new requirements was October 1, 2018. The OTS had been working with the courts, DMV, ignition interlock providers and law enforcement for several months to provide education and training. In fact, the Traffic Injury Research Foundation came to Nevada in September 2018 to meet with stakeholders and partners and provide technical assistance on the Nevada Ignition Interlock Program (NIIP). She said the DMV agreed to take the lead in continuing meetings with stakeholders to focus on short and medium-term goals to effectively implement the requirements of statute. The DMV also indicated it would propose amendments to the 2019 Legislature with a focus on improving the process.

Ms. Davey said research on ignition interlock program models showed that most states funded the administrative management of their program through fees charged to ignition interlock manufacturers. She noted that if the 2019 Legislature modified the statute to align with federal guidelines, Nevada could apply for federal funds specifically designated to support alcohol ignition interlock programs.

Assemblywoman Spiegel said she was intrigued by the fact that the NIIP was ineligible for federal funding because of the exceptions in statute. She asked if the state could request federal funding for instances when the exceptions were not used.

Ms. Davey replied that eligibility for federal funding was based on each state's individual law. The federal government reviewed each statute and determined whether it met funding requirements. She said Nevada was denied federal funding, and the OTS had since submitted a formal request for explanation of the denial. Ms. Davey said she was fairly certain the denial was due to the exceptions in the statute. She said the requirements were very clear, so Nevada would probably not qualify for federal funding based on S.B. 259.

Assemblywoman Carlton asked if it had been determined which agency was taking the lead on the NIIP. Ms. Davey replied that OTS was currently working closely with the DMV. As a result of recent technical assistance provided to the NIIP, OTS and DMV reviewed other state models to see which state agency typically held authority for the ignition interlock program. Nationally, ignition interlock programs were generally located within departments of motor vehicles, divisions of parole and probation or highway patrol. She said overall program authority should be designated to a single state agency, with various components designated to other state agencies. The DMV, OTS and the courts were still discussing which agency should have overall program authority for the NIIP. She said DPS had certain requirements for adopting regulations and reporting. Ms. Davey thought further discussion concerning overall program authority would occur during the 2019 Legislative Session.

In response to a question from Assemblywoman Carlton, Ms. Davey replied that the regulation development process began in the summer of 2018. Stakeholder and public workshops had been held and were well attended. The agencies received a lot of input, which was included in the initial draft regulations that were submitted to the LCB. She said open public workshop input was being used for revisions to the regulations, which would be resubmitted to the LCB for review. Ms. Davey clarified that the regulations had not yet been considered by the Legislative Commission.

Chair Woodhouse asked what changes would be necessary to allow the NIIP to become self-sufficient.

Ms. Davey noted that Nevada was the 30th state to adopt a mandatory all-offender ignition interlock program. She said ignition interlock programs throughout the nation were self-sufficient. Ms. Davey said she was not proposing additional costs to the users of the devices, but states typically had a fee structure with ignition interlock manufacturers that allowed the programs to become self-supporting and provide better oversight of the program. Currently, administrative or operational oversight was not built in for vendors and manufacturers to ensure that individuals with ignition interlock devices on their vehicles had the best quality device available. She said there was a lot of work that still needed to be done, but it was possible for the NIIP to be a self-funded program based on ignition interlock programs in other states. Ms. Davey said the division looked forward to working with the Legislature on proposed models.

SENATOR PARKS MOVED TO APPROVE AGENDA ITEM I.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

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

J. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO ASSEMBLY BILL 504, SECTION 1.5 (1)(a) (2017 Legislature) (Note: IFC may approve a different amount for an allocation than the amount requested). Office of Finance in the Office of the Governor –

Request for an allocation of $674,914 for Fiscal Year 2019 to continue funding the replacement of the financial and human resource management information technology systems.

Agenda Items J and K were discussed jointly. Refer to testimony and motion for approval under Agenda Item K.

K. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (HIGHWAY FUND) PURSUANT TO ASSEMBLY BILL 504, SECTION 1.5 (1)(b) (2017 Legislature) (Note: IFC may approve a different amount for an allocation than the amount requested). Office of Finance in the Office of the Governor – Request for an allocation of $158,313 for Fiscal Year 2019 to continue funding the replacement of the financial and human resource management information technology systems.

Agenda Items J and K were discussed jointly.

LeeAnn Easton, Director, Office of Project Management (OPM), said the Contingency Account requests before the Committee totaled $833,227, of which $674,914 was requested from the General Fund and $158,313 from the Highway Fund. She said the funds would be used for the continued funding of salaries and other operational costs associated with the replacement of the financial management and human resource management systems per A.B. 504 of the 2017 Legislative Session.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEMS J AND K.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY. (Senator Kieckhefer and Assemblyman Wheeler were not present for the vote.)

L. INFORMATIONAL ITEMS.

The Committee expressed interest in hearing testimony on the following items: Agenda Items L-3b(1), Department of Administration, Enterprise Information Technology Services; L-5, State Public Charter School Authority; L-8, Department of Tourism and Cultural Affairs, Division of Museums and History; and L-14, Department of Transportation.

1. OFFICE OF THE GOVERNOR
   a) Governor's Finance Office – Budget Division – Quarterly report of the agency activity relating to contracting with current or former employees of the state, for the period ending September 30, 2018, pursuant to NRS 333.705(5).
   b) Office of Workforce Innovation – Semiannual report concerning the efforts and achievements of the office for the period ending June 30, 2018 (letter of intent, 2017 Legislature).

There was no discussion on these items.

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 June 30, 2018 (letter of intent, 2017 Legislature).

   There was no discussion on this item.

3. DEPARTMENT OF ADMINISTRATION
   a) Deferred Compensation – Notice to increase one 0.75 equivalent position to a full-time position due to workload increase.

      There was no discussion on this item.

   b) Enterprise Information Technology Services
      1) Quarterly reports on the status of the OTIS development project as requested during the December 7, 2017, meeting of the Interim Finance Committee, for the periods ending June 30, 2018, and September 30, 2018.

         Patrick Cates, Director, Department of Administration, introduced David Haws, Administrator, Division of Enterprise Information Technology Services (EITS), Department of Administration. He said the report supplied to the Committee was a status update on the Offender Tracking Information System (OTIS) (page 63, Exhibit C).

         Mr. Cates said he regretted to inform the Committee of another timeline oversight and an increase in projected cost estimates for the OTIS project. Given the latest increase in time and cost for the project, EITS was putting the OTIS project on hold until it could be considered by the 2019 Legislature. As noted in the report, the division estimated an additional $1.5 million would be necessary to complete the OTIS project (page 76, Exhibit C). Given the close proximity of the 2019 Legislative Session, EITS' repeated inability to properly estimate costs, and the dwindling Contingency Account funds, Mr. Cates reiterated that the division thought it best to suspend the project until it could be discussed with the full Legislature.

         Continuing, Mr. Cates said EITS' inability to properly estimate project costs had plagued the OTIS project from the beginning. In 2014, EITS estimated that the OTIS project would cost $1.7 million. He noted that the original cost estimate was done prior to his tenure as Director of the Department of Administration, and prior to Mr. Haws' tenure as Division Administrator and Michael Dietrich's tenure as the State Chief Information Officer. He said the management team that developed the cost estimate had long since left state service.

Mr. Cates said, in contrast to the $1.7 million estimate, a consultant working with DPS in 2012 estimated it would cost $10 million to replace the OTIS system using a commercial off-the-shelf (COTS) product with no customization. In comparing the two estimates, Mr. Cates did not think the $1.7 million estimate was credible.

Mr. Cates said the last time the OTIS project was discussed with the Committee was in December 2017. At that point, EITS requested $1.7 million in additional funding, a portion of which came from the existing budget and a portion from the Contingency Account. He noted that Mr. Haws was the Deputy Administrator at that time and provided most of the testimony in conjunction with Jim Wright, Director, DPS. Mr. Cates stated that Mr. Haws was relatively new to EITS then and had only been delving into the OTIS issues for a few months prior to that meeting. He thought Mr. Haws and his team did their due diligence in developing a more realistic cost estimate. Mr. Cates recalled that Mr. Haws discussed the uncertainty and continued risk to the project at length during the December 2017 IFC meeting.

Continuing, Mr. Cates said EITS assembled the best estimates at the time, but fundamentally, the division underestimated the difficulty surrounding quality assurance, the portion of the project when the programmers tested code, and user acceptance testing, when the customer tested code. Most of those difficulties centered on issues of data conversion. Mr. Cates said the data conversion issues were far more complex than anticipated. He said data conversion was often the Achilles heel of IT projects. He explained that data conversion was generally minimized, but information databases were extensive; therefore, it was very difficult to make the system function correctly without doing a massive data conversion. Mr. Cates thought the complexity of data conversion was not taken into consideration with the OTIS project.

Mr. Cates said he was happy to report that much had been accomplished with the OTIS project since December 2017. The division dedicated more resources to the project, and Mr. Haws assigned a full-time state project manager to the project instead of using a Master Service Agreement (MSA) vendor. Mr. Cates stated that Mr. Haws and his management team were personally involved in maintaining the progress of the project.

Mr. Cates reported that the core coding for the project was essentially complete. There were only a few minor tasks to be completed based on the most recent report. He said the remaining tasks included quality assurance testing, user acceptance testing and data conversion.

Mr. Cates said the current report indicated that another $1.5 million was necessary to complete the project, which increased the total project cost to $5.3 million for a custom system tailored to the Division of Parole and Probation. He said $5.3 million was a reasonable price for a customized system compared to the $10 million estimate from the consultant for a COTS

system. However, $5.3 million was still significantly higher than the original cost estimate.

Mr. Cates thought there was a high level of confidence surrounding the current estimates that Mr. Haws and his team compiled. He said Mr. Dietrich was adamant about having the team redo the estimates to ensure they were thorough and used best practices. Now that the project was closer to completion, it was easier to determine a more accurate estimate. Mr. Cates noted that the strategy under current EITS management was to move away from custom coding and toward solutions such as COTS and software as a service. He said EITS would not propose a custom in-house system for DPS today.

Mr. Cates said, in his opinion, the OTIS project needed to continue, because so much had already been invested into the project. He said opting for a COTS solution would mean losing the entire investment to date, and it would cost the state another $10 million. He said mothballing the project would also increase the cost. The additional $1.5 million noted in the report represented continued effort on the OTIS project. The cost would continue to increase the longer the project was delayed. Mr. Cates said EITS would require time to reestablish a team and hire people who would have to be brought up to speed. He said the division estimated that the cost could increase by as much as another $1 million in the next six months. Mr. Cates reiterated that the OTIS project needed to be discussed in greater detail with the 2019 Legislature due to EITS' continued inability to properly estimate the project costs.

Mr. Cates said he and Mr. Wright were frustrated that the OTIS project had reached its current state, as was the Committee. He reiterated that the current cost estimate was $5.3 million compared to an alternative option identified by a vendor that would cost $10 million. Mr. Cates said he did not think the project was out of control in terms of cost, but EITS' credibility with the Committee was damaged, which is why the OTIS project was being suspended temporarily.

Assemblywoman Carlton said the concerns she had in December 2017, and the reason she voted against authorizing the extra funds, were the exact reasons stated by Mr. Cates. She thought it was disappointing that money meant for personnel and equipment costs was used for a project that had come to a standstill.

Assemblywoman Carlton remarked that in the same way Mr. Cates thought $1.7 million was an unrealistic cost estimate, she believed that $10 million was an unrealistic estimate. She suggested that the $10 million estimate be reevaluated, because she thought the cost had been inflated to ensure that the project would be managed by EITS. Assemblywoman Carlton thought there were COTS solutions that could be modified to meet the state's needs.

Assemblywoman Carlton thanked the agency for suspending the project, because she thought it was beginning to look like a money pit. She thought there were better ways to spend money in the state. She suggested reaching out to other consultants for a new estimate. Assemblywoman Carlton said the project may need to be restarted from the beginning, and the money that had already been invested may be lost. She said there was time for additional discussion before the beginning of the 2019 Legislative Session.

2) Notice to increase one part-time equivalent position to a full-time equivalent position in the Office of the Chief Information Officer to perform statewide website compliance conversion activities related to the ADA remediation project.

There was no discussion on this item.

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 June 30, 2018, pursuant to Senate Bill 553, Section 4.7 of the 2017 Legislative Session. **RELATES TO AGENDA ITEM F. 3. RECEIVED AFTER SUBMITTAL DEADLINE, 10-12-18**.

There was no discussion on this item.

4. DEPARTMENT OF EDUCATION – Quarterly report on Class-Size Reduction Variances for the period ending April 30, 2018, of the 2017-18 school year, pursuant to NRS 388.700(5).

There was no discussion on this item.

5. 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 June 30, 2018 (letter of intent, 2017 Legislature).

Jennifer Bauer, Administrative Services Officer, State Public Charter School Authority (SPCSA), provided the following overview of the agency's semiannual report as required in the letter of intent issued by the 2017 Legislature.

- Eliminating the backlog in reviewing charter applications - Ms. Bauer reported that the SPCSA had completely eliminated the backlog in reviewing charter applications received prior to the reporting period. Currently, there was no backlog of applications.

- Conducting required site visits - Ms. Bauer reminded the Committee that the SPCSA had two types of site visits: evaluative and supportive. She reported that nearly all school supportive site visits were complete with the exception of the

Elko Institute for Academic Achievement, which would be conducted in October 2018. By the end of October 2018, every charter school within the SPCSA would have received a visit by the agency's School Support team.

With regard to evaluative site visits, SPCSA staff continued to work on developing a legally defensible protocol. Ms. Bauer said the evaluative site visit process was a core component of the performance framework. She said staff engaged in discussions with a third-party evaluator and technical assistance provider hired by the Department of Education; discussed best practices with other authorizers; reached out to stakeholders; and performed various other forms of research concerning evaluative site visit protocol as directed by the SPCSA Board.

- Revising academic, organizational and financial frameworks - Ms. Bauer said the SPCSA Board directed agency staff to substantially revise the academic, organizational and financial frameworks. With regard to the organizational framework, staff updated the SPCSA reporting requirements manual and completed the organizational audit questionnaire; however, staff was directed to reevaluate the audit questionnaire due to significant concerns expressed by the SPCSA Board. Ms. Bauer said the manual and audit questionnaire were key components of ensuring performance under the organizational framework.

  With regard to the academic framework, staff completed preliminary research on certain elements of the academic framework, such as the evaluative site visit protocol. The most critical driver of the academic framework continued to be the Nevada School Performance Framework (NSPF) star ratings. Ms. Bauer noted that the NSPF was not finalized during the reporting period; however, the Department of Education had since finalized the NSPF procedures, which were critical in the development of the SPCSA's legally defensible academic framework.

- Eliminating the backlog of written correspondence to applicants recommended for denial of a charter school application - Ms. Bauer stated that during the reporting period, the SPCSA fully eliminated the backlog of written correspondence to applicants recommended for denial of a charter school application. Currently, the agency did not have a backlog.

- Completing reviews to ensure consistent enforcement of applicable laws, regulations and policies - Ms. Bauer reported that the SPCSA staff attorney and Education Programs Director continued to work on implementing consistent and equitable review processes. Progress included the work described in the aforementioned discussion concerning the agency's academic, organizational and financial frameworks. Additionally, the SPCSA recently hired a Management Analyst 4 who would be educated on law, regulations and policies for the charter community in Nevada.

Chair Woodhouse said she was concerned that the SPCSA still had not begun the evaluative site visits. She recalled that the agency was working on the site visit protocol. She asked for the anticipated start and completion dates for the visits.

Ms. Bauer replied that the SPCSA was also concerned about beginning work on the evaluative site visit protocol and conducting visits. She reported that the new positions that made up the authorizing unit of the SPCSA were fully on board and doing amazing work; however, the agency had come to realize there was more to the evaluative site visit process than anticipated. She said significant challenges needed to be overcome, and the revisions to the performance framework prescribed by the SPCSA Board had to be completed before a defensible site visit protocol could be developed. The site visit protocol also required the agency to determine which schools need to be visited, and the order and protocol for the two different types of schools, virtual and traditional. Additionally, a rubric had to be developed. Ms. Bauer stated that during extensive stakeholder engagement, the schools provided feedback indicating they wanted to be informed of the site visit date, evaluation criteria, and the rubric by which the SPCSA would measure their performance. Thus, the performance framework required a significant amount of work before the agency could decide on a defensible site visit protocol. Ms. Bauer said the SPCSA did not have an anticipated start date for the site visits. A recommended set of revisions to the financial framework would be presented to the SPCSA Board in January 2019, which was the first step in the site visit protocol.

Chair Woodhouse said it was unconscionable that the evaluative site visits had not moved along more expeditiously. She presumed the agency and the SPCSA Board were aware of the ramifications if the evaluative site visits were not conducted.

Ms. Bauer thanked Chair Woodhouse for her feedback. She said the Committee's input would be very helpful for agency staff and the SPCSA Board, and she would be sure to communicate the information to them.

In response to a question from Assemblywoman Carlton, Ms. Bauer confirmed that the schools provided input on the items by which to be evaluated.

Assemblywoman Carlton was opposed to the idea of the schools determining the evaluation criteria. She said the state and charter school regulator should be responsible for determining which items/areas to evaluate. The schools would naturally select areas in which they excelled, but the state was more concerned with the areas that required improvement at each school. She said the SPCSA needed to develop the evaluation based on what was best for students and hold the schools accountable. The purpose of evaluative site visits was to uncover and correct problem areas, and allowing the schools to select evaluation criteria contradicted that purpose. Assemblywoman Carlton noted that she had received a number of complaints about a couple of charter schools. She suggested that Ms. Bauer relay that information to the SPCSA Board and discuss how the agency should move forward as a true regulator.

Ms. Bauer said she appreciated Assemblywoman Carlton's comments. She thought the input would be very informative for the SPCSA Board.

Chair Woodhouse recalled that the 2017 Legislature approved four positions to perform evaluative site visits. She asked for the status of those positions and their role in the development of the evaluative site visit protocol.

Ms. Bauer replied that the four positions had been filled, and the authorizing team was fully staffed with the exception of one existing position that would be reclassified and filled within the coming months. She said the SPCSA was considering the idea of having agency staff conduct evaluative site visits. However, feedback from stakeholder engagements, the charter leader community and lobbyists indicated opposition to SPCSA staff performing site visits; therefore, the agency may have to consider contracting for those services.

Assemblyman Edwards asked if the SPCSA could use the evaluative site visit protocols from other states.

Ms. Bauer replied that part of the stakeholder engagement and outreach included communicating with authorizers nationwide; obtaining best practices; and working with the National Association of Charter School Authorizers. She said the SPCSA was making every effort to ensure that the state had the most defensible protocol and that it aligned with the purpose of the agency.

Assemblyman Edwards said each charter school had to abide by a charter. He asked if the schools would be in compliance just by meeting the criteria laid out in the charter. Ms. Bauer replied that charter contracts varied by authorizer and state; however, she agreed that schools were expected to comply with charter school terms.

In response to a question from Assemblyman Edwards, Ms. Bauer replied that part of the evaluation criteria was the performance framework. She said academic, organizational and financial frameworks were part of the charter school application as well as the charter school contract. The SPCSA had to complete revisions to the performance framework first and then the agency would have something by which performance could be measured during the evaluative site visits.

Senator Denis agreed that the evaluative site visits must be conducted soon. He said the state put a lot of pressure on traditional schools to perform; therefore, it was important to ensure that charter and other types of schools were also complying with state requirements.

Chair Woodhouse directed Ms. Bauer to inform the SPCSA Board and staff that evaluative site visits were a priority and needed to be addressed immediately.

6. 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 and the expenditures funded for the period ending June 30, 2018, pursuant to Senate Bill 545, Section 8, subsection 2 (2017 Legislature).

   There was no discussion on this item.

7. DEPARTMENT OF BUSINESS AND INDUSTRY – Home Means Nevada – Quarterly report concerning the status of the Foreclosure Mediation Assistance program for the period ending June 30, 2018, pursuant to Senate Bill 490, Section 2(16) (2017 Legislature).

   There was no discussion on this item.

8. DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS – Division of Museums and History – Report on the results of the pilot school bus program for the period ending June 30, 2018 (letter of intent, 2017 Legislature).

   Peter Barton, Division Administrator, Division of Museums and History, Department of Tourism and Cultural Affairs (DTCA), said the pilot school bus program was authorized by the 2017 Legislature to provide transportation costs for schools to visit Nevada state museums. Nevada experienced a decade of decline in school participation at state museums, which was a primary source for enhancing history education for students in the state. By and large, the decline was attributed to the lack of funding for school buses to transport students to and from museums. He said the program was authorized $250,000 in each year of the 2017-19 biennium.

   Mr. Barton said the pilot program launched in early November 2017. Referring to page 161 in Volume III of the meeting packet, he reported that in the first year of the pilot program, approximately 5,200 additional students from 100 schools across the state were served, which required 127 school buses (Exhibit C). Direct program costs totaled approximately $41,000, and about $28,000, or 70 percent, went directly to transportation costs. The remaining 30 percent was used primarily for web development costs, because the program was largely automated. He explained that educators could request a tour date and theme and provide the museum with the necessary information to support the tour by visiting the Division of Museums and History website (nvculture.org/museums). He noted that reimbursement costs for transportation could be requested at the same time. Mr. Barton said the process was largely automated and required very little staff intervention.

   Continuing, Mr. Barton stated that the program performed well in the first quarter of 2018. He said there were a couple of program challenges in the first year. Most notably, some school districts were not registered as vendors with the State of Nevada, which caused reimbursement issues. He noted that the issue had been rectified. Mr. Barton said the biggest impediment was in the Clark County School District (CCSD); however, the Clark County School-Community Partnership (CCSCP) stepped forward to act as the fiscal agent for CCSD. As a result, school participation in Clark County doubled in the first quarter of 2018. The division

anticipated that the program would expend between $100,000 and $120,000 on direct school reimbursements in 2018.

Assemblywoman Swank asked if the pilot school bus program was limited to Washoe and Clark Counties based on the lack of reporting for Elko and the East Ely Railroad Depot Museum.

Mr. Barton replied that the concentration of school participation was in Washoe and Clark Counties due to the large populations. Historically, the museums did not have participation from schools in Elko despite marketing efforts. Four marketing events were done during the year to identify and visit every school and school district to promote the pilot school bus program. Additionally, direct mailings were sent to every school in the state to ensure that educators were aware of the program; however, participation in the rural counties continued to be limited.

With regard to the East Ely Railroad Depot Museum, Mr. Barton said that Sean Pitts, Museum Director, typically visited the schools in the area annually. He said it was rare for the schools to visit the museum.

Assemblywoman Carlton said she and Chair Woodhouse met with CCSD when they learned that schools in Clark County were not participating in the program. She asked what percentage of funds were being spent on transportation versus administrative costs now that the CCSCP was acting as the fiscal agent for CCSD.

Mr. Barton replied that to his knowledge, the CCSCP was not charging administrative costs. He said the schools informed the division of the transportation costs when the tour was booked and the funds were reimbursed. He thanked Chair Woodhouse and Assemblywoman Carlton for intervening, because it resulted in a significant breakthrough with CCSD.

Assemblywoman Carlton said she was glad to hear that CCSCP was not charging an administrative fee to manage the funds. She asked if private or charter schools were participating in the pilot program. Mr. Barton replied that a number of private and charter schools participated in the program in the first year. He said he would provide the Committee with the exact participation numbers.

Chair Woodhouse confirmed that the CCSCP did not charge administrative fees for managing the programs that utilized the services of the partnership. She said all of the funds were applied to school bus transportation costs to transport students to museums.

9. DEPARTMENT OF HEALTH AND HUMAN SERVICES

a) Aging and Disability Services Division
   1) Quarterly report for the Senior Rx and Disability Rx Prescription program for the period ending June 30, 2018, 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 June 30, 2018 (letter of intent, 2017 Legislature). **RECEIVED AFTER SUBMITTAL DEADLINE, 10-1-18.**

3) Early Intervention Services – Semiannual report on the status of various aspects within the Early Intervention Services program for the period ending June 30, 2018 (letter of intent, 2017 Legislature).

b) Division of Health Care Financing and Policy
   1) Quarterly report on the Disproportionate Share Hospital Supplemental Payment Program for the period ending September 30, 2018, pursuant to NRS 422.390(2).
   2) Annual report on the division's operations and activities pertaining to the cost of health care for Calendar Year 2017 pursuant to NRS 449.520. THE ANNUAL REPORT IS ON FILE IN THE FISCAL ANALYSIS DIVISION AND IS AVAILABLE FOR REVIEW UPON REQUEST.

c) Division of Welfare and Supportive Services – 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 June 30, 2018 (letter of intent, 2017 Legislature).

d) Division of Child and Family Services – Annual report of expenditures relating to the placement of children in specialized foster homes for Fiscal Year 2018 pursuant to NRS 424.041.

There was no discussion on these items.

10. DEPARTMENT OF CORRECTIONS – Quarterly report on department-wide overtime for the period ending June 30, 2018, as requested during the August 24, 2017, meeting of the Interim Finance Committee.

There was no discussion on this item.

11. DEPARTMENT OF MOTOR VEHICLES
   a) Fiscal Year 2018 report on the use of funds received by each local air pollution control agency from the quarterly and annual distribution from the Pollution Control Account, pursuant to NRS 445B.830(5).
      1) Clark County Department of Air Quality
      2) Washoe County Health District, Air Quality Management Division
   b) Report on the status of the repayments to the Highway Fund and the results of the license plate fee study (letter of intent, 2017 Legislature).
   c) System Modernization – Semiannual report on the status of the system modernization project for the period ending June 30, 2018 (letter of intent, 2017 Legislature).

There was no discussion on these items.

12. DEPARTMENT OF PUBLIC SAFETY
   a) Division of Parole and Probation
      1) 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 nonviable housing plans for the period ending June 30, 2018 (letter of intent, 2017 Legislature).

2) Quarterly report on the status of the agency's pre-sentence investigations caseload and backlog for the period ending June 30, 2018 (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 June 30, 2018 (letter of intent, 2017 Legislature).

b) Division of Emergency Management – Disaster Relief Account – Notice of intent to request approval of a grant from the Disaster Relief Account to Mineral County to cover expenses for repairs to public infrastructure due to the flash flooding events that occurred July 21 and 22, 2018, pursuant to NRS 353.2755.

There was no discussion on these items.

13. DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
a) Division of Forestry – Semiannual report regarding its review and evaluation of select operational processes and programs for the period ending June 30, 2018 (letter of intent, 2017 Legislature).
b) Division of State Lands – Semiannual report on the status of the state's Environmental Improvement Program (EIP)/Fund to Protect the Lake Tahoe Basin (FPLTB) for the period ending June 30, 2018, pursuant to Chapter 514, Statutes of Nevada 1999.
c) Division of Environmental Protection – Bureau of Air Quality Planning – Semiannual report on the status of the Volkswagen Settlement and the Mitigation Fund for the period ending June 30, 2018 (letter of intent, 2017 Legislature). THE SEMIANNUAL REPORT IS ON FILE IN THE FISCAL ANALYSIS DIVISION AND IS AVAILABLE FOR REVIEW UPON REQUEST.

There was no discussion on these items.

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

Dave Gaskin, Deputy Director, NDOT, provided an overview of the history of the Transportational Storm Water Management program. He said the program was developed through a consent decree with the U.S. Environmental Protection Agency (EPA) to resolve potential enforcement action. The department requested authority and resources from the 2015 Legislature to establish a compliant storm water program. He reported that the consent decree that NDOT entered into with the EPA in September 2016 was terminated in September 2018, because all of the requirements were completed. The storm water program met or exceeded all dates and deadlines outlined in the consent decree, and no stipulated penalties were accrued. Mr. Gaskin stated that the lead attorney for the EPA said that NDOT currently had one of the leading storm water programs in the nation.

There was no further discussion on this item.

15. CLARK COUNTY SCHOOL DISTRICT – Semiannual progress report which describes each expenditure incurred for a human resource management information system for the period ending June 30, 2018, pursuant to Senate Bill 550, Section 2, subsection 2(a) (2017 Legislature).

    There was no discussion on this item.

16. Report on the activities of the Charter Harbor Master program, including the expenditure report of the grant awarded to a nonprofit organization for the period ending June 30, 2018, pursuant to Senate Bill 491, Section 1(5)(b) (2015 Legislature), amended pursuant to Senate Bill 544, Section 45.

    There was no discussion on this item.

M. PUBLIC COMMENT.

There was no public comment.

Chair Woodhouse congratulated Joi Davis, Senior Program Analyst, Fiscal Analysis Division, LCB, on her upcoming retirement. She thanked Ms. Davis for her service to the state.

N. ADJOURNMENT.

Chair Woodhouse adjourned the meeting at 2:54 p.m.

_____
Senator Joyce Woodhouse, Chair
Interim Finance Committee

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