

MINUTES OF THE OCTOBER 24, 2019  
MEETING OF THE  
INTERIM FINANCE COMMITTEE  
Carson City, Nevada

Chair Maggie Carlton called a regular meeting of the Interim Finance Committee (IFC) to order at 9:45 a.m. on October 24, 2019, in Room 4100 of the Nevada Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer Office Building, 555 East Washington Avenue, Las Vegas, Nevada.

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Maggie Carlton, Chair  
Senator Joyce Woodhouse, Vice Chair  
Senator Chris Brooks  
Senator Julia Ratti for Senator Yvanna Cancela  
Senator Moises Denis  
Senator Pete Goicoechea  
Senator Ben Kieckhefer  
Senator David Parks  
Senator James Settelmeyer  
Assemblywoman Shea Backus  
Assemblywoman Teresa Benitez-Thompson  
Assemblyman Jason Frierson  
Assemblyman John Hambrick  
Assemblywoman Sandra Jauregui  
Assemblyman Al Kramer  
Assemblywoman Daniele Monroe-Moreno  
Assemblywoman Connie Munk  
Assemblywoman Dina Neal  
Assemblywoman Ellen Spiegel  
Assemblywoman Heidi Swank  
Assemblywoman Robin Titus  
Assemblyman Jim Wheeler

**COMMITTEE MEMBERS EXCUSED:**

Senator Yvanna Cancela

**LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:**

Rick Combs, Director, Legislative Counsel Bureau  
Cindy Jones, Fiscal Analyst, Assembly  
Mark Krmpotic, Fiscal Analyst, Senate  
Sarah Coffman, Principal Deputy Fiscal Analyst  
Alex Haartz, Principal Deputy Fiscal Analyst  
Brenda Erdoes, 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 Cancela, who was excused.

**B. PUBLIC COMMENT.**

Chris Daly, Nevada State Education Association (NSEA), said the NSEA supported Agenda Item G. He said the NSEA strongly opposed Senate Bill (S.B.) 543 during the 2019 Legislative Session. Since the passage of the bill, the NSEA was focused on revising S.B. 543 by engaging with the new Commission on School Funding and the IFC.

Mr. Daly thought S.B. 543 required a “do over.” He stated that members of the IFC who voted for the bill did so with serious concerns and reservations. Mr. Daly provided the following quotes from members of the 2019 Legislature regarding S.B. 543: “a process that legislators and stakeholders felt was not sufficiently transparent and inclusive,” “it had some language that I thought would be problematic in its implementation,” “a more inclusive discussion of the bill would have been helpful,” “I had and still have some serious concerns about the methodology that underlies the budget formula,” and “I had hoped for more robust and inclusive conversation about S.B. 543 prior to the last days of the session, understanding that this is a complicated policy to take on.”

Mr. Daly said the NSEA talked extensively about being shut out of the development process for S.B. 543. A related concern that received less attention was the central role of Jeremy Aguero of Applied Analysis. He said, while Mr. Aguero was a true professional, it was never disclosed with whom he was contracted. Mr. Daly noted that Mr. Aguero was not contracted by the Legislature nor the Department of Education. He said educators were shut out of the process while Mr. Aguero and an unnamed client “drove the train.” Mr. Daly reiterated that the NSEA supported Agenda Item G, which would provide resources to the NDE so that Applied Analysis would be under contract with the Department of Education. He said the NSEA also supported the use of subject matter experts on education, including WestEd and Augenblick, Palaich and Associates (APA). He noted that APA conducted the Nevada School Funding Study in 2018 on behalf of the S.B. 178 task force.

**C. APPROVAL OF MINUTES OF THE AUGUST 15, 2019, MEETING.**

ASSEMBLYMAN FRIERSON MOVED TO APPROVE THE MINUTES OF THE AUGUST 15, 2019, MEETING.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Carlton announced that the Committee would hear several items out of order to accommodate individuals whose presence was required in another meeting. Additionally, several agenda items that required a more lengthy discussion would be heard later in the meeting.

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

The Committee expressed interest in hearing further testimony on Agenda Items D-1, Office of the Governor, Office for New Americans; D-4, Office of the Attorney General (OAG); D-5, OAG; D-6, OAG; D-8, Department of Administration, Division of Human Resource Management; D-10, Department of Taxation; D-15, Gaming Control Board (GCB); D-16, GCB; D-17, Department of Business and Industry (B&I), Division of Insurance; D-19, B&I, Division of Industrial Relations; D-20, B&I, Division of Industrial Relations; D-32, Department of Health and Human Services (DHHS), Division of Welfare and Supportive Services (DWSS); D-33, DHHS, DWSS; D-35, DHHS, Division of Child and Family Services (DCFS); D-39, DHHS, DCFS; and D-52, Office of the Military.

Agenda Items D-32, DHHS, DWSS and D-33, DHHS, DWSS, involved allocation of block grant funds, which required a public hearing.

Assemblywoman Titus requested further testimony on Agenda Items D-26, DHHS, Division of Public and Behavioral Health (DPBH), and D-28, DHHS, DPBH.

Senator Parks requested further testimony on Agenda Item D-29, DHHS, DPBH.

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

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 1. Office of the Governor - Office for New Americans - FY 2020** - Addition of \$110,000 in private grant funds to support one new classified position to assist in developing and implementing a strategic plan for immigrant integration. Requires

Interim Finance approval since the amount added to the Personnel category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C49062**

Susan Brown, Director, Governor's Finance Office (GFO), Office of the Governor, said Work Program #C49062 was a request from the Office for New Americans to accept private grant funds in the amount of \$110,000 to fund a full-time classified position and associated costs to assist in the development of the strategic plan as well as other duties.

Chair Carlton asked about the qualification requirements of a fellow.

Francisco Morales, Office of the Governor, introduced Ijeamaka Ozobia, Director, Office for New Americans. Mr. Morales said it was very exciting that the State of Nevada was chosen among a very competitive grant process for the fellow position. The role of the fellow was to assist the director in furthering the Governor's agenda on immigration, including integration and implementation of the policies passed during the 2019 Legislative Session, specifically A.B. 275. He stated that A.B. 275 was intended to improve the occupational licensing process.

Mr. Morales said the Office for New Americans was provided with a modest personnel allocation for a director and an administrative assistant. However, the agency thought the fellow position would be able to assist the director with research, analytical implementation, and helping state agencies to better understand the current state of immigration, which was quite complex.

Ijeamaka Ozobia, Director, Office for New Americans, stated that a fellow would be instrumental and integral in implementing policies, and most importantly, help to quantify the impact and results that would support this important work. Ms. Ozobia said she was available to answer the Committee's questions regarding implementation, especially policy-related questions.

Senator Kieckhefer said the grant funds were provided by a private investor. The fellow position was a temporary position that would be eliminated when the grant expired, even though the fellow would be employed as a classified state employee. Ms. Brown confirmed that was correct.

In response to a question from Senator Kieckhefer, Mr. Morales replied that the grantor was Emerson Collective, a private philanthropic organization funded by Laurene Powell Jobs, the widow of Steve Jobs.

Chair Carlton asked if the grant would fund the operating costs for the fellow position. Ms. Brown indicated that on October 23, 2019, Emerson Collective agreed to fund \$5,000 in operating costs, which required a revision to Work Program #C49062. The EC Grant category was reduced to \$5,000 and the Reserve category was increased by \$6,402.

In response to a comment by Chair Carlton, Mr. Morales said the funding agreement included confidentiality provisions; however, the grantor permitted disclosure for transparency purposes.

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

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

2. **Office of the Governor - State Energy Office - Office of Energy - FY 2020** - Addition of \$194,716 in federal State Energy Program (SEP) grant funds and deletion of \$131,261 in Property Taxes transferred from the Renewable Energy Account to continue alternative energy, electric vehicles, and energy conservation activities. Requires Interim Finance approval since the amount added to the SEP Formula Grant category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO AGENDA ITEM D. 3. Work Program #C47992**

Refer to motion for approval under Agenda Item D.

3. **Office of the Governor - State Energy Office - Renewable Energy Account - FY 2020** - Transfer of \$143,213 from the Transfer to Office of Energy category to the Reserve category to accurately fund administrative costs for the Office of Energy. Requires Interim Finance approval since the amount transferred from the Transfer to Office of Energy category exceeds \$75,000. **RELATES TO AGENDA ITEM D. 2. Work Program #C47996**

Refer to motion for approval under Agenda Item D.

4. **Office of the Attorney General - Administrative Budget Account - FY 2020** - Addition of \$226,692 in Transfer from Marijuana revenue authority to cover the cost of two new dedicated senior level deputy Attorney General positions and one legal secretary position to support ongoing Cannabis Program litigation issues and the implementation and ongoing support of the Cannabis Advisory Commission authorized in Assembly Bill 533 of the 2019 Legislative Session. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **RELATES TO AGENDA ITEM D. 10. Work Program #C48772**

Agenda Items D-4 and D-10 were discussed jointly. Refer to testimony and motion for approval under Agenda Item D-10.

5. **Office of the Attorney General - Medicaid Fraud - FY 2020** - Transfer of \$141,815 from the Reserve category to the Operating category, \$42,196 from the Reserve category to the Equipment category and \$42,629 from the

Reserve category to the Information Services category to cover the cost of moving the division from its temporary Las Vegas office location to a new permanent office location. Requires Interim Finance approval since the amount transferred to the Operating category exceeds \$75,000. **Work Program #C48546**

Aaron Ford, Attorney General, said Work Program #C48546 was a request related to the relocation of the Office of the Attorney General's (OAG) Medicaid Fraud Control Unit (MFCU). He apologized that the move occurred prior to seeking IFC approval. Attorney General Ford stated that the MFCU was funded 75 percent with federal funds and 25 percent with state funds. He explained that the federal government's timeline conflicted with the state's timeline, which meant the move occurred prior to seeking authority from the Committee. He stated that many of the MFCU staff relocated from the Grant Sawyer Building to a different building; however, the space was inadequate for staff, which required the OAG to seek a new location.

Chair Carlton asked when the MFCU vacated the Grant Sawyer Building.

Jared Reed, Criminal Investigator, OAG, said the MFCU vacated the Grant Sawyer Building in late August 2018 or early September 2018.

In response to a question from Chair Carlton, Jessica Adair, Chief of Staff, OAG, replied that a portion of the MFCU relocated from the Grant Sawyer Building to a Department of Health and Human Services building in late September 2018 under former Attorney General Adam Laxalt. She noted that the move did not incur any financial consequences. After Attorney General Ford took office, discussions occurred with the MFCU about workspace requirements. Subsequently, the OAG began working with the federal government, Leasing Services, the Board of Examiners (BOE), and now the IFC, to procure a move to a different location. Ms. Adair said the MFCU relocated to its current location in June 2019, after the move was approved by Leasing Services. She noted that the lease agreement was provided with the work program (page 121, [Exhibit A](#)).

Chair Carlton said it was her understanding that the MFCU was previously located in the Grant Sawyer Building. In late fall of 2018, under the previous administration, the unit was moved to another state office building. Because no cost was incurred, the move was not brought to the attention of the IFC. Later it was determined that the new space was no longer adequate for MFCU staff, so the unit was moved again in June 2019, which meant the process had begun while the 2019 Legislature was in session.

Christian Schonlau, Chief Financial Officer, OAG, said the lease was approved at the June 2019 BOE meeting, and the move began on July 1, 2019. He said the MFCU was still in the process of moving, because there were a number of preliminary items that had to be completed before the move was finalized. Those items included a security system and keycard access, and information technology

(IT) equipment. Mr. Schonlau said although the lease rate seemed high, the rate was appropriate for the Las Vegas market. He said the OAG wanted to take advantage of the leasing opportunity when it became available, with the least amount of vacancies in the building as possible.

Chair Carlton said she appreciated that the Attorney General acknowledged that the move was mishandled. She reiterated that the discussions concerning the move occurred while the 2019 Legislature was in session, and it would have been helpful for the Legislature to be aware of prospective changes to funds that were allocated to specific programs. She said the OAG was rearranging funds to use them for a purpose other than what the Legislature intended.

Mr. Schonlau said the federal government did not approve the move until July 2019. Until that time, the OAG was unsure whether the move would be approved at the federal level. He said, although engaging in conversations with the 2019 Legislature would have been helpful, it would have been ahead of the game.

Chair Carlton remarked that the Legislature appreciated receiving knowledge in advance.

Assemblywoman Benitez-Thompson recalled another state agency was in a similar situation at the end of the 2019 Legislative Session; however, that agency maintained communication with the Legislature during lease negotiations. Although there were time constraints at the end of the legislative session, the Legislature ultimately approved the lease. She said it was inappropriate for an agency to keep the Legislature in the dark concerning a prospective move. She said she could recall countless examples of agencies approaching the IFC after the fact, which was frustrating for the Committee.

Assemblywoman Benitez-Thompson said it was impossible for the state to accurately budget when agencies changed leases and revised their budgets. Those actions also made it difficult for the IFC to know what was happening in the state. She noted there were many state agencies that had to consider federal grants, and those agencies often approached the Committee anxious to proceed. Occasionally those agencies were required to temporarily postpone a decision; however, it usually worked out in the end.

Attorney General Ford said as a former member of the IFC, he understood the Committee's position. He said certain steps were overlooked during his transition to Attorney General. As the head of the agency, the responsibility fell on him, and he would strive to avoid a repeat occurrence. Attorney General Ford said the move was important for staff, but he would have preferred that it was done according to procedure.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM D-5.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

6. **Office of the Attorney General - State Settlements - FY 2020** - Addition of \$500,000 in Wells Fargo Settlement Income revenue to support the implementation of a grant program to provide financial resources to state and local entities who respond to mass violence/casualty events. Requires Interim Finance approval since the amount added to the First Responders category exceeds \$75,000. **Work Program #C48547**

Aaron Ford, Attorney General, said Work Program #C48547 was a request to utilize Wells Fargo settlement funds to implement a statewide program for first responders.

He said the mass shooting in Las Vegas on October 1, 2017, taught first responders many things relative to best practices and ways to improve their response to a mass casualty event. First responders were required to wait for law enforcement to secure the scene of a mass casualty and neutralize the threat before first responders could enter the scene and provide treatment to victims. Because of the circumstances in Las Vegas on October 1, 2017, first responders had to wait an hour before receiving confirmation that the suspect was down before entering the scene. With ballistic protective equipment, first responders could have tended to the victims much earlier.

Attorney General Ford said he was honored when Chief David Cochran of the Reno Fire Department approached him about funding to purchase protective equipment. Attorney General Ford said he was privileged to assist through the institution of a grant program. He stated that events from the National Cowboy Poetry Gathering in Elko to concerts and sporting events in Las Vegas attracted millions of tourists throughout the year. Additionally, every community in the state had schools, churches and community centers, which far too often were the scene of mass casualty events. In order to meet the needs of first responders, the OAG was requesting authorization to utilize \$500,000 in Wells Fargo settlement funds to provide protective equipment to first responders in the state. Attorney General Ford said equipping first responders was one small part of a comprehensive solution to the nation's gun violence problem. He was proud to assist in any way to protect Nevada families.

Chair Carlton said the state did not usually fund equipment for local law enforcement agencies. She asked if the grant program would include an application process for state and local entities to request funds.

Jessica Adair, Chief of Staff, OAG, said when the Reno Fire Department approached the OAG for funding, the fire department noted that local law enforcement agencies typically had access to forfeiture funding, which gave them the ability to purchase



equipment. However, first responders were legislatively barred from using forfeiture funding, because they were not law enforcement. The Wells Fargo settlement funding was an opportunity to provide first responders with ballistic protective equipment. She said the Reno Fire Department requested approximately \$161,000 to purchase 125 ballistic protective equipment kits for the agency. However, the OAG did not think it was equitable to provide funding only to the Reno Fire Department. Ms. Adair said there were other agencies across the state that had the same need and were also barred from using forfeiture funding to purchase the equipment; therefore, the OAG was requesting permission to utilize up to \$500,000 in Wells Fargo settlement funds to establish a grant program so that other agencies could also purchase the equipment.

Senator Kieckhefer said the City of Reno was a general funded agency. He said the City of Reno was not barred from using fire department funding to purchase the equipment; therefore, the city could purchase the equipment if it was prioritized.

Ms. Adair said that was correct. She referred to a memo from Chief Cochran, which discussed how the agency's general funds had not increased in line with the population of Reno (page 133, [Exhibit A](#)). The fire department was experiencing a higher volume of calls without a corresponding funding increase. Because of that, the fire department had to prioritize personnel and other basic needs required to save lives and structures. Ms. Adair said the equipment for first responders was very important and the fire department could prioritize it, but basic needs had to be the top priority. The fire department was hopeful the protective equipment would not be necessary, but it was important to be prepared in the event of a mass casualty situation.

Attorney General Ford said he would argue that simply because the Reno Fire Department was not paying for the equipment did not mean it was not a priority. Paying for the equipment out of general funds would be at the expense of something else. He recalled other IFC requests by the OAG that were prime examples of that. Attorney General Ford said something else would suffer if Reno had to spend additional funds on protective equipment. Therefore, the OAG was trying to provide as much support as possible for the Reno Fire Department in this instance, and for first responders in general throughout the state.

Ms. Adair said Chief Cochran's memo indicated that the Reno Fire Department was 100 percent general funded (page 136, [Exhibit A](#)). Staffing and personnel had decreased while call volume had increased 20 percent; thus, the fire department was not funded at prerecession levels.

Mike Pilcher, Battalion Chief, Reno Fire Department, spoke on behalf of Chief Cochran. He said the fire department reached out to the OAG for funding, because there was an immediate need for protective equipment, which was highlighted by the mass shooting in Las Vegas on October 1, 2017. However, the equipment purchase had been delayed, because the fire department's priority was

to replace the staff who had been lost through attrition. Mr. Pilcher explained that the Reno Fire Department had not hired new staff in eight years, which was the longest hiring freeze since the 1980s when there was a five-year hiring freeze. Since 1995, the fire department had hired new staff every fiscal year in which there was an academy, but there had not been an academy in eight years, which impacted the department tremendously. Mr. Pilcher said the fire department's main goal was to fill the full-time equivalent (FTE) positions; therefore, most of the funding was dedicated to that end.

Mr. Pilcher said the Reno Fire Department recently submitted a general obligation bond debt request for \$6.5 million for apparatus replacement, because some of the fleet was more than 30 years old. He said it was a very challenging time for the Reno Fire Department due to a rapidly growing population and over 100 special events each year. The department was positioned to be part of a rescue taskforce that would be led into a "warm zone" by an armed law enforcement officer. Without the ballistic protective equipment, the department could not participate in the rescue task force. According to the Department of Justice Ballistic Resistance of Body Armor 101.06 Standard and the National Fire Protection Association 3000 Active Shooter/Hostile Event Response Standard, firefighters were not permitted to enter warm zones where there could be a potential threat without ballistic protective equipment. Mr. Pilcher said the funding would provide protective equipment for half of the department's FTEs, because a request to equip all fire department personnel would be significant. He said Reno firefighters ranged in size from average to over 300 pounds, but the fire department would do its best to manage the issue.

In response to a question from Chair Carlton, Mr. Pilcher replied that the fire department did not request funding from the Reno City Council. The Reno Fire Department contacted the OAG first, because the protective equipment was not provided for in the budget. Mr. Pilcher said the Reno Fire Department had already applied for eight FTE positions through a federal Staffing for Adequate Fire and Emergency Response (SAFER) grant. The department did not want to revise that grant application, because a revised application could detract from the original request for the eight FTE positions.

Chair Carlton thought it would have been more appropriate for the Reno Fire Department to begin at the local level. She asked why the fire department did not approach the city council first.

Mr. Pilcher replied that the decision to bypass the city council was based on budget limitations. However, the fire department received approval from the Fire Chief and the City Manager to request funding from the OAG. The department did not realize that the forfeiture funding excluded fire agencies.

Chair Carlton said the forfeiture funding needed to be addressed in the future. Nonetheless, she was uncomfortable with the fact that the Reno Fire Department requested state settlement funds before approaching the city council, which was

responsible for funding the fire department. She found it concerning that the fire department did not have a discussion with the city council, an elected body that represented Reno, about the council's policy stance on the matter. Chair Carlton thought the conversation with the IFC would have gone differently if the Reno Fire Department had approached the city council first.

Mr. Pilcher commented that in the case of a mass casualty event, the fire department would require state resources to establish an emergency operations center and assist with family reunification.

Seth Williams, Acting Battalion Chief, Reno Fire Department, said the department had many priorities. Ballistic protective equipment was one such priority, even if the department could not fund it. During the budget process, the fire department mentioned the current condition of its staff, apparatus and other needs, but ultimately the city council set the final budget for the fire department. Mr. Williams said the department tried to secure outside funding to supplement its budget.

Mr. Williams said the fire department independently sought the assistance of the OAG, as it typically did for grant funds. He said the city council provided the fire department with the authority to seek outside funding. Many local governments were limited to the 3 percent property tax cap, which made it difficult for local governments to return to their prerecession state. Mr. Williams said the fire department was very thankful to be awarded the federal SAFER grant. The grant allowed the department to hire eight new personnel, which was the first new personnel in quite some time. He said the fire department had set the groundwork to participate in the rescue task force, which included training with law enforcement and local state resources; however, the department was sidelined until it had the appropriate protective gear.

Senator Kieckhefer asked if the City of Reno recently issued a bond for capital infrastructure to support the fire department. Mr. Williams said the city did not issue a bond, but it approved medium-term debt to finance apparatus. The department's current apparatus, which was over 30 years old, could not be replaced during the recession.

In answer to a question Senator Kieckhefer, Mr. Williams replied that the purpose of the debt was to replace apparatus.

Assemblywoman Titus said she appreciated the work of first responders. She noted that she worked in emergency rooms and had been a medical director for Emergency Medical Services (EMS) for 30 years. She said she was familiar with the process required to secure an area where a gunman might be present. Assemblywoman Titus recalled that on October 23, 2019, she was in the emergency room when a potential gun victim arrived. She said the area had to be secured before EMS could enter the emergency room.

Assemblywoman Titus said the Reno Fire Department lacked personnel and it had out-of-date apparatus, so a request for protective equipment seemed narrow when the needs of the department were broad. That being said, she was aware that the fire department was only requesting enough funding to equip half of its personnel. She asked if staff would share the equipment.

Mr. Williams replied that the department was actively striving to mitigate a variety of issues. He said the fire department's biggest need was always personnel, which was mitigated to a certain extent through the SAFER grant. The need for new equipment was also lessened, because the City of Reno agreed to assume debt so the department could begin replacing outdated equipment. Mr. Williams also noted that the Reno Fire Department had two temporary stations that were beyond their ten-year life expectancy.

Continuing, Mr. Williams said the fire department ran three shifts of personnel. The department would have enough protective equipment to complement everyone on a shift on any given day, plus a handful of anomalies as far as sizing.

Assemblywoman Titus recalled there were strict policies about entering a mass casualty scene. She asked if the fire department would revise those policies, or if first responders would still be required to wait for law enforcement to secure the scene before entering.

Mr. Williams said, according to current standards, first responders could not enter a warm zone before law enforcement secured the scene. He explained that a "hot zone" was the likely location of an active shooter and a "warm zone" was the location of viable victims. As previously noted, it took over an hour before EMS was able to respond to victims during the October 1, 2017, mass shooting in Las Vegas. Ballistic protective equipment would allow EMS to begin treating and removing victims as soon as law enforcement cleared buildings and ensured the shooter was not in the immediate vicinity of the victims. Currently, the Reno Fire Department did not have the necessary protective equipment to enter a warm zone according to those standards, so personnel had to remain in the "cold zone" where there was minimal threat of a shooter. He said the fire department tried to mitigate some level of danger to staff. Although there was still danger while wearing a flak jacket, it limited potential harm to staff while tending to victims.

Assemblywoman Neal said she did not debate the public policy previously stated by the Attorney General and staff, but she found the method concerning. If the Reno Fire Department received settlement funds, she asked how the department would afford to replace the equipment in the future.

Mr. Pilcher replied that tactile equipment had a shelf life of at least five years. Without use, the shelf life would be extended. He said the fire department explored many avenues for saving money, including working with local law enforcement to rotate equipment stock.

Assemblywoman Neal recalled during a meeting of the Committee on Government Affairs, it was noted by the City of Reno that general fund levels were similar to funding levels in 2008, which was prior to the recession. She said the fact that 2019 and 2008 funding levels were similar indicated that the city had recovered from the recession. Assemblywoman Neal said she found it concerning that the fire department did not request funds from the Reno City Council when it appeared that adequate funding was available based on the city's current general fund levels.

Mr. Pilcher said in 31 years, he had never seen a growth period like the one that Reno was experiencing. He said traffic and schools increased significantly. Likewise, call volume for emergency services was also on the rise. He said the federal government and state governments were severely impacted by the recession, but many local governments were nearly destroyed. Mr. Pilcher said he lived through three recessions, but never witnessed a period of growth where there was not enough in reserves to assist with capital improvement and recovery. He said, although it was atypical not to approach the city council, the Reno Fire Department had an innovative approach for obtaining funds. He noted that the Fire Chief obtained permission from the City Manager's Office before seeking alternate funding sources.

Assemblywoman Neal said the Reno Fire Department was creating a need for continued funding, because the equipment would have to be replaced in the future. Mr. Pilcher agreed there would be equipment replacement costs.

Chair Carlton recalled family members having to be fitted for ballistic vests in order for the vest to be effective. Mr. Pilcher agreed that ballistic vests should be fitted, similar to a self-contained breathing apparatus, which had to be fitted to the individual and tested annually to ensure the mask did not leak.

Chair Carlton said, of the \$500,000 request for Wells Fargo settlement funds, \$160,000 was for Reno. She asked if Clark County requested funds for the same purpose. She also asked if funds would be available for agencies in rural Nevada. Chair Carlton remarked that mass casualty events occurred in rural and urban areas alike; therefore, it was important to ensure enough funding was available for all areas of the state. She reiterated that needs such as ballistic protective equipment were the responsibility of local jurisdictions, not the state.

Attorney General Ford noted that Clark County had not requested funds to purchase protective equipment. He said the Reno Fire Department approached the OAG directly and broached the conversation. He confirmed that the funds would be made available to other jurisdictions in the state. The OAG wanted to ensure that all jurisdictions had an opportunity to apply for grant funding for protective equipment.

Chair Carlton said the permitted uses for forfeiture funding needed to be readdressed. She thought it was logical to use forfeiture funds to purchase protective equipment for mass casualty events.

Senator Ratti said, as a member of the Sparks City Council from 2008 to 2016, she was aware that local governments faced significant challenges. She was elected to the city council in November 2008 when the recession was very bad, and by the end of 2009, the City of Sparks had eliminated 30 to 40 percent of its staff. Senator Ratti noted that police officers and firefighters stepped up to be a part of the solution in ways that were incredibly devastating. Due to decisions made by the 2017 and 2019 Legislatures concerning property tax and structural flaws, local governments had not recovered from the recession and could not keep up with the pace of growth in Northern Nevada.

Senator Ratti said Northern Nevada was experiencing challenging conditions, because the success of economic development in the area was driving the growth pattern. However, property tax, which was the primary funding mechanism, could not sustain that growth. She said the budget process used by the Cities of Sparks and Reno was similar to the state budget process in that agencies submitted their ideal budgets, but it was difficult to fund them in their entirety. Agencies at the state and local levels were encouraged to be innovative and apply for federal or philanthropic grants to afford certain items within their budgets.

Senator Ratti thought the Reno Fire Department was in an awkward position, because it was likely that local elected bodies encouraged the fire department to seek out alternative methods of funding. She said the fire department was following the advice of city leadership. The main question was whether settlement funding was the appropriate source and whether it was sustainable. Senator Ratti reiterated that the fire department, as public servants, had been placed in a very difficult position. She respected the efforts of the fire department to solve a funding problem that was created by all parties involved.

Senator Ratti said she appreciated that the Attorney General wanted to support local public safety efforts, for which there was a need. She asked what the original purpose was for the settlement funds.

Attorney General Ford agreed that the OAG was trying to help support local public safety efforts by offering as much support as possible. He said the situation faced by public safety agencies was similar to the funding issue concerning body cameras. He agreed that ballistic protective equipment was the financial responsibility of local governments, not the state. However, as the top law enforcement officer in the state, he felt compelled to offer assistance to first responders; therefore, when the OAG was approached by the Reno Fire Department, the settlement funds were considered as a funding option.

Attorney General Ford said settlement funds were often restricted for certain uses. Although he could not provide a specific example of what might go unfunded if a portion of the Wells Fargo settlement funds were used for the grant program, it would have been within the parameters of the settlement agreement.

Jessica Adair, Chief of Staff, OAG, said the OAG received many funding requests from local agencies, nonprofit organizations and others. She said the request from the Reno Fire Department was particularly important to the Attorney General given the potential impact to save lives. The OAG intended to use further settlement funding for other needs that would enhance public safety and align with the priorities of the Attorney General. Ms. Adair said the Committee would likely be presented with additional work programs in the future to further distribute the settlement funds.

Ms. Adair said, occasionally the OAG required agencies to prove that funding had been denied by other sources first, but it would be difficult to set that as a precedent for all funding requests. She said it would also be difficult to require agencies to prove they had a sustainable method of funding in the future; however, recipients were made aware that settlement funds were considered one-shot funding.

Attorney General Ford said the OAG did not presume the Committee would always agree with requests to distribute settlement funds. He said the OAG would continue to seek IFC authorization for similar requests. Attorney General Ford noted that the OAG denied the Reno Fire Department's first funding request to replace a fire truck.

Christian Schonlau, Chief Financial Officer, OAG, said there were currently some statewide settlement programs in place. Most famously was the Home Again program, which used mortgage settlement funds to serve residents in almost every Nevada community. Also, a new program was recently established by the OAG to combat the statewide opioid epidemic. He said settlement funds were traditionally used for those programs.

Assemblywoman Benitez-Thompson asked about the OAG's vision for the settlement funds. She said approximately \$13.0 million in Wells Fargo settlement funds were not allocated for a specific purpose. With other settlement programs, there was typically a nexus between the settlement and the allowable uses for the funds. For example, tobacco settlement funds and the Fund for a Healthy Nevada. She asked what the criteria was for the Wells Fargo settlement funds.

Mr. Schonlau said settlements were often multistate litigation. In those cases, defined language, as agreed upon by the Attorneys General in the litigation, was included in the settlement agreement indicating that the funds must be used for a specific purpose. For example, the mortgage settlement funds had to be used specifically to ameliorate the effects of the mortgage crisis. Mr. Schonlau said the Wells Fargo settlement agreement did not include such language.

Assemblywoman Benitez-Thompson stated that the Wells Fargo settlement agreement indicated the funds shall be used at the discretion of the Attorney General as authorized by the Legislature and the IFC. Additionally, the funds could be used to establish private or public programs with efforts designed to prevent amelioration or impacts of unfair or deceptive trade practices against Nevadans through outreach or education. Assemblywoman Benitez-Thompson restated her question regarding the overarching policy for use of the settlement funds. She asked if a percentage of the funds would be used for community needs, while the vast majority would relate directly to the settlement. She said the information would provide a better understanding of the vision for the funds.

Ms. Adair thought that a good portion of the settlement funds should be used for the impetus of the multistate agreement. She said Attorney General Ford had spoken at length about the importance of consumer protection. The OAG had a robust ongoing consumer protection initiative that was well funded by the Administrative, National Settlement Administration and State Settlements budget accounts.

Ms. Adair said, as part of the multistate agreement, Wells Fargo was required to initiate and continue a remediation process specific to its harm. Therefore, in addition to the funding that was provided to the states, which could be used for any lawful purpose at the discretion of the Attorneys General, Wells Fargo had to enter a remediation program. She said Wells Fargo was required to provide a report of ongoing remediation efforts to the OAG every six months until the end of the Redress Review Period (page 153, [Exhibit A](#)). Ms. Adair said the OAG believed that with the ongoing remediation required by Wells Fargo, the existing consumer protection work of the OAG, and consumer protection-focused work programs that would be submitted to the IFC in the future, the OAG would sufficiently address the need for consumer protection education and remediation according to the Wells Fargo settlement.

Chair Carlton said she was hesitant about the request given there had not been any communication with Clark County. She preferred to have a discussion with the county prior to making a decision.

Chair Carlton said she found it concerning that Reno Fire Department staff would be provided ballistic vests and required to enter a potentially dangerous zone without receiving appropriate training. She noted that parts of the body were still exposed while wearing protective equipment. Although firefighters were first responders, it was likely they joined the fire department to avoid shooting situations. Chair Carlton thought that asking firefighters to enter the scene of a mass casualty was a significant cultural shift. She asked if the issue had been discussed with staff.

Mr. Pilcher agreed that entering an active shooter situation was a cultural shift for firefighters, which was accelerated by the mass casualty event in Las Vegas on October 1, 2017. He stated that all of the full-time Reno Fire Department employees had received basic training.



Mr. Pilcher clarified that staff would only enter warm zones, not hot zones. He explained that a warm zone was an area that had been cleared for entry by law enforcement. He noted that the area could still be dangerous if the shooter had not been apprehended, but the role of the fire department was to triage, tourniquet, and extract victims as quickly as possible and then transport them to definitive care. Mr. Pilcher said firefighters swore an oath to protect and serve the public, but he understood Chair Carlton's concern for staff. He said the Reno Fire Department was in the process of developing a new policy; however, the policy was unnecessary without the protective equipment, because the fire department could not participate in the rescue task force without the appropriate gear.

Chair Carlton called a recess at 12:59 p.m. The meeting reconvened at 1:05 p.m.

Senator Woodhouse said, based upon the request and the ensuing questions by the Committee, she moved to defer Agenda Item D-6 until the December IFC meeting. Additionally, she moved that the OAG communicate with all cities and counties in the state concerning the grant program for first responders.

SENATOR WOODHOUSE MOVED TO DEFER AGENDA ITEM D-6 TO THE DECEMBER 2019 MEETING OF INTERIM FINANCE COMMITTEE AND REQUESTED THE OFFICE OF THE ATTORNEY GENERAL COMMUNICATE WITH ALL CITIES AND COUNTIES IN THE STATE CONCERNING THE GRANT PROGRAM FOR NON-LAW ENFORCEMENT FIRST RESPONDERS.

ASSEMBLYMAN WHEELER SECONDED THE MOTION.

Chair Carlton said the OAG would find that the Committee was receptive to the grant program; however, the program would impact many agencies in the state, and if approved, the IFC would be setting a new precedent. She thanked the Attorney General for taking the Reno Fire Department's request into consideration. Chair Carlton said the Committee required additional information, and she also wanted to speak with Clark County representatives about the county's need for ballistic protective equipment. She said there would be more discussion about grant program at the IFC meeting in December 2019, and it would benefit the Committee to have all the necessary information by then in order to have a global discussion about the settlement funds.

Senator Kieckhefer said, if the use of settlement funds for ballistic protective equipment was going to be presented as a grant program then the OAG should define the parameters of the program, such as what the program would entail and which agencies would be eligible to apply. He said that information would be helpful when the Committee discussed the program in December.

Chair Carlton noted that a motion was not required to defer Agenda Item D-6. She said the Committee was in consensus about postponing the item.

SENATOR WOODHOUSE WITHDREW THE MOTION.

ASSEMBLYMAN WHEELER WITHDREW THE SECOND.

Agenda Item D-6 was deferred to the December 13, 2019, meeting of the IFC.

7. **Department of Administration - Enterprise Information Technology Services - Agency IT Services - FY 2020** - Transfer of \$83,992 from the Reserve category to the Operating category to fund two contract staff to support Americans with Disabilities Act compliance activities. Requires Interim Finance approval since the amount transferred to the Operating category exceeds \$75,000. **Work Program #C48461**

Refer to motion for approval under Agenda Item D.

8. **Department of Administration - Human Resource Management - FY 2020** - Transfer of \$10,000 from the Reserve category to the Collective Bargaining category to fund a transfer to the Attorney General's Office for outside legal counsel for matters relating to collective bargaining. Requires Interim Finance approval since the cumulative amount transferred to Collective Bargaining exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C48614**

Chair Carlton said issues arose regarding Agenda Item D-8 which required further information before the Committee could proceed. She said the item had been considered and would be deferred to a later date.

Chair Carlton called a recess at 11:36 a.m. The meeting reconvened at 11:51 a.m.

9. **Department of Administration - Nevada State Library, Archives and Public Records - Mail Services Equipment - FY 2020** - Transfer of \$18,882 from the Reserve category to the Equipment category to fund the replacement of mailing machine equipment. Requires Interim Finance approval since the cumulative amount transferred to the Equipment category exceeds \$75,000. **Work Program #C48025**

Refer to motion for approval under Agenda Item D.

10. **Department of Taxation - Marijuana Regulation and Control Account - FY 2020** - Transfer of \$226,692 from the Reserve category to the Transfer to Attorney General category to fund the legal support necessary to represent the newly established Cannabis Compliance Board. Requires Interim Finance approval since the amount added to the Transfer to Attorney General category exceeds \$75,000. **RELATES TO AGENDA ITEM D. 4. Work Program #C49057**

Agenda Items D-4 and D-10 were discussed jointly.

Aaron Ford, Attorney General, introduced Christian Schonlau, Chief Financial Officer, OAG; Jessica Adair, Chief of Staff, OAG; and Kyle George, First Assistant, OAG.

Attorney General Ford said Work Program #C48772 was a request for personnel to support the Cannabis Compliance Board (CCB). He said the OAG was requesting authority to create staff positions that would give counsel to a new state agency and perform the OAG's new statutory duties. In September 2019, the OAG billed enough time working on cannabis issues to equal approximately four full-time attorneys, which did not take into account a significant number of statutory duties created by A.B. 533 (2019 Legislative Session). Attorney General Ford said the OAG was prioritizing cannabis work for clients at the expense of other work. For example, the complex litigation team was almost entirely focused on a dozen ongoing lawsuits, which meant that the team could not work on other priority litigation. To put it in perspective, the OAG Gaming Division had one chief, three senior attorneys, one line-level attorney and two legal secretaries. He said even though the gaming industry was well established, the division staff were always very busy. As a point of comparison, Colorado had eight attorneys dedicated to marijuana regulatory and enforcement work, which did not include attorneys who advised relevant agencies, including the tax department.

Attorney General Ford said cannabis was a new industry that would be regulated by a new state agency. The courts and regulatory bodies were still trying to determine how the industry should be regulated and that would continue for the foreseeable future. He said the state needed the best legal guidance to ensure that Nevada was the gold standard for the cannabis industry. It was imperative that the cannabis industry was successful from a social justice and financial standpoint for the sake of Nevada's educational system. Attorney General Ford said the cannabis industry had to be represented properly, because the consequences were dire if it failed.

Chair Carlton noted that the OAG had a vacant Senior Deputy Attorney General (DAG) position, seven vacant DAG positions and three vacant Legal Secretary positions. She asked for an update on staff vacancies. Additionally, she asked if the vacant Senior DAG position could be transferred to the CCB.

Jessica Adair, Chief of Staff, OAG, said all of the vacant positions were in the process of being filled. If the vacant Senior DAG position was used to fill one of the requested positions, the OAG could not adequately represent its other clients. Ms. Adair said the OAG was staffed by highly qualified, career servants who typically retired when they reached their years of service. The current vacancies were ongoing due to the natural turnover related to retirement. She said the OAG filled vacancies as soon as possible. Ms. Adair noted that the allocated funding for personnel costs assumed a 3 percent vacancy rate at all times to adjust for natural turnover.

Chair Carlton asked how the OAG determined that two Senior DAG positions and one Legal Secretary position were necessary to address cannabis activities.

Ms. Adair replied that two Senior DAG positions would not be sufficient to staff the CCB when it became fully operational in July 2020. That being said, the OAG believed that two Senior DAG positions would be sufficient when the board became partially operational on January 1, 2020. She said one Legal Secretary position would be sufficient to support the two Senior DAG positions. Ms. Adair said Senior DAG positions were necessary due to the complex nature of the work, especially for a new industry. It was deemed necessary to have attorneys with sufficient expertise. Per policy guidance, an individual with three years of experience as a line-level DAG or a total of eight years' experience in the legal field outside of the OAG could become a Senior DAG. Ms. Adair said the OAG would seek candidates with at least that level of experience, if not more.

Chair Carlton asked about the long-term need for additional OAG staff to support the CCB. Additionally, she asked if the OAG intended to include the positions as a budget enhancement for the 2021-23 biennium.

Ms. Adair replied that the OAG used A.B. 533 as a model to determine the appropriate staffing needs. She said the CCB was generally modeled after the Gaming Control Board; therefore, staffing for the CCB should be modeled after the OAG Gaming Division, which included a chief, three senior attorneys, one line-level attorney, and two legal secretaries. However, the cannabis industry was incredibly new, and the level of litigation and regulatory work was not the same as it was for the Gaming Division. Ms. Adair said the gaming industry was well established and the Gaming Control Board had been in place for decades. Thus, the OAG may require additional staff to address the needs of the cannabis industry. She stated that there were currently a dozen lawsuits already in litigation, with more potentially to come, and eight administrative hearings. She confirmed that the OAG would include the positions as a budget enhancement in the next budget cycle.

Chair Carlton said the Gaming Control Board took years to reach its current standing and reputation, and it would take time for the CCB to reach a similar level. She said the Committee was aware there was a definite need in the state that had to be addressed, because the cannabis industry was important to the state's budget and educational system. Recreational marijuana was overwhelmingly approved by the public, and it was the state's responsibility to manage it correctly.

Chair Carlton said the CCB would continue to be discussed during the 2019-21 Interim and into the 2021-23 budget cycle. She said it would be helpful for the OAG to keep the Committee informed on the direction of the CCB and its staff.

Senator Kieckhefer said state revenue from the 15 percent wholesale excise tax on recreational marijuana would be used to fund OAG staff to support the CCB, not

General Funds. Ms. Adair confirmed that was correct. She stated that A.B. 533 specified that CCB staff would be funded with those fees, not General Fund dollars. Because of that, the new staff requested by the OAG would strictly be working on cannabis-related issues, similar to other OAG staff that were funded through restricted means.

SENATOR KIECKHEFER MOVED TO APPROVE AGENDA ITEMS D-4 AND D-10.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

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

11. **State Public Charter School Authority - FY 2020** - Addition of \$224,834 in federal Title IV-A grant funds transferred from Nevada Department of Education to support the Student Support and Academic Enrichment program and transfer of \$17,279 from the Reserve category to the Operating category to fund one contracted staff to manage the program. Requires Interim Finance approval since the amount added to the Federal Title IV-A 84.424A category exceeds \$75,000. **Work Program #C48822**

Refer to motion for approval under Agenda Item D.

12. **Department of Agriculture - Consumer Equitability - FY 2020** - Transfer of \$36,504 from the Reserve category to the Operating category to develop business requirements for a software system to support licensing, inspection, certification, and regulatory activities. 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 #C48248**

Refer to motion for approval under Agenda Item D.

13. **Department of Agriculture - Commodity Foods Distribution Program - FY 2020** - Addition of \$228,000 in federal Trade Mitigation Food Purchase and Distribution Program grant funds to support food bank partners in the storage and disbursement of food. Requires Interim Finance approval since the amount added to the Trade Mitigation Program category exceeds \$75,000. **Work Program #C48429**

Refer to motion for approval under Agenda Item D.

14. **Division of Mineral Resources - FY 2020** - Transfer of \$89,999 from the Reserve category to the Special Projects category to fund new rock and mineral exhibits at the Las Vegas Natural History Museum and the development of a mineral

resource database. Requires Interim Finance approval since the amount transferred to the Special Projects category exceeds \$75,000. **Work Program #C48128**

Refer to motion for approval under Agenda Item D.

15. **Gaming Control Board - FY 2020** - Addition of \$140,863 in federal forfeiture funds to support two new unclassified positions for the Enforcement Division. Requires Interim Finance approval since the amount added to the Personnel category exceeds \$75,000. **Work Program #C48441**

Agenda Items D-15 and D-16 were discussed jointly. Referred to testimony and motion for approval under Agenda Item D-16.

16. **Gaming Control Board - FY 2021** - Addition of \$209,375 in federal forfeiture funds to support two new unclassified positions for the Enforcement Division. Requires Interim Finance approval since the amount added to the Personnel category exceeds \$75,000. **Work Program #C48526**

Agenda Items D-15 and D-16 were discussed jointly.

Sandra Douglass Morgan, Chair, Gaming Control Board (GCB), said the GCB was requesting the addition of two new unclassified positions to the GCB's Enforcement Division. She stated that the board had broad scope and authority to investigate applicants and licensees, make license recommendations, and enforce gaming laws. Over the last five years, the GCB issued and filed disciplinary complaints against licensees that resulted in fines exceeding \$32.0 million. She said the GCB continued to take seriously its responsibility to conduct and assist in criminal investigations involving gaming licensees and illegal gaming.

Ms. Douglass Morgan indicated that approval of the request would be in furtherance of support of the board's mission to enforce gaming laws. The GCB Enforcement Division consisted of approximately 90 sworn agents, who were required to regulate over 3,000 licensed gaming locations throughout the state. She stated that the GCB had partnered with federal agencies in the past. In fact, the majority of the federal forfeiture funds that the board was seeking resulted in convictions and non-prosecution agreements between gaming licensees and federal agencies. Under the Bank Secrecy Act, casinos with annual gaming revenues exceeding \$1.0 million were treated as banks and financial institutions. Ms. Douglass Morgan said the majority of convictions or non-prosecution agreements resulted from violations of the Bank Secrecy Act, money laundering violations, or illegal bookmaking. She noted that the forfeiture funds were not the result of any state action.

Chair Carlton asked what factors were considered when determining which federal task forces the GCB should participate in.

James Taylor, Chief of Enforcement, GCB, replied that the GCB already had established relationships with both task forces. He said a GCB agent was assigned to the Reno Safe Streets FBI Task Force almost full-time. In Southern Nevada, the GCB chose to participate in the Regional Computer Forensics Laboratory (RCFL) task force that was being established by the Federal Bureau of Investigation (FBI). Mr. Taylor noted the task force would be the first of its kind in Nevada. He said it would be good for the GCB to partner with the FBI, because GCB staff would have access to training, equipment and personnel. He said there would be many other opportunities in the future, but those two task forces were selected, because relationships had already been established.

Ms. Douglass Morgan noted that the RCFL task force would be located in Las Vegas. She said the GCB looked forward to signing the memorandum of understanding with other law enforcement agencies and the FBI next week.

ASSEMBLYMAN FRIERSON MOVED TO APPROVE AGENDA ITEMS D-15 AND D-16.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 17. Department of Business and Industry - Insurance Division - Insurance Regulation - FY 2021** - Addition of \$182,415 in Insurance Fraud Assessment revenue to support two new classified positions dedicated to insurance fraud investigations. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **RELATES TO AGENDA ITEM K 7a. Work Program #C49012**

Alexia Emmermann, Chief Insurance Counsel, Division of Insurance, Department of Business and Industry (B&I), said the Commissioner of Insurance was charged with establishing a fraud program within the Division of Insurance, paid for by an assessment on insurance carriers. During the 2019 Legislative Session, S.B. 86 doubled the assessment to insurance carriers to address increased insurance fraud in Nevada. Ms. Emmermann said 85 percent of the fraud assessment was apportioned to the Office of the Attorney General's (OAG) Fraud Control Unit and 15 percent was apportioned to the Division of Insurance.

Ms. Emmermann said the division wanted to establish a formal fraud unit using the increased assessment. She explained that the Division of Insurance received about 1,600 referrals per year, and the division was required to independently review and investigate each referral report. Based on a report provided by the OAG during the 2019 Legislative Session, approximately 119 fraud cases were investigated each year. She said the division's goal was to consolidate resources and expertise; refer cases to local jurisdictions for prosecution; allow the OAG to focus on priority cases; be a resource to local jurisdictions in determining whether other crimes were also involved in insurance fraud cases; and more accurately track the types of insurance

fraud that occurred in Nevada so that the state could better address the issue. Ms. Emmermann said it was currently estimated that about 4.0 percent of insurance money was lost to fraud, which was about \$640.0 million per year in Nevada. She said data tracking for insurance fraud was limited in Nevada; therefore, the division wanted to begin improving the process.

Ms. Emmermann indicated that the division initially sought two unclassified positions, but the positions were not included in the Pay Bill process during the 2019 Legislative Session, because the provision came in late; therefore, the agency was advised that the positions would have to be classified instead of unclassified. The Division of Insurance identified the positions as enforcement investigators, but those types of positions had to be certified through the Peace Officer Standards and Training agency, which required statutory authority that the division did not have. Therefore, the division identified the Compliance Investigator series as an option. Ms. Emmermann said the Compliance Investigator series was not ideal, because Division of Insurance investigators required a certain level of expertise in insurance and criminal law; however, it would allow the division to establish the program. She said the division could consider modifying the positions during the 2021 Legislative Session.

Chair Carlton said the Division of Human Resource Management (DHRM) would review and approve the level of the positions; therefore, regardless of the Committee's decision, the DHRM would set the criteria. She said the division's request was of a serious nature and required significant debate. If the division wanted to revise the positions from classified to unclassified, it would need to be considered by the 2021 Legislature.

Chair Carlton asked how the division would measure the effectiveness of the new fraud investigation unit.

Ms. Emmermann replied that the Division of Insurance was in the process of establishing benchmarks; however, the division needed to hire staff first in order to begin building and outlining the program, defining program goals, identifying jurisdictions, determining how cases would be referred, and tracking data. She said, although metrics had not been established, she used the class specifications to help determine which position should be responsible for building and managing the program. Then the division would hire someone to provide the investigation groundwork and interact with local jurisdictions to the extent that the OAG was unable to prosecute larger cases.

In answer to a question from Assemblywoman Spiegel, Ms. Emmermann said Nevada was experiencing many types of insurance fraud, including premium diversion, fee churning, asset diversions, workers compensation and health care fraud. The division was also hearing a lot about "accident rings." She said there were many "soft" fraud cases, which consisted of policyholders exaggerating legitimate claims.



Assemblywoman Spiegel asked if the OAG anticipated a need to increase resources in its Insurance Fraud Unit as a result of increased referrals for prosecution from the Division of Insurance.

Christian Schonlau, Chief Financial Officer, OAG, said 85 percent of the new assessment was allocated to the OAG. The agency's primary focus was the accident component, which required a significant amount of resources and staff. He said the OAG was currently exploring how to best use those resources, but additional staff may be required in the future.

Chair Carlton thought S.B. 86 was geared toward provider fraud. Ms. Emmermann said the Commissioner of Insurance indicated that was not the case.

Chair Carlton said she had heard about accident rings since 1999. She said she did not want that to be the primary focus of the program.

Assemblyman Kramer said the fraud assessment revenue would be split between the OAG and the Division of Insurance. He understood that the goal was to reduce fraud in the state, which could significantly reduce the amount of money paid out for fraudulent cases. Ms. Emmermann said that was correct.

Chair Carlton reiterated that the DHRM would designate the positions; however, the \$228,515 would adequately cover the cost of the positions. If anything, the costs may be reduced, which would result in a minor difference.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO  
APPROVE AGENDA ITEM D-17.

SENATOR RATTI SECONDED THE MOTION.

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

- 18. Department of Business and Industry - Insurance Division - Self Insured - Workers Compensation - FY 2020** - Addition of \$246,994 in Examination Fees to fund review of financial solvency of self-insured employers. Requires Interim Finance approval since the amount added to the Self Insured Company Exams category exceeds \$75,000. **Work Program #C48679**

Refer to motion for approval under Agenda Item D.

- 19. Department of Business and Industry - Division of Industrial Relations - FY 2021** - Addition of \$157,375 in Workers' Compensation and Safety Fund revenue to support two new classified positions to implement Senate Bill 381 of the 2019 Legislature. Requires Interim Finance approval since the amount added to the

Personnel category exceeds \$75,000. **RELATES TO AGENDA ITEM K 7b. Work Program #C49009**

Agenda Items D-19, D-20, K-7b and K-7c were discussed jointly. Refer to testimony and motion for approval under Agenda Item D-20.

- 20. Department of Business and Industry - Division of Industrial Relations - Occupational Safety and Health Enforcement - FY 2021** - Addition of \$203,076 in Workers' Compensation and Safety Fund revenue to fund two new Safety Specialist positions to implement Assembly Bill 348 of the 2019 Legislature. Requires Interim Finance approval since the amount added to the Personnel category exceeds \$75,000. **RELATES TO AGENDA ITEM K 7c. Work Program #C49011**

Agenda Items D-19, D-20, K-7b and K-7c were discussed jointly.

Ray Fierro, Administrator, Division of Industrial Relations (DIR), B&I, introduced Lisa Jones, Management Analyst, B&I; Dale Hansen, Administrative Services Officer, B&I; Chuck Verre, Deputy Administrator, DIR, B&I; and Katherine Godwin, Compliance Coordinator and Registered Nurse, DIR, B&I.

Mr. Fierro said Work Program #C49009 requested the addition of \$157,375 in Workers' Compensation and Safety Fund revenue to support two new classified positions to implement S.B. 381 (2019 Legislative Session). He said the Compliance Specialist – R.N. would revise and maintain the treating panel list, which included approximately 4,000 providers that must reapply; review all treating panel applications; conduct investigations of all applicants with abnormal findings on applications, or from licensing boards or other resources; enter investigative information documents into the database; update current treating panel and revised treating panel on a weekly basis; submit website changes to the webmaster; respond to increased volume of stakeholder questions and concerns; review and act on medical unit complaints and medical billing complaints; and oversee the permanent partial disability review panel. He said the Administrative Assistant 2 position would provide insured lists to members of the public; finalize insurers' list and upload to website; provide administrative support for the Compliance Specialist – R.N.; enter new applicant information into database; complete license look up for all applicants; assist the Compliance Specialist – R.N. in requesting and obtaining investigative documents from applicants, licensing boards, professional organizations, and other resources as directed by the Compliance Specialist – R.N.; and provide additional support to the medical unit to process increased requests for permanent partial disability evaluations (S.B. 381, Section 26, subsection 3, 2019 Legislative Session).

Mr. Fierro said the Workers Compensation Section (WCS) was under budget 4680. The WCS would increase from 71 to 73 positions, including 15 administrative,

information technology and legal positions. The request would increase the Medical Unit from 6 to 8 positions.

In response to a question from Senator Ratti, Chuck Verre, Deputy Administrator, DIR, B&I, said the two positions were necessary as a result of S.B. 381, which required additional participation from the DIR to secure the facilitation of a new treating panel. As a result of some issues that occurred prior to the passage of the bill, S.B. 381 was passed to ensure that injured workers received immediate access to treating physicians. The DIR was required to review and revise the entire panel and provide a special application. He noted that a draft of the application was currently in place. Additionally, the division consulted with proponents of the bill, who primarily represent injured workers, to ensure that all of their requirements and needs would be met. In essence, establishing the new positions would help ensure that injured workers receive timely access to the appropriate physician.

Chair Carlton asked about the timeframe for implementing the new database and webpage. Mr. Verre replied that the bill was effective January 1, 2020; therefore, it was the division's responsibility to have those items available on that date. He said the two new positions would assist in the process.

Assemblywoman Neal said the estimated cost for the database and website was \$52,520 in the fiscal note; however, the revised estimate was \$375,000. She said the bill revised the requirements associated with the treating panel by requiring the division to update the panel listing on an annual basis instead of every three years. She asked what other factors contributed to the significant estimate increase.

Mr. Fierro replied that the division's information technology (IT) staff provided the estimated cost of the website and database during the legislative process; however, the vendor provided a significantly higher estimate. Because the division wanted to be prudent with the state's money, the DIR planned to implement the database and website using the division's IT staff.

Assemblywoman Titus said S.B. 381 increased the number of providers on the treating panel by including psychologists and physical therapists. She asked if one of the positions requested by the division was a Registered Nurse. Mr. Fierro confirmed that was correct. He explained that the person in the position had to be knowledgeable about the medical field, because they would be communicating with medical professionals. He stated that the DIR currently had two Registered Nurses on staff.

Assemblywoman Titus said it appeared the treating panels would now include chiropractors, physicians, physical therapists and psychologists. Mr. Verre thought psychologists and physical therapists were removed before the bill passed.

Assemblywoman Titus said the justification provided in the work program stated that S.B. 381 created new duties and responsibilities for the WCS by adding psychologists and physical therapists to the provider panel.

Mr. Verre said the justification was provided when the bill was in its previous form.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, LCB, said the justification that was submitted with the work program indicated that the duties of the WCS increased by adding psychologists and physical therapists to the provider panel, which may have been an error on the part of the agency (page 306, [Exhibit A](#)). Mr. Fierro confirmed that it was an error on the part of the DIR.

Moving on to Agenda Item D-20, Chair Carlton asked for an update on the implementation of A.B. 348 (2019 Legislative Session) and the need for two new positions.

Mr. Fierro said the DIR was requesting two positions for the division's Occupational Safety and Health Administration (OSHA) Section. He explained that Nevada OSHA was a state plan and OSHA was a federal plan. He said the OSHA program was more effective at the state level than the federal level; however, the increased workload could jeopardize the program's effectiveness.

Chair Carlton asked the agency to address the original fiscal note, which indicated a need for eight new positions as opposed to the two that were requested in Work Program #C49011.

Mr. Fierro replied that the DIR wanted to be cognizant of state funds. When the division established the fiscal note, it determined a particular need concerning personnel and equipment, but it was important to pare down the request while still remaining efficient. The DIR thought that was possible with only two positions; however, there was a risk that the state plan may not be as effective as the federal plan without the two new positions.

Chair Carlton thought the reduction in required staff may have been in response to the bill amendment at the end of the 2019 Legislative Session.

Jess Lankford, Deputy Administrator, DIR, B&I, said the reason for requesting the two positions now was that Safety Specialist positions were relatively complex and required approximately 2 years of training prior to becoming a full-spectrum investigator. The training included 6 months of in-house training coupled with 18 months of in-field training with a supervisor or another Safety Specialist. He said Nevada OSHA quickly recognized that the onset of the bill and corresponding work would be absorbed by the experienced compliance officers. Mr. Lankford said the DIR wanted to fill the two positions as soon as possible so that training could begin.

With regard to Agenda Item D-19, Senator Settlemeyer asked if the division could create a newsletter communicating provider changes so that entities did not have to regularly review a lengthy list to determine if any changes had been made.

Mr. Fierro said the division would consider Senator Settlemeyer's recommendation.

Mr. Verre added that the division was working with physicians and chiropractors on a regular basis to inform them of changes. Additionally, the division planned to include the information on the website. Mr. Verre said Senator Settlemeyer's suggestion was well taken, and it would be considered and implemented if possible. He said it was difficult to get providers, particularly physicians, to attend meetings where information could be disseminated.

Chair Carlton said she was aware that the agency had reached out to the trial bar and physicians as it sought to fill the positions. The Committee appreciated that the agency was collaborating with others. Chair Carlton offered to provide her assistance.

Michael Brown, Director, B&I, said the sponsors of the legislation had much greater expectations of the division's IT capacity; however, the agency held a virtual half-day session for staff to work through their enhancements. He said the agency would like to discuss prospective IT enhancements for WCS during the 2021 Legislative Session.

ASSEMBLYMAN FRIERSON MOVED TO APPROVE AGENDA  
ITEMS D-19 AND D-20.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 21. Department of Business and Industry - Employee Management Relations Board - FY 2020** - Deletion of \$21,978 in Assessments revenue and transfer of \$38,650 from the State Reserve category to the Special Elections category to fund costs of elections of representatives for collective bargaining units and revise the amount due from agencies. Requires Interim Finance approval since the amount transferred to the Special Elections category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C47765**

Refer to motion for approval under Agenda Item D.

- 22. Governor's Office of Economic Development - Small Business Enterprise Loan - FY 2020** - Addition of \$558,110 in Loan Repayment, deletion of \$358,110 in Miscellaneous Refunds, deletion of \$200,000 in Collateral Repayments, and transfer of \$558,110 from the Reserve category to the SBE/WBE/MBE/DBE Loans category to facilitate correct accounting for enterprise loans and enable loans to be made to

certain small businesses. Requires Interim Finance approval since the amount added to the SBE/WBE/MBE/DBE Loans category exceeds \$75,000. **Work Program #C47886**

Refer to motion for approval under Agenda Item D.

- 23. Department of Tourism and Cultural Affairs - Tourism Development - FY 2020 -** Transfer \$100,000 from Reserve category to Tourism Grants category to allow reimbursement of funds to grantees. Requires Interim Finance approval since the amount added to the Tourism Grants category exceeds \$75,000. **Work Program #C48442**

Refer to motion for approval under Agenda Item D.

- 24. Department of Health and Human Services - Aging and Disability Services - Home and Community-Based Services - FY 2020 -** Addition of \$73,810 in Money Follows the Person Rebalancing Demonstration grant funds transferred from the Division of Health Care Financing and Policy to provide services to Medicaid-eligible recipients. Requires Interim Finance approval since the amount added to the Money Follows the Person category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C48285**

Refer to motion for approval under Agenda Item D.

- 25. Department of Health and Human Services - Aging and Disability Services - Communication Access Services - FY 2020 -** Transfer of \$71,756 from the Reserve category to the Personnel Services category to fund a new Executive Director position pursuant to Senate Bill 93 of the 2019 Legislative Session. Requires Interim Finance approval since the cumulative amount transferred to the Personnel Services category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C47385**

Refer to motion for approval under Agenda Item D.

- 26. Department of Health and Human Services - Public and Behavioral Health - Radiation Control - FY 2020 -** Addition of \$452,400 in American Registry of Radiologic Technologists License Fees revenue to comply with Senate Bill 130 requiring state licensure of individuals utilizing ionizing radiation for imaging and therapy. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **Work Program #C48165**

Assemblywoman Titus said the justification in Work Program #C48165 referred to S.B. 130 (2019 Legislative Session), which established a new requirement for radiologic technologist licensure. She found the requirements of the bill concerning, especially as it related to technicians in rural Nevada. Rather than increasing the number of technicians, she thought the new requirement would decrease the

number of technicians. Assemblywoman Titus noted that the agency indicated there were currently 2,434 registered technologists in Nevada, and it was estimated that about 4.0 percent more would need to be licensed, thereby increasing the number of licensed technologists to 2,531. However, on page 380 in Volume I of the meeting packet, the agency estimated 3,500 licensed technologists ([Exhibit A](#)). She asked for clarification.

Adrian Howe, Program Manager, Radiation Control, Division of Public and Behavioral Health (DPBH), DHHS, said some of the information provided by the Nevada Society of Radiologic Technologists during the 2019 Legislative Session indicated there could be between 2,500 and 3,500 licensees in the state. The DPBH began with a high estimate of 3,500 licensees. Upon further research, the division learned that the American Registry of Radiologic Technologists (ARRT), which registers people with a minimum of two years of training, had 2,434 registered technologists in the state. The division conservatively estimated there would be another 4.0 percent lacking the minimum two years of training who would take limited license exams, thereby increasing the number to 2,531. He said there were 269 certified mammography technologists in the state. Mr. Howe noted that mammography technologists who were fully licensed would not have to pay the mammography certification fee.

Assemblywoman Titus thought that 3,500 was a high estimate. She was informed that the number of technicians would actually decrease because of S.B. 130. She found it difficult to support the personnel request, because she did not understand the division's justification.

Debi Reynolds, Deputy Administrator, DPBH, DHHS, said the DPBH was requesting approval for two full-time state positions: a Radiation Control Specialist 2 and a Management Analyst 2. The cost of those positions was \$117,380 and the projected revenue was \$452,400. She said the balance of the funds would be put into the Reserve category.

In answer to a question from Assemblywoman Titus, Ms. Reynolds replied that the estimated revenue of \$452,400 was based on the number of licensees that would be required to register. The personnel expenditures charged against that revenue were for the two positions at a total cost of \$117,380.

Mr. Howe clarified that \$452,400 was for both years in the 2019-21 biennium.

Assemblywoman Titus asked if any programs were available to help applicants offset the cost of fees. She said the requirement in the bill would have an impact on technologists in the rural counties and their availability to conduct studies.

Mr. Howe replied that S.B. 130 did not require the Radiation Control program to provide training; however, the program would guide people to the appropriate training for limited license exams. He explained that limited licenses were for people

who did not have two full years of training and worked in a setting where they performed limited imaging. Those licensees would be able to get training and continuing education as well.

Chair Carlton reminded the Committee that S.B. 130 was approved by the 2019 Legislature and the division's request included one less position than what was listed in the fiscal note; therefore, the request was appropriate.

Senator Goicoechea stated that he also represented a rural area. He asked if licensees were grandfathered in as long as they maintained their current position. Mr. Howe confirmed that was correct. He said if a licensee provided an attestation that they were trained to perform certain examinations in their current position, the individual would remain licensed as long as the license was current. The individual could change positions as long as they continued to perform limited exams. If the individual retired or let the license expire, they would be required to take additional training to become relicensed.

Senator Goicoechea asked if a program was available that would allow licensees to expand their current license. Mr. Howe said he was not aware that such a program currently existed. He said licensees could take continuing education courses and pass an exam to expand their license.

In response to a question from Senator Goicoechea, Mr. Howe replied that no funding was available to conduct training programs, but the division could direct licensees to training programs. He said the Radiation Control program was responsible for license enforcement.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM D-26.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 27. Department of Health and Human Services - Public and Behavioral Health - Low-Level Radioactive Waste Fund - FY 2020** - Transfer of \$116,144 from the Reserve category to the Perpetual Care Fund category to fund post-closure activities at the state-owned Low-Level Radioactive Waste Disposal site. Requires Interim Finance approval since the amount transferred to the Perpetual Care Fund category exceeds \$75,000. **Work Program #C48668**

Refer to motion for approval under Agenda Item D.

- 28. Department of Health and Human Services - Public and Behavioral Health - Communicable Diseases - FY 2020** - Transfer of \$850,300 in Substance Abuse Prevention and Treatment (SAPTA) funds from the Behavioral Health Prevention



and Treatment budget to the Communicable Diseases budget to provide HIV testing and education programs. Requires Interim Finance approval since the amount transferred to the SAPTA HIV category exceeds \$75,000. **Work Program #C48030**

Agenda Items D-28 and D-29 were discussed jointly. Refer to testimony and motion for approval under Agenda Item D-29.

- 29. Department of Health and Human Services - Public and Behavioral Health - Communicable Diseases - FY 2020** - Addition of \$261,328 in federal Strategic Partnership and Planning to Support Ending the HIV Epidemic grant funds for the development of a statewide plan in support of Getting To Zero - Ending the HIV Epidemic. Requires Interim Finance approval since amount added to the HIV Getting to Zero category exceeds \$75,000. **Work Program #C48592**

Agenda Items D-28 and D-29 were discussed jointly.

Assemblywoman Titus noted that the Substance Abuse Prevention and Treatment Agency (SAPTA) Block Grant included an HIV carve-out requirement. She asked if that was identified when the DPBH accepted the grant for use by the HIV program.

Julia Peek, Deputy Administrator, DPBH, DHHS, confirmed that was correct. She said the carve-out was 5 percent, and the amount requested was exactly 5 percent. She said it was best to be done by the HIV program directly so that it was a cleaner process.

In answer to a question from Assemblywoman Titus, Ms. Peek replied that the division did a competitive request for proposal (RFP), and all applicants were awarded funds. Subgrants were awarded to the Southern Nevada Health District, Northern Nevada Hopes, Community Counseling Center, China Springs Youth Camp, New Frontier Treatment Center, Rural Nevada Counseling, Ridge House and Vitality Unlimited. She said the subgrantees may provide testing, care referral, or enrollment assistance for other programs offered through the HIV Prevention and Care program.

Senator Parks noted that many of the service providers were nonprofit organizations, which had a tendency to have cash flow problems. He asked how those organizations could remain involved without a negative financial impact.

Ms. Peek replied that one reason the funds were being moved directly into the HIV program was to improve timeliness and avoid the need for approval by two different sections. For nonprofit organizations experiencing financial strain, the division could provide cash advances in some situations to help them become solvent and deliver the required services. She said the division was happy to work with nonprofit organizations. In the case of the SAPTA transfer, nonprofit organizations were awarded funds.

SENATOR PARKS MOVED TO APPROVE AGENDA ITEMS D-28 AND D-29.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

30. **Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2020** - Addition of \$130,000 in Association of State and Territorial Health Officials (ASTHO) funds to provide community research and outreach activities to high-risk populations for prenatal opioid use and neonatal abstinence syndrome. Requires Interim Finance approval since the amount added to the ASTHO Contract category exceeds \$75,000. **Work Program #C47968 WITHDRAWN 10-8-19**
31. **Department of Health and Human Services - Public and Behavioral Health - Facility for the Mental Offender - FY 2020** - Transfer of \$709,615 from the Personnel Services category to the Professional Services category to cover the projected costs for contracted doctors and nurses due to the inability to find and hire state positions. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds \$75,000. **Work Program #C48102**

Refer to motion for approval under Agenda Item D.

32. **Department of Health and Human Services - Welfare and Supportive Services - Temporary Assistance for Needy Families - FY 2020** - Addition of \$525,000 in federal Temporary Assistance for Needy Families (TANF) Block Grant funds to support a subgrant to Clark County Department of Family Services for an identified need involving children ages zero to 3 years and their families. **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 the TANF Transfers category exceeds \$75,000. Work Program #C48393**

Agenda Items D-32 and D-33 were discussed jointly. Referred to testimony and motion for approval under Agenda Item D-33.

33. **Department of Health and Human Services - Welfare and Supportive Services - Temporary Assistance for Needy Families - FY 2020** - Addition of \$814,000 in federal Temporary Assistance for Needy Families (TANF) Block Grant funds in order to comply with Assembly Bill 498 of the 2019 Legislative Session, which added fictive kin component to TANF. **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 the Assembly Bill 498 Fictive Kin category exceeds \$75,000. Work Program #C48954**

Agenda Items D-32 and D-33 were discussed jointly.

Steve Fisher, Administrator, Division of Welfare and Supportive Services (DWSS), DHHS, said Work Program #C48393 requested approval of \$525,000 in Temporary Assistance for Needy Families (TANF) Block Grant funds to support a subgrant to the Clark County Department of Family Services (CCDFS). He said the division and the CCDFS identified a population of need, which included children ages zero to three years, who had come to the attention of the CCDFS, but did not meet the criteria of an investigation of child abuse and neglect. Mr. Fisher said the CCDFS determined that within one year of knowing about this population of children, 27 percent experienced serious injury without some type of intervention. The goal was to reduce that percentage by a minimum of 20 percent, which would reduce the recidivism rate to 21.6 percent. He said the funds would help provide the necessary services, such as parent education and parent/child skill development, thereby mitigating the effects of child abuse and neglect. To measure progress, the DWSS would require the CCDFS to set an initial baseline by generating a recidivism report covering the past year. The families would subsequently be provided with the necessary services. The CCDFS would present an updated report to the DWSS on a quarterly basis so the division could determine whether the recidivism rate was decreasing. Mr. Fisher said the use of the funds met the purpose of the TANF Block Grant, so the division was excited to help Clark County with the program.

Chair Carlton requested that the DWSS and CCDFS select a term other than “recidivism” when referring to this population of children. She said recidivism was commonly associated with the prison system, and it was not the appropriate attitude to have when trying to help families succeed.

Senator Kieckhefer said the pilot project seemed like a good use of funds. He asked if the project would impact the division’s maintenance of effort requirement. He also asked if the funds would be segregated from the Title IV-E Block Grant. Mr. Fisher confirmed that the project would not impact the maintenance of effort, and the funds would not be combined with Title IV-E Block Grant funds.

Assemblywoman Neal said it appeared that about 300 families and 120 youth would be referred to prevention services under the program. She asked for further clarification.

Vickie Malone, CCDFS, replied that the original proposal by the CCDFS included a “c-sect” population directed specifically at youth, but the pilot program was for families.

Assemblywoman Neal asked if the 120 youth were included in the c-sect population. Ms. Malone replied that the youth had no prior involvement with the CCDFS. They were identified through a referral, but did not meet the level of investigation by the department. The youth would not have intervention by the CCDFS had it not been for the pilot program.

Assemblywoman Benitez-Thompson said she was excited about programs that helped keep families together.

In response to a question from Assemblywoman Benitez-Thompson, Ms. Malone replied that families that qualified for the pilot program were not part of the system prior to the referral, which came through the CCDFS hotline. The issue did not rise to the level of an investigation by the department's criteria, but due to data collected by the CCDFS, approximately 27 percent of the families came back to the attention of the department in the form of an investigation. Ms. Malone said the CCDFS wanted to offer services to those families to deter an issue from escalating and reduce the recurrence rate.

Assemblywoman Benitez-Thompson said it appeared the CCDFS would be awarding subgrants to different service providers. She asked what type of services would be provided to families in the program.

Ms. Malone replied that the types of service were unknown until a home visit was conducted and potential issues were identified. The CCDFS would contract with the Southern Nevada Health District and University Medical Center to conduct home visits depending on the circumstances of the original referral. She said the department would cover an array of services.

Assemblywoman Benitez-Thompson understood that the health district would provide the families with parent education, vocational assistance or clinical support to prevent abuse and neglect. Ms. Malone confirmed that was correct.

Chair Carlton said providing resources to families as a proactive measure would reduce the likelihood that the issue would rise to the level of an investigation. She said she appreciated that thought process.

Chair Carlton opened the public hearing for Agenda Items D-32 and D-33. There being no requests to testify, Chair Carlton closed the public hearing.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO  
APPROVE AGENDA ITEMS D-32 AND D-33.

SENATOR WOODHOUSE SECONDED THE MOTION.

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

- 34. Department of Health and Human Services - Welfare and Supportive Services - Child Support Federal Reimbursement - FY 2020** - Addition of \$4,297,301 in federal Child Support Enforcement grant funds to cover reimbursements to local Child Support Enforcement programs. Requires Interim Finance approval since the

amount added to the County Cost Reimbursement category exceeds \$75,000. **Work Program #C47882**

Refer to motion for approval under Agenda Item D.

- 35. Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2021** - Addition of \$27,774 in federal Victim Assistance Formula grant funds and \$49,046 transferred from the Victims of Crime account to fund a new Accountant Technician position to provide support to the Victims of Crime program that was transferred to the Department of Health and Human Services pursuant to Assembly Bill 534 of the 2019 Legislative Session. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **Work Program #C48986**

Agenda Items D-35 and K-8c(2) were discussed jointly.

Mandi Davis, Deputy Administrator, Division of Child and Family Services (DCFS), DHHS, said Work Program #C48986 was the result of A.B. 534 (2019 Legislative Session). The legislation required the DHHS to develop a state plan for Victims of Crime services to ensure that agencies which provided compensation to victims coordinated their efforts and used the same data sets. The bill transferred the Victims of Crime Compensation program from the Department of Administration to the DCFS in order to consolidate the two major Victims of Crime payment and services programs under one division. The DCFS currently managed the Victims of Crime Assistance program, and the compensation program would also be managed by the division.

Ms. Davis said Assembly Bill 534 was introduced and approved in the latter portion of the 2019 Legislative Session when budgets were closing, so the DCFS did not have an opportunity to submit a fiscal note or request an additional position to take over the management of the budget. She said the new Accountant Technician position would provide fiscal oversight and management of the budget through the 2019-21 biennium.

Chair Carlton asked how the division determined that existing budget and fiscal staff were at workload capacity and unable to support the Victims of Crime Compensation program. Ms. Davis replied that DCFS fiscal staff were at workload capacity. Many of the activities conducted by fiscal staff were for emergent needs or to meet immediate priorities, which allowed little room for future planning, improvement process, etc. She said the absorption of the Victims Compensation budget would further prevent fiscal staff from performing extra activities. Ms. Davis explained that four separate positions within the Department of Administration managed small portions of the budget; however, all of those duties would be managed by one position within the DCFS.

Chair Carlton said the Committee realized that adjustments had to be made when action was taken near the end of a legislative session.

SENATOR RATTI MOVED TO APPROVE AGENDA ITEM D-35.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 36. Department of Health and Human Services - Child and Family Services - Washoe County Child Welfare - FY 2020** - Addition of \$150,000 in federal Title IV-B, subpart 1 grant funds to provide ongoing foster care and related services to children and families. Requires Interim Finance approval since the amount added to the Child Welfare category exceeds \$75,000. **Work Program #C48003**

Refer to motion for approval under Agenda Item D.

- 37. Department of Health and Human Services - Child and Family Services - Clark County Child Welfare - FY 2020** - Addition of \$450,000 in federal Title IV-B, subpart 1 grant funds to provide ongoing foster care and related services to children and families. Requires Interim Finance approval since the amount added to the Clark County Ongoing category exceeds \$75,000. **Work Program #C47956**

Refer to motion for approval under Agenda Item D.

- 38. Department of Health and Human Services - Child and Family Services - Nevada Youth Training Center - FY 2020** - Transfer of \$54,547 from the Personnel Services category to the Contract Services category to fund a contract position to cover a shortage within the teaching staff. Requires Interim Finance approval since the cumulative amount transferred to the Contract Services category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C47050**

Refer to motion for approval under Agenda Item D.

- 39. Department of Health and Human Services - Child and Family Services - Southern Nevada Child and Adolescent Services - FY 2020** - Addition of \$2,648,254 in federal Substance Abuse and Mental Health Services Administration grant funds to expand the Nevada System of Care (SOC) for Youth with Serious Emotional Disorders (SED) program and to fund eight Clinical Program Planners, one Grants and Projects Analyst and one Administrative Assistant to manage the program. Requires Interim Finance approval since the amount added to the SOC for SED Youth category exceeds \$75,000. **Work Program #C48952**

Kathryn Roose, Deputy Administrator, DCFS, DHHS, said Work Program #C48952 related to a \$12.0 million competitive grant that the division received to expand and sustain System of Care activities across the state. The work program was a request

to accept year one funding, with which the division would hire staff and begin building the infrastructure to achieve the goals of the grant over the four-year grant period.

Chair Carlton asked the agency to confirm that the entire four-year System of Care grant would be available for expenditure without any additional General Fund appropriations. Ms. Roose confirmed that was correct. She said the division used in-kind for the required match.

Chair Carlton requested that the agency provide a copy of the final grant report prior to the award. Ms. Roose said the Committee would receive all reports pertaining to the System of Care grant.

In response to a question from Chair Carlton, Ms. Roose replied that the match would be 1:3 for the first three years and 1:1 in the fourth and final year, so the division was required to put up a \$1.0 million match in years one through three, and a \$3.0 million match in year four. She said the entire match would be in-kind with personnel.

Chair Carlton said she understood that the entire match would be in-kind throughout the four-year grant period, even when the match changed from 1:3 to 1:1. She said the state would not be required to fund the match. Ms. Roose confirmed that was correct.

ASSEMBLYMAN WHEELER MOVED TO APPROVE AGENDA  
ITEM D-39.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 40. Department of Public Safety - Nevada Highway Patrol Division - FY 2020 -** Addition of \$572,518 in federal Highway funds transferred from the Nevada Department of Transportation (NDOT) to fund 48 percent cost share of the replacement Mobile Data Computers (MDC) in accordance with the funding agreement between NDOT and the Department of Public Safety. Requires Interim Finance approval since the amount added to the MDC (ONE-SHOT) category exceeds \$75,000. **Work Program #C48204**

Refer to motion for approval under Agenda Item D.

- 41. Department of Public Safety - Division of Emergency Management - FY 2020 -** Addition of \$56,478 in Waste Isolation Pilot Plant funds transferred from the Office of Nuclear Projects to cover increased expenditures associated with the oversight of transuranic waste shipments. Requires Interim Finance approval since the cumulative amount added to the Waste Isolation Pilot Plant category exceeds

10 percent of the legislatively approved amount for that category. **Work Program #C47442**

Refer to motion for approval under Agenda Item D.

- 42. Department of Public Safety - Central Repository for Nevada Records of Criminal History - FY 2020** - Addition of \$815,611 in federal National Criminal History Improvement Program (NCHIP) grant funds, transferred from the Office of Criminal Justice Assistance, to support the replacement of Livescan equipment, travel for outreach education, and overtime needed for completion of the state and FBI records correlation project. Requires Interim Finance approval since the amount added to the NCHIP Grant category exceeds \$75,000. **Work Program #C47863**

Refer to motion for approval under Agenda Item D.

- 43. Department of Public Safety - Central Repository for Nevada Records of Criminal History - FY 2020** - Addition of \$387,080 in federal National Instant Criminal Background Check System Act Record Improvement Program (NARIP) grant funds, transferred from the Office of Criminal Justice Assistance, to support the ongoing process of entering the backlog of dispositions to the Criminal History Repository and to provide education outreach to assist Nevada criminal justice agencies with educating staff on the requirements and purpose of Nevada's overall Records Improvement Plan. Requires Interim Finance approval since the amount added to the NARIP Grant category exceeds \$75,000. **Work Program #C47864**

Refer to motion for approval under Agenda Item D.

- 44. Department of Public Safety - Central Repository for Nevada Records of Criminal History - FY 2020** - Addition of \$66,675 in federal Criminal Justice Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking (SMART) grant funds, transferred from the Office of Criminal Justice Assistance, to support the continuation of temporary staffing to scan and digitize files. Requires Interim Finance approval since the amount added to the SMART Grant category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C47865**

Refer to motion for approval under Agenda Item D.

- 45. Department of Conservation and Natural Resources - Division of Natural Heritage - FY 2020** - Addition of \$63,518 in federal Cooperative Endangered Species Conservation Fund grant funds transferred from the Nevada Division of Forestry (NDF) account to continue endangered species survey activities. Requires Interim Finance approval since the amount added to the NDF Endangered Species category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C47987**

Refer to motion for approval under Agenda Item D.



- 46. Department of Wildlife - Conservation Education - FY 2020** - Addition of \$47,500 in License Plate fees transferred from the Wildlife Fund Account to support wildlife education and volunteer activities. Requires Interim Finance approval since the amount added to the License Plate Wildlife Education category exceeds 10 percent of the legislatively approved amount for the category. **Work Program #C47769**

Refer to motion for approval under Agenda Item D.

- 47. Department of Wildlife - Conservation Education - FY 2020** - Addition of \$468,265 in federal Wildlife Restoration Program grant funds to support construction and improvements of public shooting ranges. Requires Interim Finance approval since the amount added to the Hunter Education category exceeds \$75,000. **Work Program #C47942**

Refer to motion for approval under Agenda Item D.

- 48. Department of Wildlife - Game Management - FY 2020** - Deletion of \$139,636 in federal Wildlife Restoration Program grant funds and \$46,545 in Sportsmen Revenue transferred from the Wildlife Fund Account and transfer of \$42,732 from the Mule Deer Research category to the Predator Management Services category, \$8,729 from the Mule Deer Research category to the Big Game category, \$3,942 from the Mule Deer Research category to the Migratory Bird category and \$2,054 from the Mule Deer Research category to the Upland Game category to accurately fund ongoing game management activities. Requires Interim Finance approval since the amount deleted from the Mule Deer Research category exceeds \$75,000. **Work Program #C47826**

Refer to motion for approval under Agenda Item D.

- 49. Department of Wildlife - Fisheries Management - FY 2020** - Addition of \$1,100,659 in Trout Stamp fees transferred from the Wildlife Fund Account to support well construction, maintenance and repair at the Mason Valley Hatchery and the Gallagher Hatchery. Requires Interim Finance approval since the amount added to the Hatchery Refurbishment category exceeds \$75,000. **Work Program #C48116**

Refer to motion for approval under Agenda Item D.

- 50. Department of Wildlife - Habitat - FY 2020** - Addition of ~~\$364,977~~ **\$466,250** in federal Wildlife Restoration Program grant funds and ~~\$275,334~~ **\$173,866** in Trout Stamp fees transferred from the Wildlife Fund Account to support the Mason Valley Wildlife Management Area (WMA) water system project. Requires Interim Finance approval since the amount added to the WMA System category exceeds \$75,000. **Work Program #C47668. REVISED 10-4-19.**

Refer to motion for approval under Agenda Item D.

51. **Department of Wildlife - Habitat - FY 2020** - Addition of \$210,955 in federal Wildlife Restoration Program grant funds to support water development projects for wildlife habitat. Requires Interim Finance approval since the amount added to the Wildlife Water Development category exceeds \$75,000. **Work Program #C47911**

Refer to motion for approval under Agenda Item D.

52. **Office of the Military - FY 2020** - Addition of \$1,500,000 in federal Department of Defense grant funds to support the startup and operations of the Nevada Youth Challenge program, includes two unclassified and seven classified positions to support the program established in Senate Bill 295 of the 2019 Legislative Session. Requires Interim Finance approval since the amount added to the Youth Challenge category exceeds \$75,000. **Work Program #C47519**

Ondra Berry, Adjutant General, Nevada National Guard, introduced Lieutenant Colonel Catherine Grush, Executive Officer, Nevada National Guard, and Cheryl Tyler, Administrative Services Officer, Office of the Military. He said Work Program #C47519 was a request to receive \$1.5 million in federal funds for the Nevada Youth Challenge Program (NYCP) for FY 2020. The funds would be used to hire nine full-time employees.

Adjutant General Berry said the first Youth Challenge program would be located in Carlin, Nevada. He said Clark and Washoe Counties expressed an interest in hosting Youth Challenge programs; however, based on agreements, cost facilities and opportunities, Carlin was the best initial location. Adjutant General Berry noted that any qualified teen in the state could apply to attend the Youth Challenge program. He said he was extremely optimistic that opportunities for more Youth Challenge programs would expand throughout the state in the future.

Adjutant General Berry said two candidates would be interviewed on October 30, 2019, in Elko for the Program Administrator position. It was critical to fill the Program Administrator position first, because that individual would assist with the recruitment process. He said both candidates had vast experience with Youth Challenge programs, including the program's mission, establishment, administration, recruitment, curriculum, etc.

Adjutant General Berry said the Program Administrator would initiate the establishment of the program and hire key personnel to help shape and build the program. The following positions were recommended by the National Youth Challenge Program to establish the Youth Challenge program in Nevada.

- Program Administrator - Analyze the structure needed to create a successful program, initiate dialog with the Elko County School District Superintendent, National Guard Bureau, and any other entities with which the program would need to coordinate.

- Deputy Administrator - Assist in the establishment of the new program. The position may be tasked with assisting in the development of the program guidelines, fiscal management, and hiring other key staff.
- Administrative Assistant - Assist the Program Administrator in administrative functions.
- Budget Analyst - Manage budget and fiscal matters.
- RPM Coordinator - Establish recruitment, placement and the mentorship program. The position would create recruitment guidelines, establish placement of students to the program and ensure proper mentorship requirements were in place for all recruits.
- RPM Recruiter - Supervise the recruitment team and begin recruiting students throughout the state for the program.
- RPM Assistants - Initiate recruitment processes throughout the state.
- Program Coordinator - Establish the program based on National Guard Bureau guidelines and the Administrator's vision. The position would focus on the core components of the program, contact other program coordinators throughout the nation, and research successful program strategies. The Program Coordinator would also be responsible for the coordination of daily operations and ensure proper synchronization of the various departments within the program.

Adjutant General Berry said all of the positions were identified and projected to be hired by FY 2020 since they were leadership positions and crucial to the success of the program. He said the agency needed to begin establishing program guidelines, recruiting students, and managing the budget prior to FY 2021.

Assemblywoman Monroe-Moreno thought the Youth Challenge program was an awesome program. She was excited for it to begin.

Assemblywoman Monroe-Moreno noted that the Office of the Military indicated it may require 48 employees for the Youth Challenge program. She asked how the office determined 9 positions were necessary to implement the program. She also asked when the Office of the Military would need the remaining positions.

Adjutant General Berry said the National Guard Bureau Youth Challenge Program recommended the nine positions to establish the program. Additional positions would be hired in FY 2021. He said the positions were necessary to implement the Youth Challenge program so it would be ready to begin in January 2021.

Senator Denis asked for an overview of the major activities and associated timelines to establish the Youth Challenge program by January 2021.

Adjutant General Berry said it was important for the Office of the Military to recruit someone with experience in establishing Youth Challenge programs. The candidate

must be qualified to discuss the curriculum, meet with the school district, recruit students, prepare the facility and build the infrastructure.

Cheryl Tyler, Administrative Services Officer, Office of the Military, said the agency would recruit the Program Administrator who would then assist with the recruitment process for remaining staff. A capital improvement project for renovation was in place with the State Public Works Division (SPWD). The SPWD would meet with architects during the week of October 28, 2019, concerning the renovation design. She said the renovation was scheduled to be complete by fall 2020 and ready for the first class in January 2021.

Assemblywoman Neal asked how the Office of the Military would fund the 39 positions that would be hired in FY 2021.

Ms. Tyler replied that the Office of the Military received \$500,000 in General Funds for FY 2021. The agency would work with the Department of Education to obtain Distributive School Account funding of approximately \$400,000. In addition to that, the Office of the Military would receive a 75 percent federal match for the Youth Challenge program. She said existing General Funds and federal funds would support the base budget. Ms. Tyler noted that General Funds and federal funds already support the operations and maintenance of the Carlin Readiness Center, which was currently an Army base.

Chair Carlton recalled that the 75 percent federal match was a key component of the discussion during the 2019 Legislative Session.

Assemblywoman Jauregui asked what the total enrollment would be in FY 2021. Lieutenant Colonel Catherine Grush, Nevada National Guard, replied that initial enrollment would include approximately 150 students based on other National Guard Bureau Youth Challenge programs. She said 150 students per class was the recommended enrollment, with the expectation that some students would drop out within the first two weeks. The minimum requirement was 100 students per class. Lieutenant Colonel Grush said there was not a graduation requirement for Youth Challenge programs, but the goal was a minimum of 100 students per class with the expectation that the program would continue to grow.

Senator Parks said he had been a strong proponent of the National Guard Bureau Youth Challenge program for many years and was glad to see it come to fruition in Nevada. He thought Carlin was the perfect location for the program. Senator Parks wished the Office of the Military great success with the program and expressed his congratulations to Adjutant General Berry on his appointment.

Adjutant General Berry thanked Senator Parks for his comments. He thought the Youth Challenge program would be a shining star for Nevada and provide a great educational alternative for students statewide. He anticipated that the program would be successful enough to expand into other parts of the state.

Adjutant General Berry hoped the Office of the Military would have a need to request additional funding in the future for the purpose of expanding the program.

Chair Carlton echoed Senator Parks' comments. She agreed that it was good to see the program come to fruition. She recalled two enthusiastic advocates of the Youth Challenge program were always waiting to speak with legislators during the 2019 Legislative Session. Chair Carlton said the Legislature was charged with helping Nevada advance.

Chair Carlton thought the state should provide programs for children in need of assistance. She said a student recently requested her assistance in locating a program within the state; however, the student ultimately had to select an out-of-state program, because Nevada did not offer what he needed. Chair Carlton said she was thankful that Nevada would soon have a Youth Challenge program.

Speaking on a point of personal privilege, Assemblyman Frierson congratulated Adjutant General Berry. Assemblyman Frierson said, when he moved to Nevada in 1988, Adjutant General Berry was an icon in Northern Nevada and he continued to serve in the same manner. He thanked Adjutant General Berry for his willingness to take on the Youth Challenge program, his service to Nevada youth, and his entire public service.

Senator Ratti said she was grateful that Adjutant General Berry was willing to continue his lifetime of service. As a young professional running a gang prevention and intervention agency well over 30 years ago, Senator Ratti had the opportunity to work with Adjutant General Berry. She said Adjutant General Berry's combination of vision, discipline and compassion had been dedicated to making the community and the state a better place for many years. She thought the state was in very good hands. Senator Ratti congratulated Adjutant General Berry on his appointment.

Adjutant General Berry thanked Committee members for their comments.

ASSEMBLYMAN FRIERSON MOVED TO APPROVE AGENDA  
ITEM D-52.

SENATOR PARKS SECONDED THE MOTION.

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

Chair Carlton congratulated Adjutant General Berry. She said the Committee looked forward to working with him in the future.

## RECLASSIFICATIONS

Refer to motion for approval under Agenda Item D.

AGENCY	AGENCY/ ACCOUNT NUMBER	POSITION NUMBER	PRESENT CLASS, CODE, GRADE and SALARY	PROPOSED CLASS, CODE, GRADE and SALARY
Department of Motor Vehicles, Compliance Enforcement	810/4722	WF5554	Emission Control Technician 2 Code: 11.555 Grade: 30/01 Employee/Employer Paid Retirement \$41,572.08	Administrative Assistant 2 Code: 2.212 Grade: 25/01 Employee/Employer Paid Retirement \$33,971.76
Department of Public Safety, Director's Office, Human Resources	650/4706	0518, 0520, 0532 and 0535	Administrative Assistant 3 Code: 2.211 Grade: 27/01 Employee/Employer Paid Retirement \$36,790.56	Background Investigation Technician 2 Code: 11.380 Grade: 30/01 Employee/Employer Paid Retirement \$41,572.08
Department of Transportation, Administrative Services	800/4660	070015	Administrative Assistant 2 Code: 2.212 Grade: 25/01 Employee/Employer Paid Retirement \$33,971.76	Program Officer 2 Code: 7.647 Grade: 33/01 Employee/Employer Paid Retirement \$47,188.80

### E. STATEMENT OF CONTINGENCY ACCOUNT BALANCE.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), referred to the Statement of Contingency Account Balance located on page 295 in Volume II of the meeting packet ([Exhibit B](#)). She said the balance of the unrestricted General Fund was currently \$27.7 million, with no requests before the Committee. The Highway Fund balance was \$1.6 million, with no requests before the Committee. Ms. Jones noted that pages 301 through 304 included restricted tranches of Contingency Account funds ([Exhibit B](#)). Requests for those funds included \$190,000 from the set aside for the implementation of S.B. 467 (2019 Legislative Session); \$250,000 from the \$1.0 million set aside for the implementation of S.B. 501 (2019 Legislative Session); \$5.0 million set aside for the expansion of the Museum of Art under S.B. 533; and \$900,000 of the \$6.55 million set aside for S.B. 543 (2019 Legislative Session).

### F. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SENATE BILL 467, SECTION 3.5 (2019 Legislature) (Note: IFC may approve a different amount for an allocation than the amount requested). Department of Education – Office of the Superintendent – Request for an allocation of \$190,000 for costs to archive data and implement a new desktop monitoring system.

Heidi Haartz, Deputy Superintendent for Business and Support Services, Department of Education (NDE), said the department's request was for \$190,000 from the set aside for the replacement of the desktop monitoring system. She said \$184,000 represented the anticipated General Fund portion of the new system and \$6,000 was earmarked to allow the department to work with WestEd, the current vendor, to back up the data that the company currently retained for the NDE. Ms. Haartz reminded the Committee that

WestEd provided the desktop monitoring service to the department for several years at no cost; however, the company would no longer support the application, because Microsoft no longer supported the tools for the program.

Ms. Haartz said the NDE hired a Project Manager who began working for the department on September 3, 2019. Since then, the Project Manager worked with programs across the department to identify their desktop monitoring needs. He also worked with the Division of Enterprise Information Technology Services (EITS) and the Purchasing Division to submit the technology investment notification (TIN) and request for proposal (RFP). EITS approved the TIN on October 22, 2019, and the Purchasing Division was ready to release the RFP early next week contingent upon the Committee's approval.

Ms. Haartz noted that the anticipated cost to the state for the new system was \$184,000; however, a more accurate amount would be determined after the RFP was released. She said the exact amount would not be known until a product was purchased and the department had a better understanding of the system's capacity and which NDE programs may be able to utilize which services. One of the tasks that would fall to the Project Manager was the responsibility to determine the cost allocation after the final product was selected. If it was determined that the \$184,000 overstated the General Fund portion of the purchase, then the department would revert the difference.

Senator Woodhouse asked the department to discuss the timeline for selecting a vendor and determining the actual cost of the new desktop monitoring system.

Ms. Haartz said, according to the existing timeline, the Purchasing Division indicated the department should be able to select a vendor by the first week in December 2019. The department would then work with the Governor's Finance Office to determine how quickly the contract could be negotiated, prepared and submitted to the Board of Examiners for approval.

Senator Denis asked how the department would respond if the cost exceeded \$184,000. Ms. Haartz replied that the department was hopeful the quote would not exceed the original estimate.

Senator Denis noted that several quotes were less than \$184,000, but one was significantly higher. He restated his question regarding the department's plan should the cost exceed \$184,000. Ms. Haartz said it was difficult to determine, because the department was unsure of the exact cost. She said the department's actions would depend on how far out of alignment the General Fund portion was from the actual price. She said the NDE would consider utilizing existing resources if the amount was minimal; however, if the cost was significantly higher than anticipated, the department would revisit the scope of the project or request permission from the IFC to revisit the balance of the funds earmarked for the project.

Senator Denis said the program appeared to be highly specialized in that it must track specific types of data. Ms. Haartz indicated there were certain vendors that possessed the appropriate expertise; however, those vendors were cautious about sharing detailed information concerning programs and services to avoid jeopardizing the solicitation process or their eligibility to participate.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM F.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE  
MOTION.

THE MOTION PASSED UNANIMOUSLY.

**G. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SENATE BILL 543, SECTION 74.5** (2019 Legislature) (Note: IFC may approve a different amount for an allocation than the amount requested). Department of Education – Office of the Superintendent – Request for an allocation of \$900,000 to support the implementation of the new proposed Pupil-Centered Funding Plan, pursuant to Senate Bill 543.

Heidi Haartz, Deputy Superintendent for Business and Support Services, NDE, introduced Dr. Karlene McCormick Lee, Chair of the Commission on School Funding.

Ms. Haartz said the NDE was requesting \$900,000 to contract with subject matter experts to assist the department and the Commission on School Funding with the implementation of S.B. 543 and to contract with an outside vendor to assist with the change management process anticipated to occur as a result of the implementation of a new funding formula. She said \$600,000 would be used to contract with three subject matter experts: Applied Analysis; Augenblick, Palaich and Associates; and WestEd. The contracts were envisioned at \$200,000 each, with a contract period that would expire at the end of FY 2021. The department reached out to each of the vendors, all of which had worked with the NDE in the past, and asked them to submit proposed scopes of work. The proposals would help the commission and the department implement the legislation, recognizing that due to the timeframes by which the NDE needed to submit a request for funds or contracts to the Board of Examiners for approval, the commission had not yet met. She said the proposed scopes of work included some very specific projects that could be considered in the future, as well as flexibility for services that would be provided as needed, with a rate based on the pay rate of the employees assisting with those projects. Ms. Haartz said it was unknown if each contractor would receive the full \$200,000. The determination would be based on the future needs of the department and the commission, which the vendors understood and appreciated.

Ms. Haartz said the department was also requesting \$300,000 to contract with a vendor to provide change management services to the NDE as the department began the transition toward the implementation of a new funding formula. She said \$300,000 was



the preliminary cost estimate based on information gathered from providers of change management services. As the department contemplated the impact of the new funding formula implementation and the way programs and budgets may shift, the NDE determined that additional support and capacity was necessary to ensure the department was proceeding in a logical and thoughtful manner to avoid concern among staff. The department was also working in an equally thoughtful and proactive manner with external partners, including the school districts, charter schools and nonprofit agencies that received funds from the department. Ms. Haartz said the NDE believed that hiring a consultant to assist with the change management process would help the department establish internal and external guidelines, ensuring that the NDE communicated in a proactive and thoughtful manner, and that the department protected its resources, including NDE employees and the relationships the department was striving to cultivate.

Ms. Haartz said the Commission on School Funding held meetings in September 2019 and October 2019. Two additional meetings were scheduled on November 1, 2019, and November 14 and 15, 2019.

Senator Woodhouse said it was very important that S.B. 543 proceeded smoothly. She said the cost of the contracted positions was lower than what she anticipated based on research. She asked how the department determined a maximum amount of \$200,000 per contractor. She also asked how the contract services with the three vendors would assist the new Administrative Services Officer and Management Analyst positions and department staff in implementing S.B. 543.

Ms. Haartz replied that the \$200,000 per contract was identified as a starting point, understanding that the department would require subject matter expertise, but not knowing the vision, intent or requests of the commission. She said the NDE may require additional funds for specific vendors if there was a greater need. Ms. Haartz said the commission asked the three vendors to provide background information regarding their prior work. The consultants would also be asked in the future to provide updated information on cost projections, modeling or forecasting, or to assist the commission by running new scenarios for the work that was previously done.

Ms. Haartz said, with regard to the two positions that were approved at the August 2019 IFC meeting, one position was filled and began working about two weeks ago. The department was in the process of extending an offer for the second position, with the hope that the new employee would begin working on November 11, 2019. Ms. Haartz said the NDE thought the consultants would be able to provide technical subject matter expertise that the new staff may not yet possess. Additionally, the commission wanted a host of options for different decision-making points, such as the appropriate waiting period for a child with special education or health care needs. She said the commission wanted a better understanding of how Augenblick, Palaich and Associates projected its rate, how that may have been altered or impacted when Applied Analysis provided its projected numbers, and then circle back to see if any additional information surfaced across the state or nation that would impact some of those decisions in the future.

Senator Woodhouse said change management services were not discussed during the 2019 Legislative Session. She asked if the reduction in available funding for consulting services would affect the department or the commission's ability to implement S.B. 543.

Ms. Haartz said, when the legislation was first introduced and the department was contemplating the cost of implementation, change management services were not considered. During discussions following the 2019 Legislative Session regarding the impact that the change could have on the NDE as a whole, the need for change management services became apparent and was considered an important investment. Those who participated in the request talked about similar large-scale changes within agencies and organizations. The general consensus was that it was helpful to have someone available to guide the process and determine the appropriate timing to communicate the change to employees and programs in order to avoid concern. Ms. Haartz said earmarking the funds for change management services would not have a negative impact on the department's ability to carry out the rest of the provisions of the legislation.

Senator Denis agreed that change management services were not discussed during the 2019 Legislative Session. He was glad that it was being addressed now, because in order to implement the new funding formula on schedule, it was important to be aware of all the pieces. Senator Denis asked how the department determined the cost of the change management services.

Ms. Haartz replied that the NDE tried to identify possible vendors and gather basic information. The department was unsure when it would be ready to proceed with the formal solicitation process for change management services. Vendors did not want to provide specific information, because it could jeopardize their ability to participate in the process. The NDE received cost estimates ranging from \$50,000 to \$5.0 million. Ms. Haartz said the department discussed a reasonable cost, and \$300,000 was deemed an appropriate amount. If the cost exceeded \$300,000, the NDE would likely revisit the scope of work, because spending much more than that when there were other competing needs did not seem like a prudent decision. If the cost was significantly less, the department would be prepared to use the funds toward other activities associated with the implementation of the legislation.

In response to a question from Senator Denis, Ms. Haartz replied that NDE's initial concept was to focus on changes within the department, but keeping in mind that the districts would also be impacted by the changes. For example, if subgrants were administered differently for certain programs, the NDE needed to have communication strategies in place to clearly articulate how the new process would benefit staff and subrecipients.

Karlene McCormick Lee, Chairwoman, Commission on School Funding, said S.B. 543 stated that the commission and department were to provide guidance and direction to the districts and schools. One of the prospective vendors had some strong expertise in that

area within the state as well as throughout the west coast. She said those conversations had occurred internally with the department and the commission.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA ITEM G.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

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

**H. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SENATE BILL 501, SECTION 1** (2019 Legislature) (Note: IFC may approve a different amount for an allocation than the amount requested). Nevada Test Site Historical Foundation – Request for an allocation of \$250,000 for relocation planning and site selection expenses for the National Atomic Testing Museum in Las Vegas, Nevada.

Brian McAnallen, Vice President of Government Affairs, Porter Group, on behalf of the National Atomic Testing Museum (NATM), Nevada Test Site Historical Foundation (NTSHF), introduced Linda Smith, President, NTSHF; Chuck Costa, Vice President, NTSHF; Bob Agonia, founding member, NTSHF; Michael Hall, Executive Director, NATM; Cree Zischke, Director of Strategic Initiatives, NATM; and Linda Rakow, Secretary, NTSHF.

Mr. McAnallen thanked Chair Carlton, Senator Woodhouse and Senator Denis for shepherding S.B. 501 (2019 Legislative Session) and providing the museum an opportunity to seek funds for relocation costs.

Linda Rakow, Secretary, NTSHF, provided a report on the substantial progress that had been made concerning S.B. 501. The NTSHF raised over \$250,000 through a capital campaign, specifically identified for funds for the relocation project, including site assessment, conceptual design, economic feasibility studies and related support costs. The funds represented donations from individuals as well as a grant from the Nevada Community Foundation. She said the NTSHF also acquired the services of a multidisciplinary team of technical experts who were supporting the NTSHF in the evaluation and selection of the most desirable downtown Las Vegas site. She noted that one of the team members included Jeremy Aguero of Applied Analysis.

Ms. Rakow said the NTSHF also initiated ongoing site feasibility studies to provide a detailed masterplan and select a preferred site by the end of the year. She said the NTSHF was actively engaged with potential site owners and developers, allowing the foundation to identify the sites it believed would hold the most promise for the relocation and expansion of the NATM. She noted that all of the sites were located within or near Symphony Park in downtown Las Vegas. Lastly, the NTSHF finalized the revised

five-year strategic plan, which included a detailed action plan for the critical transition that would lead to site relocation.

Ms. Rakow said the foundation was excited about the opportunity to expand its mission and continue to tell the vital story of Nevada's atomic testing history, while becoming the premiere science and technology education center in the State of Nevada. At the same time, the relocation would significantly benefit the downtown Las Vegas cultural corridor. She said the Legislature's support of the project was invaluable.

Chair Carlton noted that the agency had met the requirements for funding as outlined in S.B. 501, which included proof of nonprofit status and supporting documentation verifying matching funds.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO APPROVE  
AGENDA ITEM H.

SENATOR DENIS SECONDED THE MOTION.

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

Mr. McAnallen thanked the Committee for its support and the approval of S.B. 501 during the 2019 Legislative Session.

- I. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SENATE BILL 533, SECTION 1.5** (2019 Legislature) (Note: IFC may approve a different amount for an allocation than the amount requested). Nevada Museum of Art, Inc. – Request for an allocation of \$5,000,000 for the statewide expansion plan for the Northern and Southern Museum of Arts.

Agenda Items I and K-13 were discussed jointly.

Kathleen Conaboy, Senior Vice President for Museum Advancement, Nevada Museum of Art, said the Museum of Art was the state nonprofit fine art museum. Ms. Conaboy provided an update on the progress of the museums on behalf of David Walker, Chief Executive Officer, Nevada Museum of Art, and the museum board.

Ms. Conaboy noted that a detailed list of museum-related expenditures for the 2019-21 biennium had been submitted to the Committee. She said the Nevada Museum of Art in Reno had a 90-year history, significant organizational infrastructure in art collection, and curatorial expertise, all of which would accrue to the new museum in Las Vegas. Very importantly, the Reno museum would bring accreditation to the new museum. She said the Reno Museum of Art recently underwent an 18-month review period where every aspect of the museum was inspected by peer institutions. She noted that the review resulted in a stellar reaccreditation. The accreditation would accrue to the

new museum in Las Vegas, which was vitally important, because it could take decades for a museum to earn accreditation. She said no collector in the United States or the world would lend or donate a piece of artwork to a non-accredited museum. Likewise, no other significant museum would lend a show to a non-accredited museum. Ms. Conaboy said the Reno museum recently held a blockbuster show titled *Georgia O'Keeffe: Living Modern*, which was organized by the Brooklyn Museum. That show would not have occurred if the museum was not an accredited institution.

Ms. Conaboy said the museum accreditation and expertise would be deployed to build infrastructure in Las Vegas. She reminded the Committee that Heather Harmon was hired as the Deputy Director in March 2019. She said Ms. Harmon was a Las Vegas native who moved away for 20 years to pursue a stellar career in the international art world.

Ms. Conaboy said, since the merger with the Art Museum at Symphony Park, the Nevada Museum of Art worked diligently to expand the museum board. She noted that one-third of the board of trustees, which included philanthropists and business people, were located in Las Vegas. Ms. Conaboy noted that the museum recently received two \$1.0 million pledges from board members in support of the Las Vegas museum.

Ms. Conaboy said the Museum of Art commissioned Jeremy Aguero of Applied Analysis to conduct a market analysis to compare the Las Vegas museum to projects of a similar size and to test assumptions about operating in the Las Vegas market. She reported that the project was the appropriate size based on the market analysis. The Las Vegas museum would be about 145,000 square feet and cost approximately \$217.0 million. She said in the current market it cost about \$1,200 per square foot to build a museum. However, in places such as New York, the cost was about \$10,000 per square foot to build a museum, which was likely due to land prices in Manhattan.

Ms. Conaboy reported that an international search was underway to recruit an architect to design the Las Vegas building. The Museum of Art used a consultant with many years of experience conducting this type of search in major European and American cities. She said a very high profile committee of Las Vegas assisted with the process, and 12 firms were selected to solicit qualifications. Only 1 firm declined to participate due to a heavy workload. The positive response confirmed to the board of trustees and the museum committee that Las Vegas was seen as a global epicenter for creativity and innovation, and that a fine art museum in such an iconic city would help enhance the reputation of the architect as it generated interest locally and worldwide.

Ms. Conaboy stated that there was a change in the building location, which had not been settled. After the Committee approved funding from S.B. 187 in August 2018, the Museum of Art worked to finalize negotiations with the City of Las Vegas. The city promised a location in Symphony Park to the Art Museum at Symphony Park. After the merger of the Art Museum at Symphony Park and the Nevada Museum of Art, the Executive Director for the museum was hired, money was drawn down from the 2017 Legislative Session, and final legal negotiations began on the Disposition and

Development Agreement. The museum was also working with donors in Las Vegas to attract the early seed money required for the project. During that time, prospective donors as well as the architectural committee alerted the Museum of Art that the site in Symphony Park was too small to accommodate a museum the scope and size needed to serve the Las Vegas community. Ms. Conaboy said the museum in Reno sat on approximately one acre of land, which also included the parking lot. The Symphony Park site in Las Vegas was 1.2 acres. She explained that the population of Las Vegas was at least four times that of Northern Nevada, and the K-12 population, which was an important thrust, was significantly larger in Las Vegas as well. During discussions with the City of Las Vegas about alternate sites, the Museum of Art learned that after many years of stalled development on the land in Symphony Park, there was currently a lot of commercial interest. A few parcels remained, only one of which was large enough to accommodate the museum. The City of Las Vegas staff helped develop a list of 13 prospective sites for the museum, some of which were owned by the city; some were owned by the county, but located within the geopolitical boundaries of the city; and some were commercially-owned. Ms. Conaboy said the Museum of Art was in the process of viewing those sites. A favored location was situated next to the county government center and included about 18 acres of land. The parcel included beautiful landscaping on one side and significant land toward the railroad tracks that was mostly surface parking. She said the city was researching whether there was ever a strategic plan for the build out of the property. Ms. Conaboy said a presentation would be made before the county commission on November 5, 2019, or November 19, 2019, to begin public discussions about the uses for the land. Another prospective site, which was city-owned, was located in downtown Las Vegas. She said the city had been a marvelous partner and agreed to consider the \$2.0 million gift of capital at the end of construction, if the museum was located within the city boundaries.

Ms. Conaboy said, pursuant to S.B. 533, a donor had been attracted for the Reno museum. After more than two years of discussions, the donor contributed \$5.0 million toward the museum expansion. She said it was easier to find a donor in Reno, because the museum had a 90-year history, an established cadre of donors that had long supported the Nevada Museum of Art, and members who regularly attended the museum.

Ms. Conaboy said the \$5.0 million donation would be used as the required match. The \$5.0 million provided by the state would be used to finalize the selection for the architectural consultant for the Las Vegas museum. An architect licensed in Nevada was required by the Nevada State Board of Architecture, Interior Design and Residential Design for any projects with an out-of-state design architect. She stated that a Las Vegas architecture firm donated all of its services to date and agreed to become the architect of record once the final architect was selected. Ms. Conaboy said the museum had narrowed down the architect search to two firms. Those two firms would design early concepts after the location was finalized, and the board of trustees would make the final selection in the first quarter of 2020.

Ms. Conaboy said, in 2017 the Museum of Art had a popup show on Commerce Street in Las Vegas called *Tilting the Basin: Contemporary Art of Nevada*, which attracted 3,000 people in eight weeks. In 2018, the Museum of Art commissioned an exhibition called *Seven Magic Mountains* south of Las Vegas, which attracted 120,000 visitors. She said people had begun inquiring about more programming so that the community could get a taste of what the Las Vegas museum would have to offer. Consequently, the Museum of Art was considering space on Main Street in downtown Las Vegas. She said a board member owned the building and was considering a pro bono arrangement for approximately 7,500 square feet of space. The space would be used to host programs, training for teachers and small exhibitions to help the public become accustomed to having a museum in the community.

Ms. Conaboy said one of the museum expenditures was related to a new brand identity initiative. The Nevada Museum of Art had a recognizable brand in Northern Nevada; however, a consultant spoke with the board of trustees at large to hear from Southern Nevada members about whether the brand should be altered. She explained that some of the current donor levels were called Sierra Circle or Sierra Stakeholder, which referred to the Sierra Mountain Range located in Northern Nevada. The board of trustees and the Museum of Art was considering whether to reinvent the brand so that it represented Northern and Southern Nevada alike. If so, the website, stationary, business cards, and other items would be modified.

Ms. Conaboy said expenses for the capital campaign and Las Vegas personnel were included in the Museum of Art budget. She explained that Reno staff spent a great deal of time traveling between Northern and Southern Nevada; therefore, they would be well served to have staff located strictly in Las Vegas to work with Ms. Harmon on managing programming, membership and fundraising.

Senator Brooks asked if there were any stipulations concerning the \$5.0 million gift from the donor in Reno. He asked if the donor required a portion of the state match to be used for the Northern Nevada expansion.

Ms. Conaboy said there were no stipulations concerning the \$5.0 million donation. Prospective donors in Southern and Northern Nevada were aware of the state match requirement. She noted that the \$5.0 million donation would be used toward the expansion of the Northern Nevada museum.

Senator Brooks asked if it was the intention of the Museum of Art to utilize the entire \$5.0 million state match for land acquisition or design activities for the museum in Southern Nevada.

Ms. Conaboy replied that the \$5.0 million state match would be used to purchase land if land was not donated. The location had to be finalized so fundraising efforts could continue. She explained that major gift prospects were waiting to hear about the exact location of the Southern Nevada museum. Ms. Conaboy said there were positive indications concerning land from city council members, county commission members and

staff. The Museum of Art was hopeful that one of the donated parcels would come through very quickly; however, the Museum of Art was fully prepared to spend the \$5.0 million state match on land in Las Vegas, if necessary.

Senator Brooks said S.B. 187 (2017 Legislative Session) was meant for the creation of a Southern Nevada art museum; however, \$567,000 of that \$1.0 million was used to purchase land to expand the Northern Nevada museum. He understood that the Museum of Art had to act, because the land was available at a good price. Senator Brooks noted that the Reno museum had a \$5.0 million gift from a generous donor in Reno, which would help with the expansion and operation of the museum in Northern Nevada. He restated his question regarding whether 100 percent of the \$5.0 million state match would be used toward the Southern Nevada museum.

Ms. Conaboy said she had received multiple questions regarding the Museum of Art using a significant portion of funds from S.B. 187 for the Reno expansion despite a prior commitment to spend 75 percent of the funds on the Las Vegas museum. She explained that after the passage of S.B. 187, the Museum of Art merged with the Art Museum at Symphony Park, which was not finalized until May 2018 due to the significant due diligence process and legal documentation. She noted that the merged entity was required to meet the state match prerequisite in S.B. 187. Ms. Conaboy said the \$1.0 million that the IFC allocated to the Museum of Art in August 2018 had to be spent before the end of the 2017-19 biennium.

Continuing, Ms. Conaboy said in March 2019, the Museum of Art finalized the recruitment process and hired Ms. Harmon, the Deputy Director. She noted that a corporate friend provided rent-free office space in Las Vegas and another corporate friend provided half of the legal costs pro bono. Negotiations regarding the Disposition and Development Agreement were ongoing until June 2018 when there was a slowdown due to environmental concerns on the property, which also delayed the search for an architect. Overall, expenses for the museum in Southern Nevada were either less than anticipated due to donations or delayed because of land issues. Ms. Conaboy said the Museum of Art was opportunistic and spent the funding in the north rather than returning it to the state; however, S.B. 187 specified that the funds could also be used to expand the museum in Northern Nevada. She said the Museum of Art was fortunate that a desired piece of land in Reno finally became available in the summer of 2018. Ms. Conaboy said the intention was to spend the \$1.0 million on the Southern Nevada museum; however, the opportunity arose to use the funds in the north to preserve it as an asset of the museum. She said it was the intent of the Museum of Art to spend 80 to 100 percent of the \$5.0 million state match to purchase land for the Southern Nevada museum.

Chair Carlton reminded the Committee that the Southern Nevada museum did not yet exist. The work for the new museum was occurring at the existing museum in Reno. Chair Carlton understood it was a balancing act. Ms. Conaboy agreed. She said the Museum of Art was trying to balance the new museum and the expansion of the existing museum by expanding the board and positioning more staff in Southern Nevada, which took time. She said the Museum of Art staff was working as quickly as possible.



Assemblywoman Jauregui asked how the \$5.0 million in state funds would be spent if the land in Southern Nevada was donated. Ms. Conaboy replied that the funds would be spent on items outlined previously as well as items listed in the expense report. If the land issue was resolved quickly, more money may be used for architecture purposes. She said there were certain aspects of the process that were out of the Museum of Art's control.

Ms. Conaboy stated that the Museum of Art had very dedicated staff. She noted that she was on the museum board prior to her retirement, and her current position as Senior Vice President of Museum Advancement was her retirement job. She was striving to strengthen the museum in the north and ensure there was a museum in the south. The only stumbling block in Southern Nevada was the money. The cost of the Las Vegas museum was estimated at \$217.0 million, which was a significant sum of money. She said it was unprecedented for a museum to raise that much money, so the Museum of Art was in the very early stages of cultivating Las Vegas donors to make it a reality. The museum did not have reserves to build a museum like private nonprofit museums, so the Museum of Art was bringing intellectual capital, expertise, collections, and accreditation to the south with hopes that those things would be matched by gifts from the community.

Senator Brooks asked if the current projection for the planning and expansion of the Northern Nevada museum was \$2.8 million. Ms. Conaboy said she was not required to create an expense report in relation to S.B. 187; however, with regard to S.B. 533, staff indicated there was interest in how the state appropriation and match funds would be spent. The Museum of Art counted on raising more private funds in Northern and Southern Nevada during the 2019-21 biennium. She said the total cost for both museums was approximately \$10.0 million, and the money needed for the Southern Nevada museum would be required sooner than later. Ms. Conaboy reiterated that the \$5.0 million donation would be spent entirely on the Reno museum expansion, and based on historic support from some major foundations in Northern Nevada, there were active pending requests of \$30.0 million, one of which was a significant naming gift. In Las Vegas, there was approximately \$10.0 million pending in written requests to private individuals and foundations. Ms. Conaboy said the Museum of Art worked on fundraising on a daily basis.

Senator Brooks said, because of the donations for the Reno museum, the entire \$5.0 million state match was available to continue land-related activities for the Las Vegas museum. Ms. Conaboy said she understood Senator Brooks' intent.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM I.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

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

**J. REQUEST FOR APPROVAL TO ACCEPT GIFTS AND GRANTS PURSUANT TO NRS 353.335(2)(c) – State Department of Conservation and Natural Resources** – Division of State Lands – Request to accept a 160-acre portion of the Ritter Ranch located in Mason Valley outside Yerington.

Charlie Donohue, Administrator, Division of State Lands, Department of Conservation and Natural Resources (DCNR), introduced Jackson Shedd, State Land Agent, Division of State Lands, DCNR, and Pat Kelly, Staff Specialist, Nevada Department of Wildlife (NDOW).

Mr. Donohue said the Division of State Lands had accepted five or six donations of real property in Yerington, all of which were adjacent to the Mason Valley Wildlife Management Area (WMA). He said the current property donation from Ritter Ranch totaled 160 acres and was immediately adjacent to the WMA. The Division of State Lands and NDOW were working with other partners, specifically Walker Basin Conservancy, to deliver more water to Walker Lake. Mr. Donohue explained that Walker Lake was a sovereign body of water for the state, and delivering more water to the lake was beneficial for Nevada. He said the alfalfa fields would be converted to native wildlife habitat after the land acquisition.

Pat Kelly, Staff Specialist, NDOW, said John Ritter, the property owner, donated 160 acres of land adjacent to the Mason Valley WMA. He said the property would become part of the Mason Valley WMA. NDOW purchased the property rights through Walker Basin Conservancy to increase flows to Walker Lake, which was very important. Mr. Kelly said Mason Valley WMA consisted of 17,467 acres managed by NDOW. He stated that Mason Valley WMA was one of the most popular in the state, exceeding well over 30,000 visitors per year. The property was currently used for hay production; however, NDOW and the Walker Basin Conservancy would work together on a revegetation plan to establish native vegetation after the transfer. With such close proximity, NDOW expected it would be very easy to incorporate within the existing weed management plans and management area plans. In doing so, NDOW would be able to keep the land from becoming invasive plant seed bank. Mr. Kelly said NDOW would provide quality wildlife habitat by bringing in native species of shrubs and brush communities.

Assemblywoman Titus noted that the donated land was in her district. She asked if any of the prior land donations were stripped of water rights prior to donation.

Mr. Donohue said, although it was true that water rights were not included in the current donation, agreements were in place with Walker Basin Conservancy, which would assist with revegetation efforts on the property. With regard to the other donated properties, NDOW indicated it had sufficient water rights to ensure that water reached the other properties.

Mr. Kelly confirmed that NDOW could utilize some of its available water rights to help in the revegetation efforts on the property.

Assemblywoman Titus said the Walker River State Recreation Area included eight years of water management for reforestation, revegetation, and wildlife habitat; however, it did not sound like that was the case for the 160-acre parcel adjacent to Mason Valley WMA. She said it did not appear that the property would include duck ponds or fishing accessibility. Assemblywoman Titus said she was very familiar with the area and visited it quite often. She wanted reassurance that the area would not be in danger of wildfires. She was in favor of accepting the land donation; however, she wanted to ensure that resources would be available for revegetation.

Mr. Kelly indicated that NDOW had plans for the 160-acre parcel. The revegetation efforts on the other properties adjacent to the parcel were showing signs of success. He said certain brush communities, such as buffaloberry, responded better than others in Mason Valley WMA. He noted that buffaloberry was very good for habitat, particularly quail. Mr. Kelly reiterated that NDOW had plans for the 160-acre parcel, and with its close proximity to the WMA headquarters, there should not be any issues.

Senator Ratti asked if the land acquisition included a tribal consultation component. Mr. Donohue replied that none of the Mason Valley land donations, including the current donation, involved a consultation with the Walker River Tribe or the Yerington Tribe. When the issue was brought to the attention of the Division of State Lands, A.B. 264 (2019 Legislative Session) was referenced, but a process had not yet been identified. He noted that negotiations associated with the 160-acre parcel began well before the passage of A.B. 264. Mr. Donohue said the Division of State Lands would respect the process when it was developed; however, he noted that the 160-acre parcel was a private donation to the state. The land was not a gift from an entity or the federal government, which would require a tribal consultation. Mr. Donohue recalled that an extremely thorough tribal consultation was part of the 12,000 acre land acquisition for the Walker River State Recreation Area.

Senator Ratti said a tribal consultation was still respectful even when it was not required. She appreciated that a tribal consultation was included as part of the Walker River State Recreation Area. Senator Ratti said she wanted tribal consultations to become a customary process for the state, because it was helpful to receive input from tribes when considering land rehabilitation or potential cultural assets.

ASSEMBLYWOMAN TITUS MOVED TO APPROVE AGENDA  
ITEM J.

SENATOR GOICOECHEA SECONDED THE MOTION.

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

## **K. INFORMATIONAL ITEMS.**

Agenda Items K-1b, Office of the Governor, Office of Workforce Innovation; K-5, State Public Charter School Authority; K-7a, B&I, Division of Insurance; K-7b, B&I, Division of Industrial Relations; K-7c, B&I, Division of Industrial Relations; K-8c(2), DHHS, DCFS; and K-13, Nevada Museum of Art.

### **1. OFFICE OF THE GOVERNOR**

#### **a) Governor's Finance Office**

- 1) Budget Division – Report of the agency activity relating to contracting with current or former employees of the state, for the period ending June 30, 2019, pursuant to NRS 333.705(5).
- 2) Budget Division – Report of the agency activity relating to contracting with current or former employees of the state, for the period ending September 30, 2019, pursuant to NRS 333.705(5).
- 3) SMART 21 – Notice to change the established intermittent positions to full-time permanent positions due to a negative impact to PERS. This results in an increase from 11.0 FTE to 20.0 FTE.
- 4) Special Appropriations – Nevada Alliance of Boys and Girls Clubs, Inc. – Report on expenditures for the period ending May 31, 2019, pursuant to Senate Bill 550, Section 3.7 (2017 Legislature).

There was no discussion on these items.

- b) Office of Workforce Innovation – Semiannual report concerning the efforts and achievements of the office for the period ending June 30, 2019 (letter of intent, 2017 Legislature).

Craig von Collenberg, Director, Office of Workforce Innovation (OWINN), Office of the Governor, noted that OWINN submitted its semiannual report concerning the efforts and achievements of the office.

Chair Carlton said she understood that Mr. von Collenberg was transitioning into his role as Director, which could be a difficult period. She recalled asking the former OWINN Director several times about the funds for the community colleges. She stated that the funding helped apprentices obtain better jobs. Chair Carlton asked why the funds had not been distributed to the colleges.

Mr. von Collenberg replied that the Governor's College Credit for Apprenticeship Programs (GCCAP) funding was originally distributed by the Department of Education followed by the Department of Employment, Training and Rehabilitation (DETR). In the most recent cycle, the responsibility was transferred to OWINN. Mr. von Collenberg said the redesign was released to the colleges prior to his appointment as Director, but the only college tied to that was the College of Southern Nevada (CSN). He explained that the apprenticeship programs made their applications directly to OWINN.

Mr. von Collenberg said OWINN was working with CSN to get everything organized. He said CSN created an account to accept and filter the GCCAP funding. OWINN was contracted with CSN to provide funding for the current semester as well as the spring 2019 semester. Mr. von Collenberg said OWINN received feedback about the lack of communication concerning the availability of funds, as well as funds not matching the program intent; therefore, OWINN was collaborating with the colleges and apprenticeship programs to create a program that met their needs. He said OWINN would try to structure the current program similar to the program under DETR's management. One feature of the new program would be a referral system for students associated with Workforce Connections or Nevada Works to provide wraparound services that would help those students be successful in their program. He said OWINN would implement the referral system in the next phase. Mr. von Collenberg reiterated that OWINN was currently in negotiations to overhaul the program to ensure it was useful and helpful for apprentices.

Chair Carlton asked if OWINN was working to expand registered apprenticeship programs in the state.

Mr. von Collenberg replied that OWINN was striving to expand registered apprenticeship programs in Nevada by means of the State Apprenticeship Expansion grant. He said OWINN hired an Apprenticeship Navigator for the Nevada System of Higher Education (NSHE) who was scheduled to begin on October 28, 2019. The Apprenticeship Navigator would work for NSHE, but would be paid through the State Apprenticeship Expansion grant. Mr. von Collenberg said the Apprenticeship Navigator would expand apprenticeship offerings through the colleges, help programs that may lack college credits, and provide information on further pathways beyond the trades. He said the Apprenticeship Navigator would help with the expansion within the colleges and would also help expand non-traditional offerings outside of the college setting, all while continuing to honor the intent of apprenticeship. Mr. von Collenberg said one of the issues in the past was that apprenticeship was offered as the only solution. He said OWINN was now considering other opportunities, such as work-based learning and workforce development, in different industries.

Chair Carlton asked if the new programs would be true registered apprenticeship programs. Mr. von Collenberg confirmed that was correct. He said OWINN was not interested in offering apprenticeship programs that were not registered with the state.

Chair Carlton wished Mr. von Collenberg well in his new position.

2. OFFICE OF THE SECRETARY OF STATE – Progress report on implementation of the Automatic Voter Registration initiative petition that was approved by the voters during the November 2018 General Election.

There was no discussion on this item.

3. DEPARTMENT OF ADMINISTRATION

- a) 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, 2019, pursuant to Senate Bill 553, Section 4.7 (2017 Legislature).
- b) State Public Works Division – Information regarding the Project Exception Report pursuant to NRS 341.100(8)(g).

There was no discussion on these items.

4. DEPARTMENT OF EDUCATION

- a) Quarterly report on Class-Size Reduction variances for the period ending March 31, 2019, of the 2018-2019 school year, pursuant to NRS 388.700(5).
- b) Report on the expenditures made by the Clark County Public Education Foundation, Inc. through June 30, 2019, pursuant to Senate Bill 155, Section 3(2) (2017 Legislature).

There was no discussion on these items.

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, 2019 (letter of intent, 2017 Legislature).

Chair Carlton asked the agency to discuss how the State Public Charter School Authority (SPCSA) intended to complete the remaining 42 site evaluations in the next six months.

Rebecca Feiden, Director, SPCSA, said the SPCSA had conducted 18 site evaluations during the second semester, which was January 1, 2019, through June 30, 2019. She said 42 site evaluations were planned for the 2019-2020 school year, 7 of which had already been conducted. The SPCSA had a full schedule for the remainder of the school year and intended to complete all of the site evaluations by April 30, 2020.

There was no further discussion on this item.

6. NEVADA SYSTEM OF HIGHER EDUCATION

- a) Quarterly report on the progress made by the University of Nevada, Reno School of Medicine in obtaining federal approval for the research program on the medical use of marijuana, as well as the status of activities and information received

through the program, for the period ending June 30, 2019, pursuant to NRS 453A.600(5).

- b) Biannual report on any additional fees and any additional nonresident tuition fees received by each institution beyond the authorized amounts for the period ending June 30, 2019, pursuant to Senate Bill 545, Section 8(2) (2017 Legislature).

There was no discussion on these items.

## 7. DEPARTMENT OF BUSINESS AND INDUSTRY

- a) Insurance Division – Insurance Regulation – Notice to add two new full-time classified positions dedicated to insurance fraud investigations to enhance investigation efforts. This results in an increase from 81.0 FTE to 83.0 FTE.  
**RELATES TO AGENDA ITEM D 17.**

Agenda Items D-17 and K-7a were discussed jointly. Refer to testimony under Agenda Item D-17.

- b) Division of Industrial Relations – Notice to add two new full-time positions to provide support for the additional responsibilities of the Workers' Compensation Section defined by Senate Bill 381 of the 2019 Legislature. This results in an increase from 71.0 FTE to 73.0 FTE.

Agenda Items D-19, D-20, K-7b and K-7c were discussed jointly. Refer to testimony under Agenda Item D-20.

- c) Division of Industrial Relations – Occupational Safety and Health Enforcement – Notice to add two new full-time positions to provide support for the additional responsibilities of the Occupational Safety and Health Administration (NV OSHA) Section defined by Assembly Bill 348 of the 2019 Legislature. This results in an increase from 109.0 FTE to 111.0 FTE.

Agenda Items D-19, D-20, K-7b and K-7c were discussed jointly. Refer to testimony under Agenda Item D-20.

## 8. DEPARTMENT OF HEALTH AND HUMAN SERVICES

- a) Division of Health Care Financing and Policy
  - 1) Quarterly report on the Disproportionate Share Hospital Supplemental Payment Program for the period ending September 30, 2019, 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 2018 pursuant to NRS 449.520. THE ANNUAL REPORT IS ON FILE IN THE FISCAL ANALYSIS DIVISION AND IS AVAILABLE FOR REVIEW UPON REQUEST.

There was no discussion on these items.

- b) Division of Welfare and Supportive Services – Semiannual report on the average wait times of clients at its district offices and any action that may have been taken for the period ending June 30, 2019 (letter of intent, 2017 Legislature).

There was no discussion on this item.

- c) Division of Child and Family Services
  - 1) Annual report of expenditures relating to the placement of children in specialized foster homes for Fiscal Year 2019 pursuant to NRS 424.041.

There was no discussion on this item.

- 2) Notice to add one full-time position to provide support to the Victims of Crime program. This results in an increase from 93.02 FTE to 94.02 FTE.

Agenda Items D-35 and K-8c(2) were discussed jointly. Refer to Agenda Item D-35 for testimony.

#### 9. DEPARTMENT OF CORRECTIONS

- a) Semiannual report on the agency's statistical data related to the implementation of body and stationary cameras for the period ending June 30, 2019 (letter of intent, 2017 Legislature).
- b) Quarterly report on department wide overtime for the period ending June 30, 2019, as requested during the August 24, 2017, meeting of the Interim Finance Committee.
- c) Quarterly report of the agency activity relating to contracting with current or former employees of the state, for the period ending June 30, 2019, pursuant to NRS 333.705(5).

There was no discussion on these items.

#### 10. DEPARTMENT OF MOTOR VEHICLES – Fiscal Year 2019 report on the use of funds received by each local air pollution control agency from the quarterly and annual distribution from the Pollution Control Account, pursuant to NRS 445B.830(5).

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

There was no discussion on these items.

#### 11. DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

- a) 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, 2019, pursuant to Chapter 514, Statutes of Nevada 1999.



- b) 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, 2019 (letter of intent, 2017 Legislature).

There was no discussion on these items.

- 12. 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, 2019, pursuant to Senate Bill 491, Section 1(5)(b) (2015 Legislature), amended pursuant to Senate Bill 544, Section 45 (2017 Legislature).

There was no discussion on this item.

- 13. NEVADA MUSEUM OF ART – Report describing each expenditure made with the \$1.0 million appropriation from the date received through June 30, 2019, pursuant to Senate Bill 187, Section 2(2)(b) (2017 Legislature).

Agenda Items I and K-13 were discussed jointly. Refer to Agenda Item I for testimony.

#### **L. PUBLIC COMMENT.**

There was no public comment.

#### **M. ADJOURNMENT.**

Chair Carlton adjourned the meeting at 2:23 p.m.

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Assemblywoman Maggie Carlton, Chair  
Interim Finance Committee

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