

MINUTES OF THE DECEMBER 13, 2019  
MEETING OF THE  
INTERIM FINANCE COMMITTEE  
Las Vegas, Nevada

Chair Maggie Carlton called a regular meeting of the Interim Finance Committee (IFC) to order at 9:50 a.m. on December 13, 2019, in Room 4412 of the Grant Sawyer Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 4100 of the Nevada Legislative Building, 401 South Carson Street, Carson City, Nevada

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Maggie Carlton, Chair  
Senator Joyce Woodhouse, Vice Chair  
Senator Chris Brooks  
Senator Nicole Cannizzaro for Senator Cancela  
Senator Moises Denis  
Senator Pete Goicoechea  
Senator Ben Kieckhefer  
Senator David Parks  
Senator James Settelmeyer  
Assemblywoman Shea Backus  
Assemblyman Jason Frierson  
Assemblyman Al Kramer  
Assemblyman Glen Leavitt for Assemblyman Wheeler  
Assemblywoman Daniele Monroe-Moreno  
Assemblywoman Connie Munk  
Assemblywoman Dina Neal  
Assemblywoman Ellen Spiegel  
Assemblywoman Robin Titus  
Assemblyman Howard Watts for Assemblywoman Swank  
Assemblyman Steve Yeager for Assemblywoman Jauregui

**COMMITTEE MEMBERS EXCUSED:**

Senator Yvanna Cancela  
Assemblywoman Teresa Benitez-Thompson  
Assemblyman John Hambrick  
Assemblywoman Sandra Jauregui  
Assemblywoman Heidi Swank  
Assemblyman Jim Wheeler

**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  
Eileen O'Grady, Chief Deputy Legislative Counsel  
Cheryl Harvey, Fiscal Analysis Division Secretary  
Carla Ulrych, Fiscal Analysis Division Secretary

**EXHIBITS:**

Exhibit A: Meeting Packet – Volume I  
Exhibit B: Meeting Packet – Volume II  
Exhibit C: Meeting Packet – Volume III  
Exhibit D: General Fund Revenues – Economic Forum May 1, 2019, Forecast  
Exhibit E: FY 2019 General Fund Revenue: Actual Versus Forecast Comparison  
Exhibit F: State General Fund Revenues: FY 2019 Actual and FY 2020 Forecast Before Tax Credits

**A. ROLL CALL.**

Rick Combs, Director, Legislative Counsel Bureau and Secretary, Interim Finance Committee, called the roll; all members were present except Senator Cancela, Assemblywoman Teresa Benitez-Thompson; Assemblyman Hambrick; Assemblywoman Jauregui, Assemblywoman Swank and Assemblyman Wheeler, who were excused.

**B. PUBLIC COMMENT.**

Sherry Brown, Director of Development and Community Relations, United Citizens Foundation (UCF), said the UCF was a 501(c)(3) nonprofit organization dedicated to promoting healthy social, emotional and behavioral skills for children, adolescents and families. The UCF operated five school-based mental health clinics within the Clark County School District, and two community-based clinics in southwest Las Vegas and North Las Vegas. Ms. Brown said the need for UCF services was significant, because it was the only school-based model in Clark County. She noted that two of the schools in which the UCF operated saw a decline in behavioral incidents in 2018 by 51 percent and 16 percent.

Char Frost, UCF, said UCF school-based clinics were available to all students with or without health insurance. The UCF could bill for services; however, approximately 70 percent of students did not have a pay source or the UCF was not contracted with their insurance provider. She said the UCF was able to offer students access to necessary services by establishing clinics in areas where there was a lack of providers, and providers were brought directly to families by providing services on school campuses.

Ms. Frost said the UCF fully supported the addition of funds for the Nevada Model Trauma Recovery Program, because the population that would be served by the program was the same population served by the UCF. She said the UCF was aware there were unmet needs throughout Nevada.

**C. 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 concerning Agenda Items C-4, Office of the Attorney General (OAG); C-5, OAG; C-14, Department of Education; C-15, Department of Education; C-17, Department of Education; C-20, Department of Agriculture; C-32, Department of Health and Human Services (DHHS), Division of Health Care Financing and Policy (DHCFP); C-45, DHHS, Division of Public and Behavioral Health (DPBH); C-56, DHHS, Division of Child and Family Services (DCFS); C-59, Department of Corrections; C-75, Department of Conservation and Natural Resources, Division of Environmental Protection; and C-83, OAG.

Assemblywoman Neal requested further testimony on Agenda Item C-25, Governor's Office of Economic Development.

The following items involved the allocation of block grant funds, which required a public hearing: Agenda Items C-19, Department of Agriculture; C-49, DHHS, Division of Welfare and Supportive Services (DWSS); and C-50, DHHS, DWSS.

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

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

1. **Office of the Governor - State Energy Office - Renewable Energy Account - FY 2020** - Transfer of \$121,004 from the Reserve category to the Energy Programs category to fund projects which increase energy efficiency in public buildings and reduce the cost of power for state and local governments. Requires Interim Finance approval since the amount transferred to the Energy Programs category exceeds \$75,000. **Work Program #C49202**

Refer to motion for approval under Agenda Item C.

2. **Western Interstate Commission for Higher Education - Loans and Stipends - FY 2020** - Transfer of \$7,000 from the Student Loans category to the Geriatric Training-Senate Bill (S.B.) 102 and \$70,000 from the Stipend Grants category to the Geriatric Training – S.B. 102 category to establish a separate category for funds appropriated in S.B. 102 of the 2019 Legislative Session, which establishes a program for advanced registered nurse students to receive training on treating and understanding the needs of elderly persons. Requires Interim Finance approval since the amount added to the Geriatric Training – S.B. 102 category exceeds \$75,000. **Work Program #C48922**

Refer to motion for approval under Agenda Item C.

3. **Athletic Commission - FY 2020** - Transfer of \$121,550 from the Reserve category to the Information Services category to support the completion of the administration system modernization project approved in the 2017-19 biennium. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds \$75,000. **Work Program #C49144**

Refer to motion for approval under Agenda Item C.

4. **Office of the Attorney General - Grants Unit - FY 2020** - Addition of \$700,000 in grant funds from the Institute for Intergovernmental Research (IIR) to implement the Overdose Detection Mapping Application Program (ODMAP) Expansion and Response Project, including support of the statewide public safety, behavioral health, and public response plan. Requires Interim Finance approval since the amount added to the ODMAP category exceeds \$75,000. **Work Program #C49300**

Aaron Ford, Attorney General, introduced Kyle George, Assistant Attorney General, Office of the Attorney General (OAG); Terry Kerns, Substance Abuse Law Enforcement Coordinator, OAG; and Christian Schonlau, Chief Financial Officer (CFO), OAG.

Attorney General Ford stated that the opioid crisis had caused untold suffering for the citizens of Nevada. Americans were more likely to die of an opioid overdose than in a car accident. In 2017, more people died of a drug overdose than all United States military casualties in the Vietnam and Iraq wars combined, and at least two-thirds of those overdoses were opioid-related. Opioids fueled more waves of overdose deaths when combined with other drugs, such as methamphetamine and cocaine. The number of drug overdoses increased with the ingestion of drugs laced with fentanyl, a cheap, synthetic opioid 100 times more potent than morphine. Batches of drugs contaminated with fentanyl or other drugs could quickly kill large numbers of people.

Attorney General Ford said it was critical for law enforcement and public health officials to identify increases in drug overdoses as soon as possible to reduce fatalities. He said the Overdose Detection Mapping Application Program (ODMAP) was a free online, web-based system designed to facilitate real-time overdose information to identify spikes in drug overdoses. In the event of an overdose spike, communities could implement appropriate response plans. With real-time, actionable data regarding overdose activity, communities could deploy resources, provide education and share information and communication in an effort to stop further overdoses from occurring.

Attorney General Ford said ODMAP was another tool in the statewide strategy to combat the opioid crisis. It was developed in consultation with national law enforcement experts and the Centers for Disease Control and Prevention (CDC). At least one agency in every Nevada county was a registered ODMAP user, and certain

state agencies, such as the Department of Public Safety, were also registered users.

Continuing, Attorney General Ford said Nevada was selected to receive the ODMAP Statewide Expansion and Response Grant. The grant funding was made available on behalf of the U.S. Department of Justice Bureau of Justice Assistance, the CDC and the Institute for Intergovernmental Research. The total award was up to \$700,000 and could be divided into two categories – staff time for grants management and subgrants to local and state officials. He noted that the Committee was provided with a line-by-line budget, related subgrant criteria, the award process and compliance requirements for subgrantees.

Attorney General Ford introduced Terry Kerns, Substance Abuse Law Enforcement Coordinator, OAG, who served as the ODMAP Grant Project Director. He said Ms. Kerns was a contract employee with the OAG. Her position had been funded since 2017 through the State Targeted Response grant to provide law enforcement coordination with public health and community stakeholders. Ms. Kerns was a nurse as well as a former Federal Bureau of Investigation agent specializing in bioterrorism, which made her uniquely qualified for the Substance Abuse Law Enforcement Coordinator position. Attorney General Ford noted that Ms. Kerns had already traveled to each county in Nevada to provide local jurisdictions with free ODMAP training.

Chair Carlton asked what outcomes the OAG anticipated through ODMAP.

Terry Kerns, Substance Abuse Law Enforcement Coordinator, OAG, replied that ODMAP would be used first and foremost to prevent overdose-related deaths. As previously mentioned, each county was responsible for implementing an overdose spike response plan through the assistance of the grant. Additionally, the OAG would work with the Department of Health and Human Services (DHHS), Division of Public and Behavioral Health (DPBH) to do outreach in areas that were considered hot spots for overdoses.

Chair Carlton agreed that Ms. Kerns had unique expertise in law enforcement and health care. She asked if the OAG employed any individuals that were qualified to operate ODMAP should Ms. Kerns terminate her contract.

Attorney General Ford said Ms. Kerns was not the sole person working on the project. He said the OAG endeavored to work hand-in-hand with Ms. Kerns; however, in the unfortunate event that Ms. Kerns terminated her contract, the OAG would be able to work with others within the OAG and the DPBH, including Dr. Stephanie Woodard, who had great insight and information on the topic. He said the program would continue as long as the OAG was able to fill the requirements of Ms. Kerns' position.

Assemblyman Kramer understood that ODMAP provided information on overdose spikes, types of drugs associated with the overdoses, etc. He asked if the program

would also provide details regarding the victim and whether the overdose was fatal to guide the focus of the program.

Ms. Kerns said ODMAP collected three types of information, including whether the overdose was fatal; whether naloxone was administered and how many doses; and location of the incident. She said a dot would be placed on the map indicating where the overdose occurred; however, the exact address would not be provided. She said the purpose in working with different disciplines of law enforcement, public health, behavioral health, and first responders of Emergency Medical Services (EMS) was to help determine the program's focus. Ms. Kerns said ODMAP was originally developed for opioid overdoses; however, it could also be used for other types of overdoses, such as methamphetamine.

Ms. Kerns said information regarding victims and fatalities would not be available initially, because the data was presumptive; however, in working with the DPBH and law enforcement, additional data, such as fatalities and tainted drugs, would be available through other databases.

Assemblywoman Titus agreed the opioid epidemic was a nationwide problem, but efforts to combat the epidemic had proven effective.

Assemblywoman Titus said she was concerned about the use of presumptive data. She said first responders may assume a patient overdose and enter that information into ODMAP; however, the patient could be suffering from low blood sugar, a heart attack or a stroke instead. Assemblywoman Titus said it was important that people were aware that ODMAP data was presumptive. She asked if the data would eventually be updated for accuracy.

Assemblywoman Titus understood that ODMAP could help determine a small local epidemic, such as five overdoses in a small area of town. Ms. Kerns replied that ODMAP would provide a red flag regarding a prospective epidemic. She reiterated that additional information would be available through the DPBH's hospital and coroner databases.

Julia Peek, Deputy Administrator, DPBH, DHHS, added that the DPBH had been working with syndromic surveillance and hospitals for years. That data was presumptive, and therefore, not shared with the public. Similarly, ODMAP data would not be shared with the public. The data would ping the DPBH and OAG systems, which would alert epidemiology investigators to begin researching those cases and determine if follow up was necessary. During that time, a toxicology screening would be performed. Ms. Peek said ODMAP did indicate whether naloxone was administered and whether it was successful. In that way, it could be determined if the incident was related to opioids without unnecessarily alarming the public. She noted that a great deal of investigation would occur after the data systems were pinged.

In response to a question from Assemblywoman Neal, Ms. Kerns replied that the Southern Nevada Health District (SNHD) was taking the lead on writing the community response plan for Clark County. The SNHD would collaborate with its partners and the existing teams so there was a coordinated response, fidelity of data and access to other data sets to avoid duplicative efforts. She explained that ODMAP primarily targeted EMS information; however, that was not the only source of data. For example, an individual who overdosed may be taken directly to a hospital, thereby bypassing the 9-1-1 system.

Chair Carlton asked the OAG to discuss its responsibilities with respect to administering the grant and overseeing subgrants, including travel costs.

Attorney General Ford replied that the subgrants would be awarded through a competitive grant process. To be eligible for a subgrant, the applicant must be a county or state-level organization, such as first responders, behavioral health, public health, community-based group or a county-level multiagency group consisting of public safety, behavioral health and public health. Every application must include a detailed budget and a project narrative demonstrating how the subgrantee would use the funds to develop a highly coordinated public safety, behavioral health and public health response plan. He said grant activities would focus on hotspots and trends of concern. Attorney General Ford noted that the OAG submitted detailed criteria to the LCB Fiscal Analysis Division and the Governor's Finance Office.

Continuing, Attorney General Ford said subgrant applications would be reviewed by an application review team consisting of representatives from the OAG; the DPBH Public Health Preparedness Program and the Office of Public Health Informatics and Epidemiology; EMS; law enforcement agencies, such as the Nevada Sheriffs' and Chiefs' Association; local jurisdictions, such as the National Associations of Counties; and travel government representatives. Additionally, every subgrant would be approved by the U.S. Department of Justice Bureau of Justice Assistance.

Christian Schonlau, CFO, OAG, noted that the OAG's Grant Management Unit would be responsible for coordinating travel costs and subgrants, much like other programs.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM C-4.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

5. **Office of the Attorney General - State Settlements - FY 2020** - Addition of \$1,700,927 in Johnson & Johnson and Depuy Settlement funds to support a statewide vaping dangers study and informational campaign. Requires

Interim Finance approval since the amount added to the Transfer to Health Division category exceeds \$75,000. **RELATES TO AGENDA ITEM C. 45. Work Program #C49261**

Agenda Items C-5 and C-45 were discussed jointly. Refer to testimony and motion for approval under Agenda Item C-45.

6. **Department of Administration - Enterprise Information Technology Services - Data Communications and Network Engineering - FY 2020** - Transfer of \$105,548 from Reserves category to the Training category to support training on the state Silvernet and firewall systems. Requires Interim Finance approval since the amount transferred to the Training category exceeds \$75,000. **Work Program #C49155**

Refer to motion for approval under Agenda Item C.

7. **Department of Administration - Enterprise Information Technology Services - Network Transport Services - FY 2020** - Transfer of \$43,184 from the Reserve category to the Land and Building Improvements category to cover tower site leases for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Land and Building Improvements category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C49299**

Refer to motion for approval under Agenda Item C.

8. **Department of Administration - Enterprise Information Technology Services - IT Security - FY 2020** - Addition of \$229,140 in federal State Homeland Security Program grant funds transferred from the Division of Emergency Management to provide training and certification for sixty Information Technology and Cyber Security Professionals, including state, county, city and tribal security professionals. Requires Interim Finance approval since the amount added to the Cyber Security category exceeds \$75,000. **Work Program #C49255**

Refer to motion for approval under Agenda Item C.

9. **Department of Administration - State Library, Archives and Public Records - Library Cooperative - FY 2020** - Addition of \$46,177 in County Participation Funds and \$2,963 in federal Library Services and Technology Act grant funds to support board-approved expenditures and projected payroll costs. Requires Interim Finance approval since the amount added to the Co-Op Board category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C48998**

Refer to motion for approval under Agenda Item C.



10. **Department of Administration - State Public Works Division - Buildings and Grounds - FY 2020** - Transfer of \$38,081 from the Reserve category to the Information Services category and \$12,400 from the Reserve category to the Training category to fund a software upgrade to its facility assets management system, and training and support service relating to the upgrades. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C49186**

Refer to motion for approval under Agenda Item C.

11. **Department of Education - Other State Education Programs - FY 2020** - Transfer of \$612,500 from the Reserve category to the Jobs for America's Graduates category to support the equivalent match of funds pursuant to Senate Bill 555, Section 19(7)(f) in supporting the expansion of the program. Requires Interim Finance approval since the Jobs for America's Graduates category exceeds \$75,000. **Work Program #C49047**

Refer to motion for approval under Agenda Item C.

12. **Department of Education - Teach Nevada Scholarship Program - FY 2020** - Transfer of \$2,151,083 from the Reserve category to the Reserve 25 Percent Hold Back category, transfer of \$650,000 from the Reserve category to the Teach NV Scholarship Completer category, and transfer of \$2,709,890 from the Reserve category to the Teach NV Scholarship category to reconcile funding returned in prior years and allocate the interest earned to fund new awards. Requires Interim Finance approval since the amounts added to the Teach NV Scholarship category exceeds \$75,000. **Work Program #C49200**

Refer to motion for approval under Agenda Item C.

13. **Department of Education - Educator Effectiveness - FY 2020** - Addition of \$7,542,755 in federal Supporting Effective Instruction grant funds to continue attracting, preparing, training, recruiting, developing, and retaining high quality teachers, principals, and other school leaders throughout Nevada. Requires Interim Finance approval since the amount added to the Teacher Quality Aid-to-Schools categories exceeds \$75,000. **Work Program #C49131**

Refer to motion for approval under Agenda Item C.

- 14. Department of Education – GEAR UP - FY 2020** - Addition of \$3,313,701 in federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant funds to support two new classified positions and continue assisting students who are economically disadvantaged. Requires Interim Finance approval since the amount added to the GEAR UP Aid-to-Schools category exceeds \$75,000. **Work Program #C49037**

Heidi Haartz, Deputy Superintendent for Business and Support Services, Department of Education (NDE), introduced Bill Farrar, Administrative Services Officer, NDE.

Ms. Haartz said Work Program #C49037 was a request for revenue and expenditure authority for the first year of a new seven-year grant for the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) program. The work program included a request for two new classified positions to implement the expanded focus of the GEAR UP program for the next seven years.

Senator Woodhouse said she was pleased that Nevada had the opportunity to continue the GEAR UP program for another seven years. She recalled working on the GEAR UP program during her employment with the Clark County School District. She said Senator Cancela would also be extremely pleased to learn that the program would continue. Senator Woodhouse stated that the GEAR UP program was critical for the student population it addressed.

Senator Woodhouse asked how the addition of two new positions would ensure effective implementation of the new GEAR UP program.

Ms. Haartz replied that the two additional positions were necessary, because federal requirements expanded the focus of the program, which increased the workload. For example, new components of the program included internal evaluation, early intervention, the development of a business network, as well as work in the areas of social, emotional learning and career exploration. Ms. Haartz said the new positions were important for ensuring that the program was successfully implemented.

Senator Woodhouse recalled that the GEAR UP program currently served about 3,700 students; however, under the new program, the department estimated it would serve approximately 7,100 students. She understood that approximately 50 percent of the funds were set aside for higher education scholarships, which was important. Senator Woodhouse asked how the NDE would ensure that enough funds were available to accomplish all of the program goals.

Ms. Haartz replied that the work program outlined how the grant funds would be used for the development and implementation of the program. She said the department requested a waiver from the requirement to place 50 percent of the grant award into a financial assistance program to fund scholarships for eligible students. The NDE believed there was sufficient support from partners such as the Nevada

System of Higher Education and other scholarship organizations to meet that requirement with in-kind contributions and support. Ms. Haartz noted that the department received a waiver from that requirement during the first grant cycle; therefore, the department was hopeful the federal government would approve the waiver request again.

In answer to a question from Senator Woodhouse, Ms. Haartz replied that the department submitted the waiver request on December 11, 2019. The request was scheduled for review today; however, the department had not been provided a timeframe by which the federal government would make a decision. Ms. Haartz said the department would like to continue the program implementation with the understanding that additional funds may have to be placed in reserve if the waiver was denied.

Senator Kieckhefer thought the outcome data from the previous seven years was striking. He asked the agency to provide a program summary report to the Committee.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM C-14.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 15. Department of Education - Office of Early Learning and Development - FY 2020** - Transfer of \$2,679,703 in federal Child Care and Developmental Discretionary grant funds from the Division of Welfare and Support Services to continue improving the quality of care provided for infants and toddlers. Requires Interim Finance approval since the amount added the CCDF Quality Aid category exceeds \$75,000. **RELATES TO AGENDA ITEM C. 49. Work Program #C49151**

Agenda Item C-15 and C-49 were discussed jointly. Refer to Agenda Item C-49 for testimony and motion for approval.

- 16. Department of Education - Safe and Respectful Learning - FY 2020** - Addition of \$329,224 in federal National Institute of Justice Research, Evaluation and Development Projects grant funds passed through the Pacific Institute for Research and Evaluation to continue the SafeVoice reporting system, as well as threat assessment and crisis programs. Requires Interim Finance approval since the amount added to the Pacific Institute for Research and Evaluation category exceeds \$75,000. **Work Program #C48273**

Refer to motion for approval under Agenda Item C.

- 17. Department of Education - Safe and Respectful Learning - FY 2020** - Addition of \$1,155,180 in federal Trauma Recovery Program grant funds to fund one new position and establish the Nevada Model Trauma Recovery Program to provide trauma services for families and students who are under insured, undocumented, or have no insurance. Requires Interim Finance approval since the amount added to the Trauma Recovery Program category exceeds \$75,000. **Work Program #C49344**

Heidi Haartz, Deputy Superintendent for Business and Support Services, NDE, said Work Program #C49344 was a request for revenue and expenditure authority for new federal funding for the Nevada Model Trauma Recovery Program (NMTRP). The NMTRP was intended for collaborative efforts at the state, district and community levels to provide low-income students with access to experienced trauma service providers, thereby removing barriers that may negatively affect their educational experience. The work program included a request for a full-time Program Officer 3 position to administer the program. Ms. Haartz noted that the funding request would fund the position on a full-time basis in FY 2020. Previously, the department considered split funding the position in the second year of implementation; however, the NDE reconsidered that option and was currently working to align federal funding to fund the position on a full-time basis in future fiscal years.

Chair Carlton asked for an overview of the NMTRP and its planned activities.

Christine McGill, Director, Office of Safe and Respectful Learning, NDE, said the NMTRP would work in conjunction with some of the department's other programs as well as Medicaid. She said the grant funding would allow the department to provide trauma services to families and students that did not previously have access to those services. Ms. McGill said 85 percent of the grant funds would provide direct services to students and families. The grant also allowed leeway for trauma services that may not be covered by Medicaid. The NDE was working closely with other agencies to ensure there was not an overlap in services and that the funds were primarily dedicated to a population that did not have access to trauma services.

Chair Carlton said she understood the program would assist state-licensed mental health professionals in developing evidence-based trauma recovery treatments. She asked how the department defined a mental health professional.

Ms. McGill replied that school social workers provided students with appropriate tools to ensure they could overcome whatever challenge they were facing while also continuing their studies. However, community providers were necessary to provide wraparound services for students and families. The grant funds would provide multiple support systems for families. Ms. McGill said the NDE hoped to work with local mental health providers to diversify wraparound services for families and students, and institute telehealth services into the schools to avoid transportation issues.

Chair Carlton thought social workers were not considered state-licensed mental health professionals by the department's definition. Ms. McGill said social workers could be considered state-licensed mental health professionals, but the grant funding in question was for an expansion of services; therefore, it would be used for trauma services provided by community-based providers. She said the community-based providers and social workers would work together to carry out case plans.

Chair Carlton said access to mental health professionals in Nevada was limited; therefore, she did not want to eliminate a classification that could be of assistance. She thought it was important to discuss the issue thoroughly in the future.

Assemblywoman Titus agreed that it was important for students to have access to trauma recovery and counseling; however, the lack of mental health providers affected everyone, not just low-income families.

Assemblywoman Titus asked if mental health professionals would be required to obtain certification as a trauma recovery specialist. She was concerned about the prospect of creating another subset of mental health providers when there were already not enough mental health providers. Assemblywoman Titus said she understood that many communities had experienced incredible trauma in the last couple of years, particularly Las Vegas. She asked if there was a group of mental health professionals that could visit schools as the need for trauma services arose rather than creating another subset of mental health professionals.

Ms. McGill replied that the grant focused on increasing capacity. It was also a demonstration grant, so the department would be considering various services. She noted that the grant also included a systems piece. She said the NDE would draw providers together to create a feedback loop, which would help determine whether the program was effective. Ms. McGill said the NDE was partnering with four other states on a similar project. The states were considering how to institute batch training to lower costs and increase capacity.

Ms. McGill said the NDE did not want to create another subset of mental health professionals, instead the department's goal was to increase capacity with current providers. She indicated the grant funding may help community-based providers hire additional staff. Ms. McGill reiterated that the grant had a service component as well as a systems component, which would allow the department to determine how to help community-based providers and school-based providers work closely in trauma-related cases. She said the grant focused on trauma services, and trauma was included in the behavioral and mental health piece as well as the multi-tiered systems of support for which the schools had received training.

Assemblywoman Titus asked if there was a formal program related to trauma education. She stated that there were existing teams that visited schools to provide

counseling after traumatic events. She asked if the NDE was coordinating with those efforts.

Ms. McGill replied that trauma-specific education was available as part of the systems piece. She said there were trauma-informed schools, which was essentially the tier one piece. The NDE had other grants and initiatives that focused on the trauma prevention piece. The grant under discussion was specific to tier three services for students. Ms. McGill acknowledged that the scope of the grant was narrow; however, there was a great need for tier three services, especially in the Clark County School District. She said tier three services included new evidence-based practices that could assist the department in working with students coping with trauma.

Ms. McGill said the department did not have all the details yet, because the grant was a demonstration grant. She said the NDE would review the current provider capacity. If the need for trauma-related services was not being met, the department would collaborate with providers to increase capacity and implement training, if necessary.

Assemblyman Frierson said during trauma-related events, other agencies such as the Clark County Department of Juvenile Justice Services and the Department of Family Services may be involved, but may be working with a student in a different capacity than the school. For example, the school may be providing services to a student coping with trauma, while the Department of Juvenile Justice Services might be working with that same student who was regarded as a delinquent, and the Department of Family Services may be working with that student, because the student was in foster care; all of which related to trauma. Assemblyman Frierson asked which types of providers would be considered community-based providers, and if the aforementioned agencies would be included.

Ms. McGill reiterated that the grant focused on the systems piece, which would provide tier three services in the form of qualified, licensed mental health professionals for students undergoing trauma. She said the department would work with the Departments of Juvenile Justice Services and Family Services to ensure that families were also aware of those resources.

Assemblyman Frierson thought there would be better outcomes for students if partner agencies communicated with one another. Although not all agencies communicate effectively, it would be beneficial if it was a significant part of the focus.

Chair Carlton agreed that Assemblyman Frierson made an excellent point. She said trauma had wide ranging effects on youth; therefore, it was important that all agencies were in communication with one another.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM C-17.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

18. **State Public Charter School Authority - FY 2020** - Addition of \$27,600 in New Nevada Education Funding Plan funds transferred from the Department of Education to allow for the distribution of funds to state sponsored charter schools. Requires Interim Finance approval since the amount added to the New Nevada Education Funding Plan category exceeds \$75,000 cumulative for that category. **Work Program #C49123**

Refer to motion for approval under Agenda Item C.

19. **Department of Agriculture - Pest, Plant Disease, and Noxious Weed Control - FY 2020** - Addition of \$100,596 in federal Specialty Crop Block Grant funds to support increased knowledge and consumption of specialty crops. **The work program involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing, and since the amount added to the Agricultural Marketing Food Nutrition Service category exceeds \$75,000. Work Program #C49031**

Ashley Jeppson, Administrator, Department of Agriculture, said the Specialty Crop Block Grant funds were intended to support research, marketing and education-based projects with the goal of increasing consumption and production of specialty crops throughout Nevada.

Agenda Item C-19 involved the allocation of block grant funds, which required a public hearing. Chair Carlton opened the public hearing. There being no requests to testify, Chair Carlton closed the public hearing.

ASSEMBLYMAN FRIERSON MOVED TO APPROVE AGENDA  
ITEM C-19.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

20. **Department of Agriculture - Livestock Inspection - FY 2020** - Transfer of \$49,536 from the Personnel Services category to the Operating category and transfer of \$19,363 from the In-State Travel category to the Operating category to support temporary labor costs for livestock inspections and associated data entry 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 #C49180**

Andre Urruty, Fiscal Administrator, Department of Agriculture, introduced Doug Farris, Administrator, Division of Animal Industry, Department of Agriculture.

Mr. Urruty said Work Program #C49180 was a request to transfer funds from the Personnel Services category to the Operating category and from the In-State Travel category to the Operating category to support temporary labor costs for livestock inspections and associated administrative data entry activities. He said the Division of Animal Industry required the services of additional temporary staff in the Sparks headquarters for various administrative functions, as well as a temporary administrative position in the Elko office, due to staff turnover and vacancies. Mr. Urruty noted that projections indicated an overall shortfall for brand inspector contract payments.

Senator Goicoechea said he had been complaining for years about the fact that Agriculture Enforcement Officers (AEO) were not funded as true agriculture enforcement. Five AEO positions were funded; however, only two of those positions were filled, which meant that the department had to employ temporary staff to assist with brand inspections. He said ranchers often had to wait until midday for a brand inspector to arrive, or longer if there were not enough inspectors available. Senator Goicoechea said the problem was not limited to the rural areas. Livestock inspection was necessary at places such as the Thomas and Mack Center and South Point Arena and Equestrian Center. Ranchers and stock contractors counted on timely brand inspections and health permits, especially if the cattle was being shipped out of state.

Senator Goicoechea thought the Livestock Inspection program required permanent changes, not a short-term fix such as temporary staff. He recalled in the past that the department employed 12 AEOs compared to the 2 AEOs currently employed, which was not enough to supervise the amount of livestock that moved through the state. Senator Goicoechea said he supported the department's request; however, he thought it was important to revisit the issue during the 2021 Legislative Session.

Chair Carlton stated that the Department of Agriculture was a fee-based agency. She asked when fees were last raised. Mr. Urruty indicated that the last fee increase was in 2006. Chair Carlton thought a prospective fee increase may need to be another point of discussion during the 2021 Legislative Session. She also expressed concern that only two of the five Brand Inspector positions were currently filled.

Senator Settlemeyer noted that things had changed since the last time the department's fees were raised. He recalled that one of the main enforcement officers was also responsible for roadside agriculture stops and landscape investigations. In that respect, the duties of the AEO position had changed a fair amount. He recalled that the state used to have pasture-to-pasture permits for agriculturists that moved from field-to-field, which did not require a brand inspector. Senator Settlemeyer agreed that brand inspectors were necessary for the purpose of livestock sales; however, he thought it might be beneficial to consider reinstituting simpler methods that were used in the past.



Chair Carlton noted that the focus of the Committee's discussion had turned to policy-related issues. She recalled that the department was working with a group on such matters, and a report would be issued to the Legislature the work was complete.

Chair Carlton asked why the department was having a difficult time filling the remaining AEO positions.

Doug Farris, Administrator, Division of Animal Industry, Department of Agriculture, said part of the problem in filling the AEO positions was that the position was unique in several ways. First, the candidate had to be a sworn law enforcement officer certified through the Peace Officer Standards and Training program. In addition, the candidate had to have a background in or knowledge of agriculture. Mr. Farris noted that the recent departure of staff was primarily due to pay or the fact that the AEO position did not qualify for police/fire benefits like other state officers.

Chair Carlton said there would be further discussion on the matter during the 2021 Legislative Session when additional information was available.

SENATOR GOICOECHEA MOVED TO APPROVE AGENDA  
ITEM C-20.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE  
MOTION.

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

- 21. Department of Agriculture - Nutrition Education Programs - FY 2020** - Addition of \$814,422 in federal Administrative Review Training (ART) grant funds and deletion of \$111,635 in federal State Administrative Expense grant funds to administer applicable U.S. Department of Agriculture nutrition programs and provide training for local education agencies and school districts. Requires Interim Finance approval since the amount added to the ART grant category exceeds \$75,000. **Work Program #C49205**

Refer to motion for approval under Agenda Item C.

- 22. Division of Mineral Resources - FY 2020** - Addition of \$229,740 in National Association of Abandoned Mine Land Programs (NAAML) Conference fees to support hosting the 2020 annual NAAML conference. Requires Interim Finance approval since the amount added to the Abandoned Mine Land Conference category exceeds \$75,000. **Work Program #C49152**

Refer to motion for approval under Agenda Item C.

23. **Public Utilities Commission of Nevada - FY 2020** - Transfer of \$52,954 from Reserves to the Equipment category to fund the replacement of videoconferencing equipment. Requires Interim Finance approval since the amount added to the Equipment category exceeds \$30,000. **Work Program #C49112**

Refer to motion for approval under Agenda Item C.

24. **Department of Business and Industry - Housing Division - Weatherization - FY 2020** - Addition of \$474,812 in federal Weatherization Assistance Program funds to align grant authority to budget authority. Requires Interim Finance approval since the amount added to the DOE subgrants category exceeds \$75,000. **Work Program #C49179**

Refer to motion for approval under Agenda Item C.

25. **Governor's Office of Economic Development – Nevada State Small Business Credit Initiative Program - FY 2020** - Transfer \$4,260,269 from the Reserve category to the Collateral Support Program (CSP) Loans category to provide funding for CSP loans. Requires Interim Finance approval since the amount added to the CSP Loans category exceeds \$75,000. **Work Program #C49184**

Bonnie Long, Director of Administration, Governor's Office of Economic Development (GOED), said Work Program #C49184 was a request to transfer funds from reserve to the Collateral Support Program (CSP) to support loans for the remainder of FY 2020. She explained that the CSP had four deals in FY 2020, which depleted program funds. Increasing the funding would allow the program to continue for the remainder of the fiscal year.

Assemblywoman Neal noted that during the current cycle, four companies were provided \$1.6 million in loans. She asked how many businesses were provided loans in FY 2019. Ms. Long replied that three or four loans were issued in FY 2019.

Assemblywoman Neal said she had been in the small business arena for a few years. She questioned the marketing strategy for the program, because many small businesses were not aware of the CSP.

Ms. Long replied that the program manager for the CSP was also the program manager for the Nevada Opportunity Fund, which provided loans for small businesses and disadvantaged and minority-owned businesses. Ms. Long said she could not speak to the marketing efforts for the program; however, the program manager was also the rural director, and spent a great deal of time promoting the programs. In fact, a rural tour promoting the CSP and the Nevada Opportunity Fund took place in July 2019. She noted that the tour covered six different communities in Nevada.

Senator Kieckhefer said another component of the CSP included the Battle Born Venture Capital program. He asked how the Battle Born Venture Capital program was functioning.

Ms. Long said there were some investments related to the Battle Born Venture Capital program; however, it was a slower process, because the investments required a lot of due diligence. She said there were typically one or two investments per year. Ms. Long indicated that the program was currently working on funding two investments, which should be finalized in about two months.

Senator Kieckhefer asked if GOED had enough resources to continue the Battle Born Venture Capital program. Ms. Long confirmed that the program had adequate resources. She said GOED was required to maintain \$5.0 million in investments and assets to keep the Battle Born Venture Capital program operational.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM C-25.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE  
MOTION.

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

26. **Department of Health and Human Services - Director's Office - Grief Support Trust Account - FY 2020** - Transfer of \$110,272 from the Reserve category to the Grief Support Trust category to fund subrecipient program enhancements. Requires Interim Finance approval since the amount transferred to the Grief Support Trust category exceeds \$75,000. **Work Program #C49117. WITHDRAWN 11-21-19.**
27. **Department of Health and Human Services - Director's Office - Consumer Health Assistance - FY 2020** - Addition of \$42,000 in Silver State Health Insurance Exchange per member, per month fees transferred from the Silver State Health Insurance Exchange to increase support for the Navigator Program, which provides consumer assistance in accessing affordable health insurance coverage, outreach and education. Requires Interim Finance approval since the amount added to the Access to Care Ombudsman category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C49125**

Refer to motion for approval under Agenda Item C.

28. **Department of Health and Human Services - Aging and Disability Services - Home and Community-Based Services - FY 2020** - Addition of \$288,547 in federal Enhance Adult Protective Services (APS) grant funds to provide enhanced data collection capabilities and improve services to adults in need of protective services.

Requires Interim Finance approval since the amount added to the APS Enhancement category exceeds \$75,000. **Work Program #C48888**

Refer to motion for approval under Agenda Item C.

- 29. Department of Health and Human Services - Aging and Disability Services - Home and Community-Based Services - FY 2020** - Addition of \$287,388 in federal Lifespan Respite Care Program grant funds to continue to provide respite services to family caregivers of children and adults with disabilities. Requires Interim Finance approval since the amount added to the Lifespan Respite grant category exceeds \$75,000. **Work Program #C48904**

Refer to motion for approval under Agenda Item C.

- 30. Department of Health and Human Services - Aging and Disability Services - Home and Community-Based Services - FY 2020** - Addition of \$96,198 in federal Medicare Improvements for Patients and Providers Act (MIPPA) grant funds to provide outreach and assistance to Medicare beneficiaries with limited incomes, including people with disabilities. Requires Interim Finance approval since the amount added to the MIPPA grant category exceeds \$75,000. **Work Program #C49208**

Refer to motion for approval under Agenda Item C.

- 31. Department of Health and Human Services - Health Care Financing and Policy - Administration - FY 2020** - Addition of \$80,603 in federal Title XIX funds and transfer of \$20,150 from the Fiscal Agent category to the Health Information Technology (HIT) grant category to fund the Nevada Public Health Immunization Information System (WebIZ) De-Duplication Project. Requires Interim Finance approval since the amount added to the HIT grant category exceeds \$75,000. **Work Program #C48051**

Refer to motion for approval under Agenda Item C.

- 32. Department of Health and Human Services - Health Care Financing and Policy - Administration - FY 2020** - Addition of \$1,684,013 in federal Substance Use Disorder Prevention grant funds to support planning activities associated with the establishment of an opioid recovery and treatment program. Requires Interim Finance approval since the amount added to the Substance Use Disorder grant category exceeds \$75,000. **Work Program #C49020**

Cody Phinney, Deputy Administrator, Division of Health Care Financing and Policy (DHCFP), DHHS, introduced Melissa Laufer-Lewis, Administrative Services Officer, DHCFP, DHHS, and Dr. Stephanie Woodard, Medical Epidemiologist, Division of Public and Behavioral Health (DPBH), DHHS.

Ms. Phinney said Work Program #C49020 requested the addition of funds related to the federal Substance Use Disorder Prevention that Promotes Opioid Recovery

and Treatment for Patients and Communities (SUPPORT) Act planning grant. The grant funds would permit the division to continue planning efforts for an array of substance use disorder services across the spectrum of needs, and allow the division to align the economic incentives that Medicaid could employ with the clinical needs and processes that had been demonstrated and proven effective for individuals with substance use disorders.

Ms. Phinney said it was vital to note that the grant does not currently fund direct services; however, the division anticipated that the activities of the grant would result in an application for a demonstration grant in the future. She said the grant would be due in March 2021. The division was striving to ensure the grant was fully transparent. Ms. Phinney noted that the division was meeting regularly with legislative staff to provide updates.

Chair Carlton asked for confirmation that no changes to Medicaid services or reimbursement rates would be made until funding to support those changes was approved.

Ms. Phinney said that was the intent of Medicaid. The SUPPORT grant, in particular, focused on substance use disorder services, which were activities associated with planning for particular reimbursement models. She said the division was currently drafting a policy concerning medication-assisted treatment that would bring the state into compliance with requirements and ensure that covered services were clearly described in the policy.

Chair Carlton asked the agency to discuss the existing Medicaid services and provider capacity for substance use disorders. She asked what improvements the agency expected from the planning activities.

Ms. Phinney replied that planning activities included community engagement, which began under other activities, but was broadening. Community engagement was vital, because it would ensure active participation from the community responsible for implementing the services. Community engagement included consultation on developing the reimbursement model that was demonstrated in order to provide medication-assisted treatment in a way that providers could easily implement. It also included training for providers to ensure they accurately understood the mechanisms.

Chair Carlton asked what the anticipated timeline was for developing an application for a demonstration waiver. Ms. Phinney replied that the application would be developed by the March 2021 deadline.

Chair Carlton asked if the agency intended to apply for a demonstration waiver if Nevada was not selected to implement the demonstration project. Ms. Phinney replied that the agency would have an application, but without funding for the non-federal share, the division would not be able to move forward with the waiver.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA ITEM C-32.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 33. Department of Health and Human Services - Health Care Financing and Policy - Administration - FY 2020** - Transfer of ~~\$69,766~~ \$57,966 from the Fiscal Agent category to the Operating category to fund unanticipated consulting services and additional building lease expenditures. Requires Interim Finance approval since the cumulative amount transferred from the Fiscal Agent category exceeds \$75,000. **Work Program #C49251. REVISED 12-3-19.**

Refer to motion for approval under Agenda Item C.

- 34. Department of Health and Human Services - Health Care Financing and Policy - Administration - FY 2020** - Transfer of \$640,000 from the Reserve for Residential Protection category to the Civil Monetary Penalty Payments category to fund a new project, Reducing Falls with Artificial Intelligence, a Proactive Approach to Mobility Improvement and Fall Prevention. Requires Interim Finance approval since the amount transferred to the Civil Monetary Penalty Payment category exceeds \$75,000. **RELATES TO AGENDA ITEM C. 37. Work Program #C49081**

Refer to motion for approval under Agenda Item C.

- 35. Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2020** - Addition of \$374,364 in federal Money Follows the Person (MFP) Planning grant funds, \$104,538 in federal MFP Reinvestment grant funds, and deletion of \$374,364 in federal Title XIX grant funds to continue MFP activities. Requires Interim Finance approval since the amount added to the MFP Reinvestment category exceeds \$75,000. **Work Program #C48911**

Refer to motion for approval under Agenda Item C.

- 36. Department of Health and Human Services - Public and Behavioral Health - Immunization Program - FY 2020** - Addition of \$1,034,177 in federal Immunization Cooperative Agreement grant funds and transfer of \$27,332 from the Information Services category to the Vaccines for Children category, and \$245 from the Division Cost Allocation category to the Vaccines for Children category to provide ongoing immunization programs and expansion components promoting vaccines for children. Requires Interim Finance approval since the amount added to the Vaccines for Children category exceeds \$75,000. **Work Program #C48993**

Refer to motion for approval under Agenda Item C.

37. **Department of Health and Human Services - Public and Behavioral Health - Health Care Facilities Regulation - FY 2020** - Addition of \$640,000 in Civil Monetary Penalty funds transferred from the Division of Health Care Financing and Policy to fund a new project, Reducing Falls with Artificial Intelligence, a Proactive Approach to Mobility Improvement and Fall Prevention. Requires Interim Finance approval since the amount added to Civil Monetary Penalty category exceeds \$75,000. **RELATES TO AGENDA ITEM C. 34. Work Program #C49086**

Refer to motion for approval under Agenda Item C.

38. **Department of Health and Human Services - Public and Behavioral Health - Health Care Facilities Regulation - FY 2020** - Transfer of \$1,373,586 from the Reserve category to the Federal Inspection Surveys category to continue contracting out inspection activities in medical facilities. Requires Interim Finance approval since the amount transferred to the Federal Inspection Surveys category exceeds \$75,000. **Work Program #C49429**

Refer to motion for approval under Agenda Item C.

39. **Department of Health and Human Services - Public and Behavioral Health - Biostatistics and Epidemiology - FY 2020** - Addition of \$2,501,491 in federal Centers for Disease Control and Prevention grant funds to continue funding the Enhanced State Surveillance of Opioid-Involved Morbidity and Mortality project, the State Unintentional Drug Overdose Reporting System and the new National Emergency Service Information System. Requires Interim Finance approval since the amount added to the RX Drug Overdose Prevention category exceeds \$75,000. **Work Program #C49053**

Refer to motion for approval under Agenda Item C.

40. **Department of Health and Human Services - Public and Behavioral Health - Biostatistics and Epidemiology - FY 2020** - Addition of \$100,000 in Substance Abuse Prevention and Treatment Block Grant funds transferred from Behavioral Health Prevention and Treatment to continue funding of tuberculosis prevention and control activities. Requires Interim Finance approval since the amount added to the Transfer from BA 3170 category exceeds \$75,000. **Work Program #C49042**

Refer to motion for approval under Agenda Item C.

41. **Department of Health and Human Services - Public and Behavioral Health - Chronic Disease - FY 2020** - Addition of \$104,868 in federal Colorectal Cancer grant funds to increase colorectal cancer screenings. Requires Interim Finance approval since the amount added to the Community Health Worker category exceeds \$75,000. **Work Program #C49064**

Refer to motion for approval under Agenda Item C.

42. **Department of Health and Human Services - Public and Behavioral Health - Chronic Disease - FY 2020** - Addition of \$750,000 in federal Innovative Health Strategies to Prevent and Manage Diabetes, Heart Disease and Stroke grant funds to promote innovative health strategies for the management of diabetes, heart disease and stroke. Requires Interim Finance approval since the amount added to Innovative Health Strategies category exceeds \$75,000. **Work Program #C49069**

Refer to motion for approval under Agenda Item C.

43. **Department of Health and Human Services - Public and Behavioral Health - Maternal Child and Adolescent Health Services - FY 2020** - Addition of \$356,403 in Substance Abuse Prevention and Treatment funds transferred from the Behavioral Health Prevention and Treatment budget to provide home visiting services to vulnerable families in high at-risk communities. Requires Interim Finance approval since the amount transferred to the SAPTA Block Grant-NHV category exceeds \$75,000. **Work Program #C49002**

Refer to motion for approval under Agenda Item C.

44. **Department of Health and Human Services - Public and Behavioral Health - Office of Health Administration - FY 2020** - Addition of \$148 in Behavioral Health Services Information System State Agreement funds and transfer of \$120,496 from the Reserve category to the Data Infrastructure grant category to continue promotion of statistical projects designed to increase the analysis, dissemination, and utilization of data through improvements made to behavioral health information systems. Requires Interim Finance approval since the amount transferred to the Data Infrastructure grant category exceeds \$75,000. **Work Program #C49153**

Refer to motion for approval under Agenda Item C.

45. **Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2020** - Addition of \$1,700,927 in Johnson and Johnson and Depuy Settlement Income funds transferred from the Office of the Attorney General. Requires Interim Finance approval since the amount added to the Cannabis - Vaping Surveillance and Prevention category exceeds \$75,000. **RELATES TO AGENDA ITEM C. 5. Work Program #C49268**

Agenda Items C-5 and C-45 were discussed jointly.

Aaron Ford, Attorney General, said Work Program #C49261 was a request to transfer settlement funds to address e-cigarette or vaping product use-associated lung injury (EVALI), a growing health threat to Nevada youth. He said vaping devices, also known as e-cigarettes, delivered nicotine or other substances through a liquid, which turned into a vapor. The public health consequences of vaping were largely unknown, but had already proven deadly. As of December 3, 2019, a total



of 2,291 hospitalized vaping illnesses were reported to the CDC from all 50 states, with 48 confirmed deaths. He said the Southern Nevada Health District reported 5 cases of respiratory illnesses linked to vaping in the last three months. One of the patients, a 19 year old student at the College of Southern Nevada, went to the hospital after showing symptoms of acute respiratory distress syndrome. His illness was so severe that doctors placed him in an induced coma and put him on a ventilator to help him breathe. Attorney General Ford said millions of dollars had been spent on preventing youth from smoking tobacco products, which had proven successful, but vaping represented an entirely new threat to public health. In recent years, the use of e-cigarettes among youth had increased, reversing a decline in previous years. He said 15 percent of high school students in Nevada reported using e-cigarettes in 2017.

Attorney General Ford said the current generation of youth were at risk of becoming addicted to nicotine through e-cigarettes; however, they were also at risk of EVALI if vaping devices were used for substances such as tetrahydrocannabinol (THC) or cannabidiol (CBD). Of the five cases of vaping illness in Clark County, one person reported using vaping devices with nicotine only and four reported using vaping devices with THC. Three of the five also reported using CBD products.

Attorney General Ford said the OAG was taking action to address this emerging health threat. In addition to consumer advisories, the OAG was seeking approval to distribute \$1.7 million to assist in addressing the alarming increase in the use of vaping products, particularly cannabis vaping, by Nevada's youth. Because the issue was new, funding was not incorporated into the DPBH budget. Attorney General Ford said, to his knowledge, the requested funding was the only funding used to address youth prevention of smoking products beyond tobacco. The \$1.7 million would be used by the DPBH to accomplish three goals: 1) collect data and epidemiological surveillance on youth vaping health threats, 2) support intelligence gathering and collaboration by hosting a vaping and cannabis summit, and 3) conduct a marketing and public awareness campaign targeted at Nevada youth.

Chair Carlton said many of the articles she read focused on vaping related to nicotine, not cannabis. She asked how the target of the project would be determined.

Mark Krueger, Chief Deputy Attorney General, Bureau of Consumer Protection, OAG, said according to the CDC, the number of vaping-related illnesses increased nationally by 1,110 in the last two months. The number of deaths doubled from 26 to 50. Of that, 38 percent were between the ages of 18 and 24 years old. He noted that 80 percent reported using THC-containing products, 54 percent reported using nicotine-containing products, and 12 percent reported using CBD-containing products. Consequently, the project would focus on that particular population. In addition, it was important that youth younger than 18 and over 23 understood the risks associated with vaping.

Mr. Krueger said vaping was a misnomer, because it sounded safe, but it was not. The products contain many chemicals, in particular, Vitamin E acetate, which was known to contribute to lung illnesses. When Vitamin E acetate re-solidified in the lungs, it caused health risks. He said vaping was also referred to as e-hookahs, vape pens, tank systems, mods and electronic nicotine delivery systems. He noted that vaping contained a variety of products. Mr. Krueger thought it was particularly troubling that street products were available for vaping use, not just products made by legitimate companies.

Mr. Krueger said the marketing campaign could not be developed until the summit and data analysis were conducted. He said the process was similar to the way the opioid crisis was addressed, the success of which could be quantified. Based on the results of the summit and data analysis, the OAG would be able to develop a comprehensive campaign to target youth in particular.

Attorney General Ford noted that several companies that produce vaping instruments and products were known to target minors and youth, which was a significant problem as evidenced by the statistics provided by Mr. Krueger. He said Illinois Attorney General Kwame Raoul recently sued one of the largest manufacturers of vaping products, and North Carolina Attorney General Josh Stein had done likewise. The vaping industry was being watched closely, especially vaping products purchased on the street. Attorney General Ford said the OAG and the DPBH intended to use the program and the summit to gain more knowledge so the state could make adequate and informed decisions about addressing the issues and protecting Nevadans.

Stephanie Woodard, Medical Epidemiologist, DPBH, DHHS, reiterated that the OAG and DPBH hoped to learn from the models used in addressing the opioid epidemic, which meant gathering as much information and data as possible to better understand what was happening in Nevada. She said the CDC conducted a significant amount of research and surveillance on vaping illnesses with the assistance of the states. The program would help Nevada obtain the level of information and detail necessary to tailor intervention and prevention strategies that were unique to the state.

Assemblywoman Titus said she was pleased that the funding would be used to tailor prevention strategies specific to Nevada. With legalized marijuana in Nevada, the state may experience cannabis-related issues that were not seen in other states. She said THC and CBD products were lipophilic and seemed to bind to the lungs.

Assemblywoman Titus said she understood that many vaping-related illnesses were connected to street products, but she also had concerns about legitimate companies targeting youth. She was encouraged that the OAG and DPBH already recognized that as a problem. Assemblywoman Titus asked how the agencies would disseminate the appropriate information to Nevada youth. She also asked if the agencies had access to the details of vaping-related deaths, such as location and whether the products were purchased at a legitimate business or on the street.

Ms. Peek replied that the DPBH was drafting a report that would summarize much of the information requested by Assemblywoman Titus. The report would be provided to the Committee as soon as possible. Ms. Peek said the CDC was doing an excellent job as were other partners, but all of the data came from local and state health departments. She said the DPBH recently gave a presentation to the Legislative Committee on Health Care on EVALI and other conditions. Ms. Peek said the partnership between the state and local health departments was significant. The agencies were very thankful for funding to target the vaping epidemic.

Attorney General Ford recalled discussing a prospective tax on vaping products like tobacco during his time as a legislator. He said the questions at that time were whether vaping was a cessation tool and if nicotine products used with vaping contained real nicotine. However, four years later, the state was discussing the health implications of vaping. Attorney General Ford said the OAG and its partners did not want to miss the opportunity to end the use of vaping before it caused even more illnesses.

Assemblywoman Neal said she understood that \$400,000 would be used for epidemiology and surveillance staff. She asked how long the positions would be funded, and how the agency would continue to fund them in the future.

Ms. Peek said, when approached with the possibility of developing the program, the division determined it would be necessary to increase capacity at the three local health departments as well as at the state level. She noted that the DPBH served as the public health authority for the frontier counties in addition to its role at the state level.

Ms. Peek said, from an epidemiology perspective, the DPBH could investigate disease in real time, as well as analyze the available data in a very specific way for each local county. She said those tasks would be delegated to the new staff. Ms. Peek noted that the new staff would be under contract; therefore, when the money was exhausted the contract employee would be terminated or sustained with county money. If there was a significant need to retain contract staff at the state level, the DPBH would include the position in the agency-request budget. Ms. Peek said the funds would be used to address the immediate need and develop the surveillance systems and tools to conduct ongoing surveillance and investigation related to cannabis or vaping issues.

Senator Woodhouse said the 2019 Legislative Session passed S.B. 263, which related to vaping. She asked how the agency would ensure that the marketing/public awareness component of the project would be closely coordinated with existing programs to avoid duplicative efforts. She wanted to ensure that all aspects of the vaping issue were considered and that programs were working in concert with one another.

Attorney General Ford replied that the agencies would coordinate with partner agencies to avoid duplicative efforts.

Dr. Woodard added that many lessons were learned as a result of the opioid crisis. She recalled there was an unprecedented infusion of federal funds from multiple sources to address the opioid crisis, which required the DPBH to work collaboratively with various agencies and funding sources to avoid duplicative efforts while also optimizing funding streams to ensure the gaps were filled. Dr. Woodard said the DPBH had detailed conversations about the funding. She said the funding that was provided as a result of recent legislation was taken into consideration as the work programs were developed to avoid duplicative efforts. She said discussions would continue to ensure that funding sources were maximized.

Assemblyman Yeager said the anticipated summit would occur in the fall of 2020. He asked if the data collection and epidemiology would be complete before the summit. He also asked when the statewide prevention campaign would be launched.

Ms. Peek replied that data collection was currently in process. Although data sets were available for review, workload capacity prevented staff from beginning its analysis. She said data analysis would begin after contract staff was hired. As seen with the opioid summits, the division would present the available data and take questions concerning that data. The DPBH would then analyze and refine the data further. Ms. Peek said that process could begin almost immediately.

Dr. Woodard added that the DPBH wanted to take action as quickly as possible. As previously stated, a contract employee would be hired to begin analyzing the data. She said it was not necessary to wait for the summit before taking action, because funds would be deployed if an actionable item was discovered during data analysis. Dr. Woodard said, if the current data indicated an emerging issue, the division would issue some form of public health message, even if it was prior to the summit.

Continuing, Dr. Woodard said, as information became available, and if there was an opportunity for the division to develop evidence-based marketing and a public health education campaign, the DPBH would launch it as soon as possible. However, it would depend on the type and accuracy of the information, because the messaging needed to be strategic and targeted.

Attorney General Ford added that the OAG released a general public information campaign, which was more of a warning. However, the OAG wanted to publish public messages related to specific and relevant topics concerning vaping.

Chair Carlton said the Committee was cautious on matters related to marketing campaigns. She said it was important for the Committee to know the specific details of a marketing campaign. Chair Carlton recommended approving funding for the vaping and cannabis summit and epidemiological research, and then requesting that

the agencies return to discuss the marketing campaign in greater detail. Additionally, she recommended that the agencies provide a report to the Committee every six months. Chair Carlton thought the issue was very important, because it had a long-term health impact on youth. She said many young people were using vaping products without realizing the damage that could be done in 10 or 20 years.

Attorney General Ford said, in a recent response to the LCB Fiscal Division staff, the OAG acknowledged that a reliable marketing model could not be developed until data collection began and the summit was held. Attorney General Ford stated that his office had no reservations with Chair Carlton's proposal.

Ms. Peek added that the DPBH would have data available within the next month or two from the Nevada Youth Risk Behavior Survey. The data would assess trends after the legalization of marijuana. Ms. Peek stated that she was also in agreement with the proposed solution.

Dr. Woodard said it would be difficult to predict what the marketing campaign would look like without actually developing evidence-based messaging as well as engaging the division's master service agreement contracts to develop the campaign. Dr. Woodard said the agencies could come forward with the available data and the information that would be provided to the universities and consultants to help develop the evidence-based messaging; however, funding would be required to carry forward the marketing plan and public health messaging campaign through the development of the messaging.

Chair Carlton clarified that the marketing funds would be placed in a special reserve category. The agency could approach the Committee at a later date to seek authority to utilize those funds.

SENATOR WOODHOUSE MOVED TO APPROVE \$500,000 FOR A VAPING AND CANNABIS SUMMIT AND EPIDEMIOLOGICAL RESEARCH, ALLOCATE \$1.2 MILLION FOR MARKETING EXPENDITURES TO A RESERVE CATEGORY WITHIN THE BEHAVIORAL HEALTH PREVENTION AND TREATMENT BUDGET, REQUEST THE AGENCY TO APPROACH THE INTERIM FINANCE COMMITTEE AT A FUTURE MEETING TO SEEK AUTHORITY TO UTILIZE THE FUNDS ONCE A COMPREHENSIVE MARKETING PLAN HAS BEEN DEVELOPED, AND REQUIRE THE OFFICE OF THE ATTORNEY GENERAL AND THE DIVISION OF PUBLIC AND BEHAVIORAL HEALTH TO SUBMIT A SEMIANNUAL REPORT ON THE STATUS OF THE PROJECT.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

46. **Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2020** - Addition of \$75,404 in Vibrant Emotional Health funds to support the National Suicide Prevention Lifeline in Nevada. Requires Interim Finance approval since amount added to the Suicide Prevention Lifeline category exceeds \$75,000. **Work Program #C49301**

Refer to motion for approval under Agenda Item C.

47. **Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2020** -Transfer of \$800,000 from the Personnel Services category to the Professional Services category and \$200,000 from the Personnel Services category to the Mental Health Technician Services category to continue services with contracted psychiatric clinical staff and mental health technicians to meet the needs of clients. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds \$75,000. **Work Program #C48336**

Refer to motion for approval under Agenda Item C.

48. **Department of Health and Human Services - Welfare and Supportive Services - Administration - FY 2020** - Addition of \$776,000 in federal Supplemental Nutrition Assistance Program (SNAP) Process and Improvement grant funds to increase awareness and access to employment opportunities and qualified work activities for SNAP recipients. Requires Interim Finance approval since the amount added to the SNAP Process and Improvement category exceeds \$75,000. **Work Program #C49084**

Refer to motion for approval under Agenda Item C.

49. **Department of Health and Human Services - Welfare and Supportive Services - Child Assistance and Development - FY 2020** - Addition of \$2,554,141 in federal Child Care and Developmental Discretionary grant funds for continued support of child care provider quality improvement programs. **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 Quality Assurance category exceeds \$75,000. RELATES TO AGENDA ITEM C. 15. Work Program #C48892**

Agenda Item C-15 and C-49 were discussed jointly.

Steve Fisher, Administrator, Division of Welfare and Supportive Services (DWSS), DHHS, introduced Elisa Cafferata, Deputy Administrator, DWSS, DHHS.

Mr. Fisher said Work Program #C48892 was a request for an increase in authority in the federal Child Care and Development Discretionary grant funds for continued support of child care provider quality improvement programs.

Agenda Item C-49 involved the allocation of block grant funds, which required a public hearing. Chair Carlton opened the public hearing. There being no requests to testify, Chair Carlton closed the public hearing.

ASSEMBLYMAN FRIERSON MOVED TO APPROVE AGENDA ITEMS C-15 AND C-49.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 50. Department of Health and Human Services - Welfare and Supportive Services - Child Assistance and Development - FY 2020** - Addition of \$1,605,873 in federal Child Care and Development grant funds to support program development and increased capacity for health and safety inspectors. **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 Child Care Certification category exceeds \$75,000. Work Program #C49121**

Steve Fisher, Administrator, DWSS, DHHS, said Work Program #C49121 was a request to increase authority to ensure adequate funding to operate the Child Care Development program per the state plan.

Agenda Item C-50 involved the allocation of block grant funds, which required a public hearing. Chair Carlton opened the public hearing. There being no requests to testify, Chair Carlton closed the public hearing.

ASSEMBLYMAN FRIERSON MOVED TO APPROVE AGENDA ITEM C-50.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 51. Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2020** - Addition of \$8,371 in Prior Year Refunds, deletion of \$70,000 in Gifts and Donations, and transfer of \$142,019 from the Reserve category to the Elks Activities category to return unused funds to the Nevada State Elks Association. Requires Interim Finance approval since the amount added to the Elks Activities category exceeds \$75,000. **Work Program #C47899**

Refer to motion for approval under Agenda Item C.

- 52. Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2020** - Addition of \$599,132 in federal Title IV-B grant funds to continue to support child welfare services. Requires Interim Finance approval since the amount added to the Title IV-B 1 category exceeds \$75,000. **Work Program #C49073**

Refer to motion for approval under Agenda Item C.

- 53. Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2020** - Addition of \$206,805 in federal Title IV-B Subpart 2 grant funds to continue the development of the Kinship Navigator program. Requires Interim Finance approval since the amount added to the Kinship Navigator category exceeds \$75,000. **Work Program #C49195**

Refer to motion for approval under Agenda Item C.

- 54. Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2020** - Transfer of \$76,559 from the Personnel Services category to the Temporary Contract Staffing category to cover vacancies in hard-to-fill child welfare positions. Requires Interim Finance approval since the amount added to the Temporary Contract Staffing category exceeds \$75,000. **Work Program #C47898**

Refer to motion for approval under Agenda Item C.

- 55. Department of Health and Human Services - Child and Family Services - Juvenile Justice Services - FY 2020** - Addition of \$112,526 in federal Prison Rape Elimination Act (PREA) Standards grant funds to develop a PREA risk screening tool. Requires Interim Finance approval since the amount added to the PREA Standards grant category exceeds \$75,000. **Work Program #C49168**

Refer to motion for approval under Agenda Item C.

- 56. Department of Health and Human Services - Child and Family Services - Juvenile Justice Services - FY 2020** - Addition of \$55,000 in federal Edward Byrne Memorial Justice Assistance grant funds transferred from the Department of Public Safety, Office of Criminal Justice Assistance account to purchase body cameras for group supervisors at the three juvenile justice facilities. Requires Interim Finance approval since the amount added to the Edward Byrne Memorial grant category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C49194**

Mandi Davis, Deputy Administrator, Division of Child and Family Services (DCFS), DHHS, said Work Program #C49194 was a request to receive additional grant authority. The division recently received a competitive grant through the Department of Public Safety (DPS). The grant funds would cover the first year of a lease for new body cameras for group supervisors at the juvenile detention facilities.



Senator Parks said he was very supportive of agencies using body cameras; however, the Committee was unaware that body cameras were in use at the juvenile facilities, or that the Edward Byrne Memorial Justice Assistance grant was still active. He recalled that it used to be an excellent grant, but it was whittled down. Senator Parks understood the existing body cameras were outdated and needed to be replaced. He asked how the current program originated and the cost of program.

Ms. Davis said it was her understanding that body cameras were used during certain incidents, if necessary; however, many of the cameras were no longer operational.

Susie Miller, Deputy Administrator, DCFS, DHHS, stated that body cameras were currently used at Caliente Youth Center and Nevada Youth Training Center. She said the cameras were intermittently functional, which made them unreliable for reviewing footage. She noted that body cameras were not currently in use at Summit View Youth Center.

Senator Parks recalled that the Department of Corrections used body cameras under limited circumstances. He asked if a policy had been established concerning the use of body cameras at the juvenile facilities.

Ms. Miller replied that, if new body cameras were purchased, all staff would wear one during a potential use-of-force situation. She noted that body cameras were not worn on a regular basis, and were not used in any areas where youth required privacy.

Senator Parks noted that the program was a multi-year program; however, the funding was limited to approximately one year. He asked how the agency intended to fund the lease in FY 2021 and beyond.

Ms. Davis replied that the division would continue to apply for the grant every year. If the DCFS did not receive the grant, the division would include an enhancement unit in the agency budget request to seek approval for continued funding. As part of that, a clause would be included in the new lease ensuring that the division could terminate the lease early if funding was unavailable.

Chair Carlton recalled numerous discussions pertaining to the juvenile facilities and services; however, she did not recall a discussion pertaining to body cameras. She asked when body cameras were implemented at the facilities.

Ross Armstrong, Administrator, DCFS, DHHS, said body cameras had been in use during his four years with the division, but he would supply the Committee with the exact date of implementation. Mr. Armstrong said in the early 2000s, the U.S. Department of Justice conducted an investigation at the Nevada Youth Training Center in Elko. The division instituted a number of substantial changes to its use-of-force policy after that investigation, and the use of body cameras during a planned use-of-force situation was part of that culture change.

Chair Carlton found it concerning that the Committee was unaware that the juvenile facilities were using body cameras. During one of the earliest conversations regarding body cameras, there was a significant amount of policy-related discussion, including when body cameras would be implemented, and how and when the cameras would be used. The Committee understood the division was trying to replace existing equipment using grant funds; however, the cost could end up as a future budget enhancement. Chair Carlton said the state may be required to make policy decisions concerning body cameras within the juvenile facilities during the budget process, and she found that concerning.

In answer to a question from Chair Carlton, Ms. Davis replied that in the first year of the lease, approximately 70 body cameras would be provided to group supervisors at each of the three juvenile facilities.

Chair Carlton understood that body cameras were not currently in use at Summit View Youth Center; therefore, it would be a new procedure for that facility. Ms. Miller confirmed that was correct.

Chair Carlton asked if there was an existing policy and procedure related to the use of body cameras. Ms. Miller confirmed that a policy did exist.

Chair Carlton said she felt out of the loop in regard to the use of body cameras at the juvenile facilities. She said she supported the use of cameras, because they were a valuable tool when used appropriately and with the correct policies in place. However, she thought the item should be deferred until the Committee was provided with additional information, including the existing policy and procedure.

Assemblyman Yeager asked the division to provide the Committee with its definition of a planned use-of-force situation.

Senator Woodhouse asked if the division would lose the opportunity to use the grant funds if the item was deferred until the IFC meeting in February 2020. Ms. Davis replied that the grant funds were available for the majority of the year. She said the division would still have time to implement the program after the February 2020 IFC meeting, because the grant did not expire until September 30, 2020.

Chair Carlton requested that the division provide the Committee with further details and place the work program on the February 2020 meeting agenda.

SENATOR WOODHOUSE MOVED TO DENY AGENDA ITEM C-56.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 57. Department of Health and Human Services - Child and Family Services - Southern Nevada Child and Adolescent Services - FY 2020** - Transfer of \$61,569 from the Personnel Services category to the Temporary Contract Staffing category to fund a projected shortfall for the remainder of the fiscal year in order to maintain sufficient staffing levels in the 24-hour facilities. Requires Interim Finance approval since the amount added to the Temporary Contract Staffing category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C49088**

Refer to motion for approval under Agenda Item C.

- 58. Department of Employment, Training and Rehabilitation - Rehabilitation Division - Disability Adjudication - FY 2020** - Addition of \$56,500 in federal Social Security Administration grant funds to support the Social Security Administration Disability Determination System software. Requires Interim Finance approval since the amount added to the Information Service category exceeds 10 percent of the legislatively approved level for that category. **Work Program #C49023**

Refer to motion for approval under Agenda Item C.

- 59. Department of Corrections - Prison Medical Care - FY 2020** - Transfer of \$941,075 from the Personnel Services category to the Professional Services category to fund contracted professional/licensed health care services provided to inmates for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Professional Services category exceeds \$75,000. **Work Program #C49059**

Agenda Items C-59, N-9b, N-9d and N-9e were discussed jointly.

Chair Carlton stated that the Committee had a number of conversations with the Department of Corrections (NDOC) over the last couple of years, some of which had been very difficult. She thanked the new NDOC Director, Charles Daniels, for his willingness to accept the challenge before him.

Harold Wickham, Deputy Director of Operations, NDOC, said it was a privilege and a pleasure to introduce Charles Daniels, the new Director of the NDOC. He said Mr. Daniels had 30 years of experience in state and federal corrections that would help provide the department with more structure, accountability and reform. Mr. Wickham also introduced Dr. Michael Minev, Medical Director, NDOC; John Borrowman, Deputy Director of Support Services, NDOC; Bill Quenga, Deputy Director of Industrial Programs, NDOC; Scott Ewart, Administrative Services Officer, NDOC; and Jennifer Bauer, Administrative Services Officer, NDOC.

Charles Daniels, Director, NDOC, noted that it was only his fourth day in his role as Director. He asked for patience as he acclimated himself to the department and the Committee. Mr. Daniels said he looked forward to meeting each member of the Committee.

Mr. Daniels said cornerstones of his tenure would include cooperation, transparency, fiscal responsibility and integrity. His priorities included, but were not limited to, the safety of staff, inmates and the public, as well as evidence-based reentry initiatives within the scope of industries, education and vocational training. Mr. Daniels said he supported the federal Second Chance Act of 2008 and its reauthorization in 2018. Consistent with the Committee, Mr. Daniels said he supported many sentencing reform initiatives that addressed sentence restructuring; mental health services; addiction treatment; skills and vocational training leading to jobs with livable wages; continued commitment to education; and social and family reengagement and support.

Chair Carlton apologized to Mr. Daniels on behalf of the Committee for the frustration he would hear expressed by members. She noted that it might be helpful for Mr. Daniels to review some of the archived meetings, which would help explain some of those frustrations. Chair Carlton said the Committee looked forward to working with Mr. Daniels in the future and addressing some concerns.

Chair Carlton asked Mr. Daniels to have his staff provide the NDOC post charts to the Committee. She noted that the Committee had been requesting the post charts for about four years to no avail.

Chair Carlton opened the discussion regarding the potential budget shortfall related to prison medical care.

John Borrowman, Deputy Director of Support Services, NDOC, said the department was requesting a transfer of funds from the Personnel Services category to the Professional Services category to contract with medical providers. He noted that the institutions were dispersed throughout Nevada, including remote areas of the state. The department had difficulty recruiting medical staff for institutions located in those remote areas. Additionally, the NDOC competed for staff with the private sector and other state agencies.

Mr. Borrowman said the department initially used legislatively approved authority for the purpose of contracting medical providers. A previous work program was submitted to address the issue through December 2019; however, the amount appeared to be insufficient. Mr. Borrowman said the current request would provide sufficient authority for the remainder of FY 2020.

Chair Carlton recalled that the department's request was to use funds from the Offenders' Store Fund, which was denied during the 2019 Legislative Session, because it was an inappropriate use of funds. She said the NDOC was directed to discuss any shortfall with the IFC in the interim.

Chair Carlton asked what the primary contributor was for the Prison Medical Care budgetary shortfall. Mr. Borrowman replied that Work Program #C49059 was a

transfer of funds related to contract medical services. He said the transfer would not create a shortfall in the Personnel Services category. He thought the shortfall in question related to the larger medical budget in totality, which was usually in the Inmate Driven category. He explained that the Inmate Driven category related to direct inmate expenditures for medical services. Mr. Borrowman confirmed that the Inmate Driven category was experiencing a budgetary shortfall due to outside medical services and other general service expenditures related to inmates.

Moving on to Agenda Item N-9e, Chair Carlton said the NDOC was proposing a significant procedural change related to the hepatitis C virus. She recalled that the department typically tested an inmate upon signs of occurrence; however, it appeared that all inmates would now be tested for the virus. She asked the department for an update as well as an explanation regarding the procedure change.

Mr. Borrowman said the NDOC was making a change to its medical directive related to hepatitis C due to the evolution of the treatment. He confirmed that previously the department only tested an inmate if there was reason to believe the inmate had the infection, and inmates had the option to refuse the test; however, the new policy would test all inmates for hepatitis C. Mr. Borrowman said the department was implementing several processes to test the large population of untested inmates. He noted that new inmates would be tested at intake.

Continuing, Mr. Borrowman said inmates would be informed about the potential impact of refusing the test, as well as the importance of managing their behaviors. Determining the prison infection rate would allow the department to prepare for potential major medical expenditures in the future. He noted that it would be difficult to make projections or prepare for treatment costs without knowing the infection rate. Mr. Borrowman said, in addition to the revised testing policy, the current medical directives stated that the department would only treat an inmate that was considered a level one with an AST-to-Platelet Ratio Index (APRI) score of 2.0 or greater, or under extraordinary conditions. Inmates considered a level two or three, which was less acute, did not qualify for treatment; however, the revised medical directive stated that all levels would receive treatment if there were adequate resources and provider capacity.

In answer to a question from Chair Carlton, Mr. Borrowman clarified that all inmates would be tested for hepatitis C during intake.

Chair Carlton asked how the department would cover the cost of testing. Mr. Borrowman replied that during intake, two vials of blood were taken to test for the human immunodeficiency virus (HIV) and other disease or health issues. The hepatitis C test would add a third vial of blood to the standard lab work. He said the cost of that test was approximately \$8, which would be paid for through the Inmate Driven category.

Chair Carlton asked whether the department or the Board of Prison Commissioners instituted the policy change. Mr. Borrowman replied that the policy change was medically-driven. He said there was some discussion with the Governor's Office. He said the Board of Prison Commissioners was aware of the change.

Chair Carlton asked if the Board of Prison Commissioners was alerted to the policy change after implementation. Mr. Borrowman confirmed that was correct.

Given the department's budgetary constraints, Chair Carlton asked why the agency was implementing hepatitis C virus testing and treatment policy changes now as opposed to waiting to request additional funding in its 2021-23 biennium budget request. Chair Carlton said she did not recall discussing the policy change during the 2019 Legislative Session. She said the NDOC could not continue adding to its shortfall without having a comprehensive conversation with the Legislature and the Department of Administration about how to resolve the issue.

Mr. Borrowman replied that the evolution of the treatment happened quickly. When the medication was first released, it cost approximately \$100,000 for the treatment; however, the current cost was about \$5,000 depending on the drug. The pharmaceutical industry was finding ways to make the medication more practical and available to the medical community. Additionally, not all medical providers recognized the medication when it was first released, because many providers wanted to learn about the efficacy of the drug, side effects, whether the drug was an adequate replacement for Interferon, and the impacts the drug had on hepatitis B and other contributing diseases. Finally, hepatitis C required specialized treatment, including imaging, specialists, and a number of supporting services, all of which were undeveloped for the agency request budget and through the budget cycle. Mr. Borrowman said, however, there appeared to be substantial development and reasonableness to begin providing treatment to inmates.

Assemblywoman Titus asked the current status of the Supreme Court's decision concerning mandatory testing. Mr. Borrowman replied that there were many national class-action lawsuits, all of which resulted in mandated testing by correctional facilities. He said some of the decisions were being appealed, but the current outcome required correctional facilities to test all new and existing inmates.

Assemblywoman Titus asked which tests were done upon intake. She said the state laboratory should provide services at a reasonable cost to the NDOC.

Theresa Wickham, Chief of Nursing Services, NDOC, replied that the department tested for tuberculosis, syphilis, HIV and hepatitis C upon intake. Additional testing specific to the patient may also be ordered, such as a hemoglobin A1C for an inmate with a history of diabetes. Ms. Wickham said the state laboratory and the private laboratory used by the department had comparable rates.

Assemblywoman Titus thought it was important to do testing at intake. She asked if the NDOC was obligated to treat preexisting conditions as well as diseases that transpired during incarceration. With regard to hepatitis C treatment, she asked if the department negotiated treatment costs.

Ms. Wickham said, if an inmate participated in a high-risk behavior, such as intravenous drug use or a “dirty” tattoo, while in the prison system, that would be considered a self-inflicted disease process. If the inmate became positive for hepatitis C after receiving a dirty tattoo, that inmate would be responsible for the cost of the treatment, which was considered an “AB389.”

Ms. Wickham said, if the county detention center already tested an inmate and provided the results in the intake paperwork, then the department would not retest the inmate. If it was within the first six months of a positive hepatitis C test, the NDOC would retest at the six-month mark, because the CDC indicated that 25 to 30 percent of people spontaneously clear the virus from their bodies without treatment.

Mr. Borrowman stated that the department was obligated to provide inmates with appropriate medical treatment for preexisting conditions. With regard to negotiated treatment costs, the NDOC was considering that option; however, the department currently had an established provider capacity that was not expected to change any time soon. Nonetheless, the department was trying to determine the best options, which would then be presented to the 2021 Legislature in an effort to increase resources for medical treatment. Mr. Borrowman said some states used a subscription model, which provided unlimited medication at a fixed rate for a set number of years. The NDOC would need to know the inmate infection rate as well as the community infection rate to determine if a subscription model would be beneficial for the state and partner agencies.

Senator Kieckhefer remarked that it was rare for the Committee to have an informational item indicating that a department was about to blow a \$6.0 million budget gap when it had struggled to balance its budget for a number of years.

Senator Kieckhefer remarked that the state had been sued numerous times over medical-related issues. He indicated that a class-action lawsuit related to hepatitis C was certified against the state on December 9, 2019. Senator Kieckhefer thought the department’s policy change was in response to that lawsuit, which would be useful information for the Committee.

Mr. Borrowman confirmed that the state had been sued over medical-related issues in the past and prevailed. The department believed the medical care provided to inmates was appropriate and consistent with community standards. As mentioned earlier, the community standard continued to evolve. He noted that the federal Board of Prisons also revised its policy. Mr. Borrowman said the department provided treatment based on Medicaid-approved treatment. Medicaid did not deny treatment to anyone who qualified and was eligible for the treatment.

Mr. Borrowman said a substantial number of lawsuits were filed against the department; therefore, the courts reassigned all of those lawsuits to a single judge for a quasi-class-action lawsuit against the NDOC. A formal class-action lawsuit was also filed, and the hearings were scheduled to begin in January 2020. Mr. Borrowman said the national trend for class-action lawsuits was generally found against departments that did not allow for treatment for all levels of acuity. He thought the class-action lawsuit and some of the other lawsuits probably reflected the evolution of medicine. Mr. Borrowman said the NDOC was trying to stay current and recognize changes.

Senator Kieckhefer thought a policy change to this degree and with significant budgetary impacts would typically be discussed during a legislative session if not for other pressures in place.

Assemblywoman Neal recalled extensive conversations during the 2019 Legislative Session about a hepatitis C outbreak. She said she was interested to know more about cost sharing. Assemblywoman Neal said she encouraged Richard Whitley, Director of DHHS, to negotiate reduced treatment costs with the pharmaceutical companies. Assemblywoman Neal agreed that the policy change should have been discussed during the 2019 Legislative Session.

Mr. Borrowman replied that the NDOC worked extensively with the DHHS. The agencies considered opportunities for improved costs, including the state laboratory versus the contract laboratory. He said the NDOC Medical Division had done an extraordinary job of trying to find the most competitive laboratory costs; however, the department continued to use the contract laboratory, because the costs were competitive. Mr. Borrowman said the NDOC was also working with DHHS to find funding sources. Unfortunately, Medicaid funding was not permissible for incarcerated individuals, so federal participation could not be used; therefore, the only funding option was General Funds and the payor source remained unmatched. Mr. Borrowman said the department was considering ways to make it more effective. He said the department was able to consider alternate sources when an extended hospital stay was necessary for treatment of certain medical issues.

Assemblywoman Neal inquired about the involvement of contract medical staff with regard to hepatitis C testing. Mr. Borrowman replied that the NDOC was in need of contract phlebotomists to perform hepatitis C testing for approximately 12,000 existing inmates that had not yet been tested. He said it was important to learn the infection rate as soon as possible to determine the best treatment process, which would be included in the agency budget request for the 2021-23 biennium. Mr. Borrowman said various phlebotomists would be contracted throughout the state to perform testing at the institutions. He stated that the phlebotomists would be temporary contract staff. The NDOC had not yet implemented this particular component of the testing, because the department was trying to develop a cost-effective solution. Mr. Borrowman said the department hoped to have all testing completed by February 2020.



Assemblywoman Neal said \$8.00 per test for about 12,000 inmates was approximately \$96,000. In addition, there would be a cost for the contract phlebotomists, who typically earned between \$12.00 and \$15.00 per hour. She thought it was important for the Committee to see a complete breakdown of the costs, and how those costs would be paid to ensure transparency on the part of the department.

Chair Carlton said, although there were a number of questions and concerns pertaining to the informational items, they were not actionable items. She reminded the Committee that the only actionable item was Agenda Item C-59.

Moving on to Agenda Item N-9d, Chair Carlton said the Nevada Supreme Court mandated changes to the inmate menu in July 2018; therefore, it should have been a topic of discussion during the 2019 Legislative Session. Although the NDOC did not know the exact financial impact of the new inmate menu during the legislative session, it still should have been discussed so that the Legislature was aware of a potential impact on the budget. Chair Carlton asked why the agency did not discuss the changes to inmate dietary standards and associated costs during the 2019 Legislative Session.

Mr. Borrowman noted that the NDOC was not included in the string of litigation supporting the change to the inmate menu. Instead, the law suit was against the DHHS Chief Medical Officer (CMO). He said the Nevada Supreme Court required the CMO to establish and publish nutritional guidelines, and provide that report to the Board of Prison Commissioners, and to also identify the deficiencies from that standard based on what the NDOC was providing as a nutritional menu.

Mr. Borrowman said, prior to the release of the CMO's nutritional guidelines, the NDOC drafted a variety of menus as well as the associated cost impact of each menu; however, the information was highly speculative. He noted that the nutritional standard was not provided to the Board of Prison Commissioners until March 2019. At that point, a menu had not been developed that could confidently speculate the cost impact. The department needed to review the new nutritional standard and evaluate how it created deficiencies in the current inmate menu, and what changes were necessary to meet the standard. Mr. Borrowman said there were many complexities involved. For example, not all healthy items were available or consistently available on the market, and the items that were available may not be cost effective. Additionally, the department had to consider logistics such as providing more or less hot/cold meals, and whether the necessary culinary equipment was available. Mr. Borrowman said, because of those complexities and the unknown fiscal impact, the inmate dietary changes were not included in the NDOC agency budget request.

Chair Carlton remarked that in the future, the Committee would have to openly ask the department about its involvement in specific lawsuits in an effort to obtain necessary information.

Moving to Agenda Item N-9a, Chair Carlton noted that the quarterly overtime report was not positive. She said there was a slight improvement, but overtime was still a significant issue for the NDOC. She noted that annual and military leave were primary contributors to overtime costs, for a total of \$1.6 million in the first quarter of FY 2020. Chair Carlton thought annual and military leave should be included in the relief factor. She was aware that medical and hospital visits/admissions were contributing factors to overtime costs, as was medical transport. Chair Carlton asked why overtime was increasing, and what steps were being taken to manage and control overtime costs statewide. She also restated her request for the post charts.

Mr. Wickham said he would ensure that the Committee received the current post charts by the following week. He apologized that the Committee had not received them in the past.

Mr. Wickham stated that the NDOC experienced a significant decrease in overtime in FY 2018 with the help of several initiatives; however, as previously indicated, those initiatives were unsustainable. In FY 2019, the department experienced a significant increase in overtime largely due to medical transportation and hospital guarding, as well as staff vacancies. Mr. Wickham said the department was aware of the rising overtime costs and was working to reduce those costs without compromising safety and security.

Continuing, Mr. Wickham said he recently issued a memorandum to all the wardens stating that any and all overtime must be approved and justified by the wardens. Additionally, the wardens must provide detailed overtime reports and justification to Mr. Wickham and fiscal services each pay period.

Mr. Wickham said the 2019 Legislature authorized the addition of 25 correctional officers for hospital guarding and medical transportation, for which the NDOC was grateful. The correctional officers were hired in October 2019 and completed their academies as of November 2019. He expected the department would begin to see a significant reduction in overtime with the addition of the 25 correctional officers.

Mr. Wickham said the NDOC Human Resources Division was analyzing staff retention to determine why the department was experiencing a high turnover rate. The average number of vacancies throughout the facilities was 22 to 25 percent; however, staff vacancies at Ely State Prison had decreased thanks to the 5 percent pay increase approved by the 2019 Legislature. Mr. Wickham said staff retention was particularly poor in the Las Vegas area, which was likely due to increased competition with local municipalities. He noted that some of the local municipalities paid the PERS contributions and the commute was significantly less for employees.

Mr. Wickham said the NDOC was seeking a vetted staffing analysis to determine how to utilize staff more effectively. Additionally, the department was considering whether it would be beneficial to relocate maximum custody inmates from Ely State Prison to an institution in Las Vegas. By doing so, the department could reduce the number of positions at Ely State Prison, which were extremely difficult to fill.

Mr. Wickham said the department wanted to continue providing evidence-based programming, education, vocational training, and substance abuse programs for inmates, because it reduced violence and provided tools for success upon release, which ultimately reduced recidivism rates and victimization in the community. Although programming was expensive, the results were highly beneficial for offenders and the community at large.

Chair Carlton said she was unaware that the department may relocate maximum security inmates. She asked where the inmates would be housed. Mr. Wickham replied that the change was still in the concept stage, but the proposed change would most likely be introduced to the 2021 Legislature. He said the NDOC was looking to relocate maximum security inmates to High Desert State Prison, because units 9 through 12 were separate from the main facility, making it ideal for a maximum security facility.

Chair Carlton thought the units at High Desert State Prison would need to be upgraded to securely house maximum custody inmates. She looked forward to having a discussion with the department after the concept was developed, but before the change was implemented.

Chair Carlton requested that the agency continue submitting quarterly overtime reports so that the Committee was aware of overtime costs and potential budgetary shortfalls. She was hopeful the 25 new correctional officers would help reduce overtime costs, which was currently about \$3.0 million. Chair Carlton noted that the NDOC would soon have additional competition in North Las Vegas that would most likely impact the department's turnover rate. She recommended that the department be proactive in that regard by conducting a training academy to fill vacancies.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM C-59.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

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

- 60. Department of Corrections - Correctional Programs - FY 2020** - Addition of \$482,289 in federal Title I-Part D (Subpart 1) - Youthful Offender Program grant funds transferred from the Department of Education, to assist the Nevada

Department of Education in providing continuing education and skills training to inmates. Requires Interim Finance approval since the amount added to the Youthful Offender grant category exceeds \$75,000. **Work Program #C49096**

Refer to motion for approval under Agenda Item C.

- 61. Department of Corrections - Offenders' Store Fund - FY 2020** - Transfer of \$100,918 from the Retained Earnings category to the Operating category to fund continued video visitation services for juvenile offenders and operational costs associated with video equipment deployed throughout the department. Requires Interim Finance approval since the amount added to the Operating category exceeds \$75,000. **Work Program #C49024**

Refer to motion for approval under Agenda Item C.

- 62. Department of Motor Vehicles - Motor Vehicle Pollution Control - FY 2020** - Transfer of \$1,305,959 from the Reserve category to the City/County Air Quality category to fund the distribution of funds in excess of \$1,000,000 to Clark and Washoe Counties. Requires Interim Finance approval since the amount transferred to the City/County Air Quality category exceeds \$75,000. **Work Program #C49219**

Refer to motion for approval under Agenda Item C.

- 63. Department of Public Safety - Investigation Division - FY 2020** - Addition of \$712,542 in federal State Homeland Security Program (SHSP) grant funds, transferred from the Division of Emergency Management (DEM) to support the Nevada Threat Analysis Center's. Requires Interim Finance approval since the amount added to the DEM 2010 SHSP grant category exceeds \$75,000. **Work Program #C49233**

This item was withdrawn on December 5, 2019.

- 64. Department of Public Safety - Investigation Division - FY 2020** - Addition of \$128,218 in federal Justice Assistance Grant (JAG) funds to support the ongoing mission and operations of the Narcotics Task Force. Requires Interim Finance approval since the amount added to the JAG Overtime/Travel category exceeds \$75,000. **Work Program #C49266**

Refer to motion for approval under Agenda Item C.

- 65. Department of Public Safety - Division of Emergency Management - FY 2020** - Addition of \$152,919 in federal Public Health Emergency Preparedness, Hospital Preparedness Program and Public Health Emergency Preparedness grant funds transferred from the Division of Public and Behavioral Health to align state Fiscal Year 2020 grant authority and continue planning, training and exercise support services for Nevada's Tribal Nations. Requires Interim Finance approval

since the amount added to the Tribal Support category exceeds \$75,000. **Work Program #C47671**

Refer to motion for approval under Agenda Item C.

- 66. Department of Public Safety - Division of Emergency Management - FY 2020 -** Addition of \$260,524 in federal State Homeland Security Grant Program funds transferred from the Division of Emergency Management to align state and federal authority and to continue support for the program goals associated with the Nevada Commission on Homeland Security and Resilience Advisory Committee, the Statewide Interoperability Coordinator and the Statewide Recovery Plan. Requires Interim Finance approval since the amount added to the State Homeland Security Grant Program category exceeds \$75,000. **Work Program #C48184**

Refer to motion for approval under Agenda Item C.

- 67. Department of Public Safety - Division of Emergency Management - FY 2020 -** Addition of \$170,280 in federal Homeland Security Grant Program (HSGP) grant funds transferred from the Division of Emergency Management to align state and federal authority and continue support for the planning and exercise requirements under the National Incident Management System programs. Requires Interim Finance approval since the amount added to the HSGP Exercise Support category exceeds \$75,000. **Work Program #C48096**

Refer to motion for approval under Agenda Item C.

- 68. Department of Public Safety - Central Repository for Nevada Records of Criminal History - FY 2020 -** Addition of \$110,824 in federal National Criminal History Improvement Program (NCHIP) grant funds transferred from the Criminal Justice Assistance Account to support the upgrade of Livescan equipment and Protection Order Interface development for 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 #C49078**

Refer to motion for approval under Agenda Item C.

- 69. Department of Public Safety - Fire Marshal - FY 2020 -** Addition of \$70,519 in Plan Review Fee revenue to support a higher than projected plan review workload. Requires Interim Finance approval since the cumulative amount added to the Plan Review category exceeds \$75,000. **Work Program #C49260**

Refer to motion for approval under Agenda Item C.

- 70. Department of Public Safety - Fire Marshal - FY 2020 -** Addition of \$347,827 in Federal Emergency Management Agency (FEMA) - Assistance to Firefighters Grant (AFG) funds, \$26,086 in Hazardous Waste Management fees transferred from

Nevada Department of Environmental Protection, and \$26,087 in Hazardous Material Fees transferred from the State Emergency Response Commission to fund the construction of a mobile fire investigation training system in support of the agency's Simulated Fire Prop Training program. Requires Interim Finance approval since the amount added to the FEMA - AFG grant category exceeds \$75,000. **Work Program #C49263**

Refer to motion for approval under Agenda Item C.

- 71. Department of Public Safety - Justice Assistance Act - FY 2020** - Addition of \$326,430 in federal Residential Substance Abuse Treatment (RSAT) grant funds, \$399,000 in federal Support for Adam Walsh Act grant funds, \$272,275 in federal Forensic Science Improvement grant funds, \$117,718 in National Criminal History Improvement Program grant funds, and \$32,892 in federal National Incident Crime Statistics - Record Improvement Program grant funds to align state and federal budget authority and continue pass-through funding to subrecipients for new and ongoing federal projects. Requires Interim Finance approval since the amount added to the RSAT Aftercare - Federal Portion category exceeds \$75,000. **Work Program #C49156**

Refer to motion for approval under Agenda Item C.

- 72. Department of Public Safety - Justice Assistance Grant Trust Account - FY 2020** - Addition of \$32,780 in federal Justice Assistance Grant funds to align state and federal budget authority to continue funding control, reduce or prevent crime. Requires Interim Finance approval since the cumulative amount added to the Justice Assistance Grant category exceeds \$75,000. **Work Program #C49158**

Refer to motion for approval under Agenda Item C.

- 73. Department of Conservation and Natural Resources - Forestry Division - Fire Suppression - FY 2020** - Addition of \$3,137,530 in Prior Year Refunds and \$118,668 in Fire Equipment Reimbursements to support costs associated with fire and emergency activities from previous fiscal years. Requires Interim Finance approval since the amount added to the Prior Year Claims category exceeds \$75,000. **Work Program #C48948**

Refer to motion for approval under Agenda Item C.

- 74. Department of Conservation and Natural Resources - Nevada Natural Heritage - FY 2020** - Addition of \$193,672 in federal Environmental Protection Agency (EPA) grant funds to further develop Nevada's state wetland program. Requires Interim Finance approval since the amount added to the U.S. EPA grant category exceeds \$75,000. **Work Program #C49077**

Refer to motion for approval under Agenda Item C.

- 75. Department of Conservation and Natural Resources - Environmental Protection - Air Quality - FY 2020** - Addition of \$252,000 in United Nations Foundation grant funds to support Nevada's efforts to address climate change as a member of the United States Climate Alliance. Requires Interim Finance approval since the amount added to the United States Climate Alliance category exceeds \$75,000. **Work Program #C49356**

Brad Crowell, Director, Department of Conservation and Natural Resources (DCNR), introduced Greg Lovato, Administrator, Division of Environmental Protection (DEP), DCNR, and Kelly Williams, Administrative Services Officer, DCNR.

Mr. Crowell said Work Program #C49356 was a request to accept grant funds, which would allow the division to increase personnel capacity with the addition of a contract position. The request would fund efforts to identify and assess policies that could achieve designated greenhouse gas emission reductions and fulfill requirements of Senate Bill (S.B.) 254 (2019 Legislative Session), and support the goals of a recent executive order signed by Governor Sisolak. In terms of resources, the contract position was only the first step in achieving those goals, but it was an important step. The United Nations Foundation grant was a two-year grant in support of the U.S. Climate Alliance, of which Nevada was one of its newest members as of March 2019. Mr. Crowell said the grant would allow the division to begin its climate work; however, the DEP would require additional resources in the future.

Senator Brooks asked if the DEP anticipated the need for additional resources, and how the division planned to support ongoing costs and responsibilities associated with the requirements of S.B. 254 and with the signing of Executive Order 2019-22.

Mr. Crowell said the division was still trying to determine its resource needs. The first annual report required under S.B. 254 was an inventory of greenhouse gas emissions and a summary of potential policies to address emissions in Nevada. The report was due by the end of December 2019. He said existing staff resources would be used to compile the report, which would increase staff workload. Mr. Crowell said a second report, a state climate strategy report due in 2020, would involve a heavier workload and would be more fulsome. Executive Order 2019-22 required the DEP to draft the report, which would complement the S.B. 254 greenhouse gas report. It would also be used by the division as a strategic roadmap for budget and policy priorities.

In answer to a question from Senator Brooks, Mr. Crowell replied that the DEP would refine its resource needs over the next six to nine months going into the next budget development process and the 2021 Legislative Session. He was hopeful that the division's resources would be sufficient until the beginning of FY 2022. He indicated that Nevada's climate change objectives would require significant work on the part

of the DEP. In order to meet those objectives, the division may require additional staff resources. Mr. Crowell said he would keep the Committee apprised of the division's developing resource needs.

SENATOR BROOKS MOVED TO APPROVE AGENDA ITEM C-75.

ASSEMBLYMAN WATTS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 76. Department of Conservation and Natural Resources - Environmental Protection - Materials Management and Corrective Action - FY 2020** - Addition of \$31,860 in Federal Facility Agreement and Consent Order fee funds to replace an existing vehicle support to environmental regulations compliance activities. Requires Interim Finance approval since the amount added to the Department of Energy Fees category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C48903**

Refer to motion for approval under Agenda Item C.

- 77. Department of Conservation and Natural Resources - Environmental Protection - Materials Management and Corrective Action - FY 2020** - Addition of \$267,955 in federal Solid Waste Management grant funds to develop and implement a diversion, reduction, and disposal plan to manage household hazardous waste. Requires Interim Finance approval since the amount added to the U.S. Department of Agriculture grant category exceeds \$75,000. **Work Program #C48966**

Refer to motion for approval under Agenda Item C.

- 78. Department of Conservation and Natural Resources - Environmental Protection - Safe Drinking Water Program - FY 2020** - Addition of \$260,000 in federal Water Improvements for the Nation (WIIN) Act grant funds to provide testing for lead in drinking water at schools and child care facilities. Requires Interim Finance approval since the amount added to the Federal Environmental Protection Agency WIIN grant category exceeds \$75,000. **Work Program #C49033**

Refer to motion for approval under Agenda Item C.

- 79. Department of Wildlife - Conservation Education - FY 2020** - Addition of \$81,000 in Sportsmen Revenue fees transferred from the Wildlife Fund Account to support publication costs of the annual hunting and fishing guides. Requires Interim Finance approval since the amount added to the Publications category exceeds \$75,000. **Work Program #C49132**

Refer to motion for approval under Agenda Item C.



- 80. Department of Wildlife - Fisheries Management - FY 2020** - Addition of \$213,258 in federal National Park Service Conservation, Protection, Outreach, and Education Program grant funds to purchase three new vehicles and decontamination stations equipment for the aquatic invasive species inspection program at Lake Mead National Recreation Area. Requires Interim Finance approval since the amount added to the Equipment category exceeds \$75,000. **Work Program #C47890**

Refer to motion for approval under Agenda Item C.

- 81. Office of the Military - FY 2020** - Addition of \$313,934 in federal Department of Defense funds to fund the addition of five new positions to support the National Guard Bureau's request for additional security services for the National Guard Air Base in Reno. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **Work Program #C49201**

Refer to motion for approval under Agenda Item C.

- 82. Office of the Military - FY 2020** - Addition of \$92,359 in Department of Defense funds to fund the addition of seven new Family Support Services positions to address a new National Guard Bureau requirement for the transfer of the National Guard Bureau's Family Support Services Program from the federal level of administration to the state level of administration. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **Work Program #C49174**

Refer to motion for approval under Agenda Item C.

- 83. Office of the Attorney General - State Settlements - FY 2020** - Addition of \$500,000 in Wells Fargo Settlement Income funds 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. RECEIVED AFTER SUBMITTAL DEADLINE, 11-22-19.**

Chair Carlton said there was an extensive discussion about Work Program #C48547 during the October 24, 2019, IFC meeting. She said the Office of the Attorney General made a significant change to the original request. The new work program proposed the establishment of a grant program for first responders to apply for funding to purchase ballistic personal protection equipment. She noted that agencies in need of the equipment would be required to apply for funding.

Chair Carlton thanked Attorney General Ford for meeting with her to discuss how this type of situation would be managed in the future so that funds were disbursed to the appropriate agencies in the appropriate fashion.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM C-83.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- 84. Office of the Attorney General - State Settlements - FY 2020** - Addition of \$5,000,000 in Wells Fargo Settlement Income funds to establish a new grant and provide subgrant funding to law enforcement agencies and local nonprofit organizations that provide mental health crisis response programs and Mobile Outreach Safety Teams (MOST). Requires Interim Finance approval since the amount added to the MOST funding category exceeds \$75,000. **Work Program #C49293. RECEIVED AFTER SUBMITTAL DEADLINE, 11-22-19.**

This item was withdrawn on December 6, 2019

- 85. Department of Education - Safe and Respectful Learning - FY 2020** - Addition of \$24,999 in federal Now is the Time Initiative grant funds to provide for final grant expenditures relating to increasing awareness of mental health issues among school aged youth, providing training to school personnel and adults, and connecting families with appropriate services. Requires Interim Finance approval since the cumulative amount added to the Now is the Time Initiative category exceeds \$75,000. **Work Program #C49469. RECEIVED AFTER SUBMITTAL DEADLINE, 11-22-19.**

Refer to motion for approval under Agenda Item C.

- 86. Department of Health and Human Services - Health Care Financing and Policy - Administration - FY 2020** - Addition of \$247,500 in Healthy Nevada funds transferred from the Treasurer's Office to fund a statewide health care study of Medicaid eligible clients. Requires Interim Finance approval since the amount added to the Health Care Study category exceeds \$75,000. **Work Program #C49425. RECEIVED AFTER SUBMITTAL DEADLINE, 11-22-19. WITHDRAWN 12-3-19.**

- 87. Department of Corrections - Offenders' Store Fund - FY 2020** - Transfer of \$87,401 from the Retained Earnings category to the Transfer to Inmate Welfare Account (IWA) category to fund the addition of three new positions and associated costs to support the expansion/implementation of e-filing capabilities and operations at Ely State Prison and High Desert State Prison. Requires Interim Finance approval since the amount transferred to the Transfer to IWA category exceeds \$75,000. **Work Program #C49448. RECEIVED AFTER SUBMITTAL DEADLINE, 11-22-19.**

Refer to motion for approval under Agenda Item C.

- 88. Office of the Military - FY 2021** - Addition of \$83,609 in Department of Defense funds to cover the cost of a new position for the new Army National Guard Training Support System Program. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **Work Program #C49483. RECEIVED AFTER SUBMITTAL DEADLINE, 11-22-19. RELATES TO AGENDA ITEM N. 13.**

Refer to motion for approval under Agenda Item C.

## **RECLASSIFICATIONS**

Refer to motion for approval under Agenda Item C.

<b>AGENCY</b>	<b>AGENCY/ ACCOUNT NUMBER</b>	<b>POSITION NUMBER</b>	<b>PRESENT CLASS, CODE, GRADE &amp; SALARY</b>	<b>PROPOSED CLASS, CODE, GRADE &amp; SALARY</b>
Secretary of State, Commercial Recordings	040/1050	0006	Administrative Assistant 2 Code: 2.212 Grade: 25/01 Employee/Employer Paid Retirement \$33,971.76	Business Process Analyst 1 Code: 7.657 Grade 34/07 Employee/Employer Paid Retirement \$63,746.64
Department of Administration, State Library and Archives	332/1052	0007	Program Officer 3 Code: 7.643 Grade 35/01 Employee/Employer Paid Retirement \$51,281.28	Records Analyst 2 Code: 4.210 Grade 33/01 Employee/Employer Paid Retirement \$47,188.80

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

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, LCB, referred to the Statement of Contingency Account Balance located on page 5 in Volume III of the meeting packet ([Exhibit C](#)). She said the balance of the unrestricted General Fund was currently \$27.7 million. There were three requests before the Committee totaling \$861,000. If the requests were approved, the balance would be reduced to approximately \$26.8 million. The balance of the Highway Fund was \$1.6 million with no requests before the Committee. There were three requests before the Committee for funds from the restricted General Fund. The details of those tranches were located on pages 11, 12 and 13 in Volume III of the meeting packet ([Exhibit C](#)). The first request was from the National Atomic Testing Museum for \$55,000 of the \$1.0 million set aside; the second request was for the Leaderverse Initiative for \$500,000; and the third request was from the Office of Grant Procurement, Coordination and Management for \$1.0 million.

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

1. Department of Education – Educator Effectiveness – Request for an allocation of \$175,000 to complete an impact and validity study of the statewide performance evaluation system pursuant to Senate Bill 475 (2019 Legislature).

Heidi Haartz, Deputy Superintendent for Business and Support Services, NDE, said the department was requesting \$175,000 from the IFC Contingency Account to hire a contractor to conduct the impact and validity study of the statewide performance evaluation system for teachers and administrators as required in S.B. 475 (2019 Legislative Session) and prepare the corresponding report due to the Legislature by July 1, 2020.

Senator Woodhouse asked the department to provide the projected timeline to complete the impact and validity study of the Nevada Educator Performance Framework. Ms. Haartz replied that the department would begin working with the Purchasing Division to draft and release a solicitation document contingent upon approval of the funds.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM E-1.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

2. Department of Education – Request for an allocation of \$342,179 to replenish the Contingency Account for Special Education Services created by NRS 388.5243.

Ms. Haartz said the department was requesting \$342,179 to replenish the Contingency Account for Special Education Services to maintain the balance of \$2.0 million.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM E-2.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

3. Department of Public Safety – Division of Emergency Management – Request for an allocation of \$343,908 to cover projected costs associated with providing security during the upcoming New Year's Eve activities in Clark County.

Chair Carlton recalled a significant discussion in 2018 concerning the state's portion of funding for the New Year's Eve activities in Clark County. She was glad the funds would support the Nevada National Guard, and that the National Guard would provide security in Clark County for New Year's Eve.

Justin Luna, Chief, Division of Emergency Management (DEM), Department of Public Safety (DPS), said the division collaborated with statewide partners to coordinate resources during emergency situations. The division submitted the current request based on a need identified by Clark County to support efforts to provide public safety and security for the New Year's Eve event in Las Vegas. The Nevada National Guard would provide personnel and equipment to supplement the county's security plan for the event. Mr. Luna noted that representatives from the local agencies as well as the National Guard were available for questions.

Assemblywoman Titus thanked the National Guard for keeping Nevada safe. She asked why funding for New Year's Eve security in Clark County was not included in the division's budget since it was an annual event.

Mr. Luna replied that mission-related expenses such as this were not typically included in the budget; however, the division would follow up with the Governor's Finance Office to discuss possible ways to budget for mission-related expenses in the future, especially expenses that occurred annually. Assemblywoman Titus said she would like to receive follow-up information.

Chair Carlton recalled similar suggestions in the past regarding budgeting for mission-related expenses. She said it was important for people to feel safe in Las Vegas on New Year's Eve.

Chair Carlton said she understood that Clark County had not demonstrated a financial need to fund the deployment of the Nevada National Guard. She asked if the state could request that Clark County fund a portion of the costs.

Mr. Luna replied that Clark County submitted a letter of request certifying that physical and financial resources had been exhausted at the local level and requesting additional assistance for personnel and resources from the Nevada National Guard. Mr. Luna noted that Clark County representatives were available to provide additional details.

John Steinbeck, Deputy Fire Chief, Clark County Fire Department, and Emergency Manager for Clark County, said he sent the request for assistance from the Nevada National Guard to the DEM. He said the county had expended

all of its local resources. Mr. Steinbeck said the New Year's Eve activities in Las Vegas were rated as a Special Event Assessment Rating (SEAR) 2 event. He said Clark County depended on state and federal assets to assist with security planning and preparation, because the county did not budget for those events.

Chair Carlton said, over the last couple of years, it had fallen on the state to provide funding for security for the New Year's Eve event in Las Vegas. She understood that the funding would support the Nevada National Guard; however, the Committee was charged with determining whether there was a true financial need.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM E-3.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- F. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SENATE BILL 528, SECTION 6 (2019 Legislature) (Note: IFC may approve a different amount for an allocation than the amount requested). Department of Administration – Office of Grant Procurement, Coordination and Management** – Request for an allocation of \$1,000,000 for implementation of the pilot program created by Assembly Bill 489, Section 2 (2019 Legislature).

JoVon Sotak, Administrator, Office of Grant Procurement, Coordination and Management (Grants Office), Department of Administration, said the Grant Matching Fund pilot program created by A.B. 489 (2019 Legislative Session) was an outcome of a recommendation from the Nevada Advisory Council on Federal Assistance. The goal of the program was to reduce applicant organizations from passing on grant opportunities with match requirements, and thereby increasing grant funding in Nevada. Per S.B. 528 (2019 Legislative Session), the \$1.0 million appropriated to the Grant Matching Fund pilot program could only be allocated by the IFC when the Grants Office submitted documentation that the pilot program had met the requirements of Sections 2, 3 and 4 of A.B. 489.

Ms. Sotak said the business plan submitted in October 2019 provided high-level details regarding the overall pilot program and how the requirements of the bill were met. She said the business plan would continue to evolve as the Grants Office engaged stakeholders throughout the pilot program.

Assemblywoman Monroe-Moreno thanked the agency for submitting a detailed business plan. She indicated that a number of agencies were unable to receive grants in the past, because Nevada did not have a grant match program. She was hopeful the pilot program

would allow those agencies to begin receiving grants. Assemblywoman Monroe-Moreno asked if the database of grant seekers included state agencies, local governments, tribal governments and nonprofit organizations as A.B. 489 and how the Grants Office would process applications for grant matching funds.

Ms. Sotak confirmed that the database included all of the aforementioned organization types. Additionally, those various stakeholder groups were included in the stakeholder engagement conducted by the Grants Office since July 2019. In terms of the application process, the application would be available on the Grants Office website. Ms. Sotak said the application process would be communicated through the Grants Office website, database of contacts, Nevada stakeholder listserv, as well as partner organizations that would alert organizations throughout Nevada about the program.

Assemblywoman Monroe-Moreno asked who the Grants Office would target to establish the pool of review team members, and how the pool would be assembled. She also asked if the pool would be diverse.

Ms. Sotak replied that the Grants Office contacted the Grant Professional Association of Nevada and several other organizations, including Southern Nevada Strong, the grant workgroup in Southern Nevada and an important partner for the Grants Office, as well as the Northern Nevada grants workgroup. She said stakeholder meetings were conducted to solicit committee members and input on the program. The office also established a listserv specific to the review committee to alert people of the opportunity, as well as the state grants workgroup, which was a working group comprised of state grant professionals. Ms. Sotak said, in terms of diversity, the Grants Office was performing outreach in various rural communities as well as tribal governments and the Inter-Tribal Council of Nevada. Additionally, the Grants Office had assembled a list of individuals who expressed interest in participating as review committee members. She said the office would follow up with those individuals in the coming week. Ms. Sotak said the agency was striving to assemble a committee that was geographically and organizationally diverse.

Assemblywoman Monroe-Moreno said the review team would represent a subset of grant experts from Nevada, and would be selected by the program manager. She said it appeared that the program manager would rely on self-reporting from members of the review team regarding conflicts of interest. Assemblywoman Monroe-Moreno asked how the Grants Office would provide guidance to review team members as to what it regarded as a conflict of interest.

Ms. Sotak replied that the program manager would not be a member of the review committee. She noted that the program manager would not be responsible for scoring and evaluating applications. Likewise, Grants Office staff would not score and evaluate applications, because Grants Office staff would provide assistance to applicants in terms of reviewing and editing grant proposals. Ms. Sotak said review committee members would be subject to a conflict of interest agreement consistent with current state grant policy.

Assemblywoman Monroe-Moreno asked if the business plan should be revised to clarify that local governments, tribal governments, and nonprofit entities must receive authorization from the IFC prior to the transfer of money from the Grant Matching Fund.

Ms. Sotak replied that the business plan would continue to evolve. She explained that after a Grant Matching Fund application was approved and the federal non-governmental grant proposal was submitted, the Grants Office would seek authorization of matching funds from the IFC for any non-governmental grant exceeding \$20,000 or any federal grant exceeding \$150,000. Additionally, state agencies that applied to the program for matching awards and were awarded a federal or non-governmental grant, may need to request approval from the IFC to accept the federal or non-governmental grant and the matching fund award. Therefore, requests from the Grants Office and the awarded state agency may be heard by the IFC at the same meeting.

Chair Carlton said she wanted to ensure that organizations would be made aware of the requirement to receive IFC approval prior to the transfer of funds. Ms. Sotak confirmed that was correct. She said any non-governmental grant greater than \$20,000 or federal grant greater than \$150,000, regardless of organization type, was required to request approval from the IFC per statute. However, a grant match application from a private foundation of \$15,000 would not require IFC approval.

In response to a question from Chair Carlton, Ms. Sotak replied that the only match provided by the program was a cash match. If an agency was applying to a federal or non-governmental organization that required an in-kind match or cash match, the Grants Office would ensure that the applicant had exhausted all other avenues of match, as the Grant Matching Fund was a fund of last resort.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO APPROVE  
AGENDA ITEM F.

SENATOR PARKS SECONDED THE MOTION.

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

**G. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SENATE BILL 501, SECTION 3 (2019 Legislature) (Note: IFC may approve a different amount for an allocation than the amount requested). International Gaming Institute of the William F. Harrah College of Hotel Administration of the University of Nevada, Las Vegas – Request for an allocation of \$500,000 for the Leaderverse Initiative to increase the diversity of leaders in the gaming industry.**

Andrew Clinger, Chief Financial Officer, Nevada System of Higher Education (NSHE), said the agency was requesting \$500,000 for the International Gaming Institute pursuant



to S.B. 501, Section 3 (2019 Legislative Session). The allocation was contingent upon the agency securing the required matching gift funds, which the agency had done.

Chair Carlton confirmed that the matching funds were secured from one of the resorts in Las Vegas per backup documentation provided by the agency.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM G.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**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 \$55,000 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) and the Nevada Test Site Historical Foundation (NTSHF), thanked the Committee for its recent approval of \$250,000. He stated that the funds were used to hire consulting services to assist with the relocation of the museum.

Linda Rakow, Executive Secretary and Trustee, NTSHF, spoke on behalf of the NTSHF. She said the NTSHF was requesting an additional \$55,000 from the S.B. 501, Section 1 set aside. The additional funds would continue to support planning and site selection expenses for the relocation of the NATM to downtown Las Vegas.

Ms. Rakow said the agency had made significant progress since the October 2019 IFC meeting. The location had been narrowed to two prospective parcels in Symphony Park. With the assistance of several expert museum design consultants, the master interpretive plan was in its final stages and expected to be complete in early 2020. In addition, Jeremy Aguero of Applied Analysis was retained to assist with the development of the budget and plan operating proforma analysis benchmarking visitor profiles and surveys in economic impact analysis. Ms. Rakow reiterated that the additional funds would continue to cover costs associated with site analysis, financial and economic analysis, exhibit planning, prospective building designs and redevelopment expenses. She said, with the help of the Committee, the future of the NATM was very bright.

Cree Zischke, Director of Strategic Initiatives, NATM, said it had been a joy working with staff in presenting the current request. She thanked the Committee for its support and excellent staff.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM H.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- I. REQUEST FOR APPROVAL OF TRANSFER FROM THE INTERIM FINANCE COMMITTEE'S ACCOUNT FOR FORECLOSURE MEDIATION ASSISTANCE PURSUANT TO NRS 107.080** – Request for the transfer of \$235,599 from the Account to Home Means Nevada, Inc. for support of the program for foreclosure mediation.

Shannon Chambers, President, Homes Means Nevada, Inc., said Home Means Nevada was a nonprofit agency within the Department of Business and Industry. The agency was requesting the transfer of \$235,599 from the Account for Foreclosure Mediation Assistance to Home Means Nevada to fund operations through June 30, 2020.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM I.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- J. REQUEST FOR APPROVAL OF EXPENDITURES FROM THE FUND FOR NEW CONSTRUCTION OF FACILITIES FOR PRISON INDUSTRIES PURSUANT TO NRS 209.192 (Note: IFC may approve a different amount of the expenditure than the amount requested). Department of Corrections – Prison Industries** – Request for an allocation of \$184,720 to cover the cost of new and replacement equipment for the expansion of the prison ranch operations.

Bill Quenga, Deputy Director, Industrial Programs, NDOC, introduced Justin Pope, Ranch Operations Manager, NDOC. Mr. Quenga said Prison Industries was requesting \$184,720 from the Fund for New Construction of Facilities for Prison Industries to purchase equipment to enhance prison ranch operations to provide inmates with marketable skills, and develop and produce quality products. Also, employing more inmates within Prison Industries reduced the cost of incarceration, because the agency received deductions for room and board, the Victims of Crime fund and the Fund for New Construction of Facilities for Prison Industries.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM J.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- K. REQUEST FOR APPROVAL TO ACCEPT GIFTS AND GRANTS PURSUANT TO NRS 353.335 – Department of Education** – Request for approval to accept the donation of \$7,500,000 from Tesla, Inc. to support the initiative for Robotics: Science, Technology, Engineering, and Math (STEM) and sustainability education programs.

Heidi Haartz, Deputy Superintendent for Business and Support Services, NDE, said as part of the 2014 agreement to locate the Tesla Gigafactory in Nevada, Tesla made a commitment to invest a total of \$37.5 million into the Nevada K-12 education system over the course of five years. In FY 2019, Tesla made a donation totaling \$7.5 million. The department was requesting authority to accept the second donation of \$7.5 million.

Chair Carlton asked the department to provide a breakdown of the disbursement of the first donation. Ms. Haartz said information for FY 2019 would be provided to the Committee. She noted that information pertaining to FY 2020 would be provided to the Committee as it was received by the department.

Chair Carlton said it was important to know exactly how the funds were disbursed, especially if it impacted one of the communities represented by Committee members. She said it was good to know that the funds were at work in the state.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA  
ITEM K.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

- L. ECONOMIC FORUM** – Report required pursuant to NRS 353.228(1)(f) regarding the Economic Forum meeting conducted on December 10, 2019.  
INFORMATIONAL ONLY.

Russell Guindon, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, and staff to the Economic Forum, said based on 2011 legislation, the Economic Forum was required to hold a meeting on or before December 10 of odd-numbered years and June 10 of even-numbered years, and provide a report of its interim meetings to the IFC. Economic Forum Chairwoman Linda Rosenthal was not available due to a scheduling conflict, so she directed Mr. Guindon to present the report to the IFC.

Mr. Guindon provided three handouts to the Committee: 1) *General Fund Revenues – Economic Forum May 1, 2019, Forecast* ([Exhibit D](#)); 2) *FY 2019 General Fund Revenue: Actual Versus Forecast Comparison* ([Exhibit E](#)); and 3) *State General Fund Revenues: FY 2019 Actual and FY 2020 Forecast before tax credits* ([Exhibit F](#)).

Referring to the handout *General Fund Revenues – Economic Forum May 1, 2019, Forecast* ([Exhibit D](#)), which showed the Economic Forum's required May 1, 2019, forecast

adjusted for legislative actions approved by the 2019 Legislature, Mr. Guindon explained that the Economic Forum was required to base its forecast on current law. The table accounted for any actions passed by the Legislature that were effective after the May 1 forecast.

Mr. Guindon noted on Table 2 (page 14, [Exhibit D](#)), under Adjustments to Revenue, there were five items relating to an impact on revenue from the sales tax with one being the State 2 Percent Sales Tax and the other four labeled “Sales & Use Tax: General Fund Commission,” due to the passage of A.B. 445 (2019 Legislative Session), otherwise referred to as the “Marketplace Facilitator Bill.” The bill was passed in addition to a regulation put in place October 1, 2018, by the Department of Taxation to effectuate the U.S. Supreme Court decision concerning *South Dakota v. Wayfair, Inc.* Assembly Bill 445 requires marketplace facilitator websites such as eBay, Etsy and Amazon to collect and remit sales tax for third-party retailers that were selling tangible personal property to Nevadans. He noted A.B. 445 became effective October 1, 2019. The first month of collections would be reported in December 2019 for the month of October 2019. The estimated revenue impact from that legislative action on the revenue from the State 2 Percent Sales Tax rate was approximately \$16.5 million in FY 2020 and \$22.0 million in FY 2021. He noted the FY 2020 estimate was based on three-quarters of a fiscal year.

Moving to the Adjustments to Revenue Due to Flat Fees – Restricted Slots and Non-Restricted Slots (page 14, [Exhibit D](#)), Mr. Guindon said the Committee members may recall that \$2.00 of the slot fees had been dedicated to the Problem Gambling program account. During the Great Recession, that amount was changed from \$2.00 to \$1.00, then back to \$2.00. In 2019, the Legislature took action to eliminate the \$2.00 earmark from the quarterly restricted fees. He noted that the Problem Gambling program was now funded with General Fund appropriations.

Mr. Guindon noted there was no estimate for the Cigarette Tax legislative adjustment item (page 14, [Exhibit D](#)), because the effect of imposing additional fees on cigarette and other tobacco products (OTP) wholesalers, retailers and manufacturers, and dedicating the proceeds from those fees to the agency budget versus the General Fund was expected to be less than \$10,000. Although there was no revenue estimate in the table, it was listed because it was a legislative action that affected General Fund revenues.

Moving to page 15 ([Exhibit D](#)), Mr. Guindon said S.B. 551 revoked the scheduled reduction in the Modified Business Tax (MBT) tax rates due to legislation approved during the 2015 Legislative Session requiring a rate reduction calculation. The Economic Forum was required to build its forecast based on the rate reduction occurring, but the passage of S.B. 551 increased the amount of MBT revenue expected in FY 2020 and FY 2021, and beyond. The estimate for the MBT – Nonfinancial, Financial and Mining components combined was approximately \$48.2 million for FY 2020, and approximately \$50.0 million for FY 2021.

Mr. Guindon said the Governmental Services Tax (GST) (page 15, [Exhibit D](#)) was established in 2009, and the amount of the GST distributed to the General Fund and the Highway Fund varied based on actions approved by the Legislature. For the 2017-19 biennium, 25 percent was supposed to go to the General Fund and 75 percent to the Highway Fund based on legislation from the 2017 Legislative Session; however, the two-year sunset was removed in S.B. 541 from the 2019 Legislative Session. Based on S.B. 541, 25 percent of the GST proceeds from the 2009 legislative action are permanently dedicated to the General Fund and 75 percent to the Highway Fund beginning in FY 2020.

Moving to the bottom of page 15 ([Exhibit D](#)), Mr. Guindon said Other Tobacco Tax was the estimated revenue from the passage of S.B. 263, otherwise known as the “Vaping Tax.” The estimate for the Other Tobacco Tax forecast was modified to include revenue from alternative nicotine products and vapor products. He explained that the FY 2020 estimate was lower than the FY 2021 estimate, because the January 1, 2020, effective date meant there were only six months of collections in FY 2020.

Moving on to the topic of tax credits (page 17, [Exhibit D](#)), Mr. Guindon noted the creation of various tax credit programs meant that less General Fund revenue resources would be available.

Mr. Guindon explained that the passage of A.B. 446 from the 2019 Legislative Session created another cycle of the original Nevada New Markets Jobs Act Tax Credit Program established during the 2013 Legislative Session. An additional \$116.0 million in tax credits would be authorized for the program, but the tax credits would not be effective until July 1, 2021, per A.B. 446. He explained that there was no adjustment for this tax credit program, because the tax credits could not be taken until FY 2022, even though the program would be up and running, and credits could be earned and awarded prior to that date. Mr. Guindon said the program would be worth about \$25.0 million a year in tax credits beginning in FY 2022. For the next forecast cycle, the Economic Forum would consider that as tax credit that would be subtracted from General Fund resources for the 2021-23 biennium.

Moving to the Nevada Educational Choice Scholarship Tax Credit Program (page 17, [Exhibit D](#)), Mr. Guindon explained A.B. 458 of the 2019 Legislative Session eliminated the 10 percent escalator requirement in this program as originally approved during the 2015 Legislative Session. The passage of S.B. 551 included an additional authorization of \$4.745 million each year for FY 2020 and FY 2021 for this program. He noted, increasing tax credits resulted in negative revenue and decreasing tax credits resulted in positive revenue. Reducing the net amount of tax credits resulted in an increase of General Fund resources of about \$2.2 million in FY 2020 and \$4.75 million for FY 2020.

Mr. Guindon said the Affordable Housing Transferrable Tax Credit Program was created through the passage of S.B. 448 (2019 Legislative Session). The four-year pilot program was authorized for a total of \$40.0 million in tax credits. The program regulations could be established earlier, but the rest of the provisions would not become effective until

January 1, 2020. Tax credits were not expected to be taken from this program until FY 2021. He noted that forecasters were generally cautious in regard to tax credit programs by putting the potential maximum amount of tax credits on the revenue forecast sheets. The FY 2021 forecast for the Affordable Housing Transferrable Tax Credit Program indicated a reduction in revenue of \$10.0 million.

Mr. Guindon said the revenues listed on page 18 ([Exhibit D](#)) did not impact General Fund resources, but did impact resources in the Distributive School Account (DSA). The amount in the Local School Support Tax (LSST) column was attributable to the passage of A.B. 445 (2019 Legislative Session), which would increase State 2 Percent Sales Tax collections, and also proportionately increase collections for the 2.6 percent rate for the LSST.

Mr. Guindon said proceeds from the State 3 Percent Room Tax were transferred from the State Supplemental School Support Fund to the DSA for the 2019-21 biennium as required by S.B. 555 (2019 Legislative Session). Beginning in FY 2022, the proceeds from the State 3 Percent Room Tax would remain in the State Supplemental School Support Fund and would be used to provide funding for K-12 education as intended under Initiative Petition 1, under the provisions in S.B. 555.

Mr. Guindon said, as recommend by the Governor and approved by the 2017 Legislature, the 10 percent Retail Marijuana Excise Tax was dedicated to the Rainy Day Fund. Senate Bill 545 (2019 Legislative Session) now required the proceeds of the 10 percent Retail Marijuana Excise Tax to be dedicated to the DSA to provide funding for K-12 education for the 2019-21 biennium.

Mr. Guindon said the Wholesale Marijuana Excise Tax resulted in a negative adjustment, because proceeds must first be dedicated to funding administrative costs, then \$5.0 million was authorized for local governments. Any excess revenue after those authorized costs would go to the DSA. Assembly Bill 533 (2019 Legislative Session) created the Cannabis Compliance Board (CCB), which increased administrative costs, thereby reducing the amount that would be transferred to the DSA.

Mr. Guindon said the effect of legislative actions to the General Fund adjustments was approximately \$92.8 million in FY 2020 and \$104.7 million in FY 2021. He stated that, including the impacts to the DSA, the total adjustments amounted to approximately \$362.3 million for FY 2020 and \$378.7 million for FY 2021. He noted if the State 3 Percent Room Tax were removed from the legislative actions affecting revenue sources, the net impact would be reduced to \$175.2 million in FY 2020 and \$188.1 million in FY 2021.

Mr. Guindon continued to Table 2, *FY 2019 General Fund Revenue: Actual Versus Forecast Comparison* ([Exhibit E](#)), which compared actual collections to the forecasts. He noted FY 2019 and the 2017-19 biennium were complete, so actual collections could be compared to the forecasts. He said Table 2 showed the Economic Forum's December 2018 and May 2019 forecasts, both adjusted for legislative actions, compared to actual collections for FY 2019. He noted that in May 2017, the Economic Forum



prepared a two-year forecast for FY 2019 that was used to build the legislatively approved budget for the 2017-19 biennium. When the Economic Forum prepared its FY 2019 forecast in May 2019, the revised forecast was considered when developing the legislatively approved budget for the 2019-21 biennium with regard to the amount of resources that would be available in FY 2019. The amount that the 2019 Legislature decided to appropriate affected the ending fund balance for FY 2019 and the beginning fund balances for FY 2020 and FY 2021. Actual collections would have the same effect with regard to the ending fund balance for FY 2019 and the beginning fund balances for FY 2020 and FY 2021.

Referring to page 5 ([Exhibit E](#)), Mr. Guindon noted FY 2019 total General Fund revenue before tax credits was about \$6.3 million, or about 0.1 percent above the forecast. Regarding total Commerce Tax credits, Mr. Guindon explained that payers of the MBT were allowed to take up to 50 percent of their Commerce Tax liability from the prior fiscal year against their MBT liability for the current fiscal year. He noted the forecast overestimated the amount of credits that would be taken by \$11.3 million.

Mr. Guindon said the forecast for total tax credit programs (page 5, [Exhibit E](#)) was about \$12.9 million more than actual tax credits taken in FY 2019. Total General Fund revenue after tax credits was about \$30.5 million, or about 0.7 percent, above the May 2019 forecast for FY 2019. He noted that the revenue forecast excluding tax credit programs was off by approximately \$6.0 million. The forecast missed the combined tax credit programs by about \$24.0 million, which accounted for 80 percent of the forecast error. He noted forecasters sometimes struggled more with the tax credit programs than the aggregate revenue sources combined. He added that, although tax credits were difficult to forecast, the forecasters were learning as additional actual historical information is obtained.

Mr. Guindon referred to Table 1, *State General Fund Revenues: FY 2019 Actual and FY 2020 Forecast before Tax Credits* ([Exhibit F](#)). He said the table showed how actual year-to-date collections were tracking against the year-to-date forecast for FY 2020. He noted the table showed FY 2019 actual collections; FY 2020 forecast adjusted for any legislative actions, and the growth rate required to make the forecast; and the share of the total General Fund as a statistical item of interest. Table 2 (page 2, [Exhibit F](#)) showed how many quarters or months of actual collections were available for each revenue source. The table also showed the FY 2020 year-to-date collections and FY 2020 year-to-date forecast. Mr. Guindon noted that the Economic Forum did not prepare monthly or quarterly forecasts. He explained that the methodology used the fiscal year growth rate to calculate the fiscal year-to-date forecast. He noted, for sales tax, actual year-to-date collections for FY 2020 of \$321.6 million versus the year-to-date forecast of \$317.6 million, were about \$3.9 million above the forecast through the first three months of the fiscal year.

Mr. Guindon noted that the Insurance Premium Tax forecast year-to-date difference was \$22.3 million to the positive. He said that was an artifact of the methodology used to compute the fiscal year-to-date forecast, and then compared to actual collections. He

explained, in the first quarter of FY 2019, a taxpayer paid \$19.0 million of the tax late, so it was posted in the second quarter. If that were added to the first quarter, the revenue would only be above the forecast by about \$1.8 million. He noted that if the collections and forecast comparison were adjusted to account for those anomalies, a different methodology would need to be employed. That methodology would need to be reflected in the notes of the table, which would make the notes lengthy and the table difficult to read.

Mr. Guindon noted that total General Fund revenues after accounting for tax credits were about \$48.3 million above the forecast. If it were not for the anomaly in the Insurance Premium Tax, the revenue would be about \$27.8 million, or 2.4 percent above the forecast.

Assemblywoman Carlton thanked Mr. Guindon for the presentation. She said the tables provided a breakdown of the impact of the bills passed during the 2019 Legislative Session, and a snapshot in time of actual collections and the accuracy of the Economic Forum's forecast. She requested that the methodology used to compare the forecast to actual collections remain the same, because she and other legislators were familiar with the current methodology.

In response to a question from Assemblywoman Neal, Mr. Guindon explained that the 2 percent could be added to the LSST to determine the total benefit to the state from the passage of A.B. 445 (2019 Legislative Session). Under the current Nevada Plan, adding additional LSST to the DSA would reduce the amount of General Fund appropriation required to maintain the guaranteed basic support amount that the 2019 Legislature approved. Mr. Guindon noted that the local governments would also benefit through Basic City-County Relief Tax (BCCRT) rates and the Supplemental City-County Relief Tax (SCCRT) rate, and any other local rate that is in place.

**M. COMMITTEE ON INDUSTRIAL PROGRAMS** – Semiannual report on the status of current and proposed industrial programs for correctional institutions, pursuant to NRS 209.4818.

Brody Leiser, Senior Program Analyst, Fiscal Analysis Division, LCB, discussed the Committee on Industrial Programs Semiannual Report (page 129, [Exhibit C](#)). The report was based upon meetings held through October 2019. Mr. Leiser also provided information regarding Marsy's Law based on the committee's December 12, 2019, meeting.

Regarding the Prison Industries' financial statements, Mr. Leiser said the programs collectively generated net income over the last four fiscal years, including net income of approximately \$26,000 in FY 2019, with cash at the end of the fiscal year of approximately \$4.0 million.

Mr. Leiser noted that three of the six state-sponsored Prison Industry programs generated a net profit, including the Northern Nevada Correctional Center (NNCC) Print/Bindery



Shop, Lovelock Correctional Center (LCC) Garment and Drapery Factory, and the NNCC Prison Ranch (page 130, [Exhibit C](#)). Additionally, three industries experienced a net loss, including the NNCC Mattress Factory, NNCC Furniture and Metal Shop and the Southern Desert Correctional Center (SDCC) Auto/Upholstery Shop. The net losses were primarily due to increases in material costs, in part due to tariffs, declining sales revenue and increases in general administrative expenses.

Regarding inmates employed within Prison Industries, Mr. Leiser stated that 530 inmates were employed on average in FY 2019. That figure only pertained to Prison Industries, and did not include inmates employed as firefighters or at jobs within the institutions, such as culinary and grounds maintenance workers. As noted in the report, the department anticipated impacts to the wage assessments collected from inmate wages as a result of Marsy's Law (page 130, [Exhibit C](#)). Mr. Leiser stated that the department had drafted revisions to the inmate banking regulations to implement Marsy's Law. Those revisions would be reviewed by the new Director of the NDOC and subsequently presented to the Board of Prison Commissioners for final approval in early 2020.

Finally, Mr. Leiser discussed a new program that was recommended for approval by the Committee on Industrial Programs at its October 2019 meeting, and subsequently approved by the Board of Prison Commissioners at its November 25, 2019, meeting. He said the new program would be run by Allwire, INC., which manufactured poly pipe and wire harnesses, circuit boards and electromechanical assemblies. The new program was expected to employ 40 offenders. Mr. Leiser said the department hoped to submit the Allwire, INC. contract for approval at the February 2020 meeting of the Board of Examiners.

Chair Carlton said she had received positive feedback about the auto shop. It was a good trade, because all vehicles required repairs. She asked why the auto shop was performing poorly.

Mr. Leiser said he would provide the Committee with follow-up information concerning the auto shop. He stated that during the December 12, 2019, meeting of the Committee on Industrial Programs, Mr. Quenga noted that the department was looking for opportunities to bring more business into the auto shop, which would increase revenue and production in that particular industry.

## **N. INFORMATIONAL ITEMS.**

The Committee expressed interest in hearing further testimony concerning Agenda Items N-2, Office of the Secretary of State; N-9b, d and e, Department of Corrections; and N-12, Department of Veterans Services.

1. OFFICE OF THE GOVERNOR – Special Appropriations – Lou Ruvo Center for Brain Health – Report on expenditures for the period ending June 30, 2019, pursuant to Senate Bill 543, Section 1(2)(b) (2017 Legislature).

There was no discussion on this item.

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 for the period ending November 30, 2019 (letter of intent, 2019 Legislature).

Wayne Thorley, Deputy Secretary for Elections, Office of the Secretary of State, introduced Sean Sever, Administrator, Department of Motor Vehicles (DMV). Mr. Thorley thanked the Committee for the opportunity to report on the Secretary of State's progress in implementing Automatic Voter Registration (AVR). Pursuant to a letter of intent issued during the 2019 Legislative Session, the Secretary of State submitted its fourth AVR project status report to the Committee.

Mr. Thorley said the report covered the progress of AVR implementation through December 1, 2019. He informed the Committee that the project was in the user acceptance testing (UAT) phase, which was the last phase of testing before software deployment. The electronic transmission of voter registration data was a complex process that included information systems from the DMV, the Secretary of State, and each of the 17 counties. Mr. Thorley stated that the project was on target to meet the January 1, 2020, go-live date, with the caveat that issues may be identified during UAT testing that could jeopardize the scheduled go-live date.

Sean Sever, Administrator, DMV, agreed that the DMV was on track for the AVR to go live on January 1, 2020. The development was complete and testing was in progress. Issues arose during the process, which was normal for a project like this. To date, the issues had been addressed, and there were no "show stopper" issues at the moment. He noted that training for the DMV field and back offices was complete in Northern Nevada and would continue in the Southern Nevada offices through December 19, 2019.

Mr. Sever said the DMV submitted emergency regulations to the Governor's Office, which were expected to be returned soon. The adoption hearing for the permanent regulations was scheduled for January 10, 2020. In summary, implementation was on track to be complete by the end of December 2019.

Assemblyman Frierson said Mr. Thorley indicated issues may be identified during UAT testing that could jeopardize the go-live date. Mr. Thorley said no issues had been encountered, and the project was currently on target.

Chair Carlton asked when testing would be complete. Mr. Thorley said, as bugs were identified during testing, they were reported and corrected. He said testing should be done by December 20, 2019, which would then allow about one and one-half weeks for software deployment and final user training with DMV and county staff.

Chair Carlton noted that the last week of the month was short due to the holidays. She asked to be kept informed of the progress. In response to a question from

Chair Carlton, Mr. Thorley said the schedule was planned well in advance, knowing that the holiday season was right before the scheduled go-live date, to ensure that staff and contractors were available to do the work.

3. DEPARTMENT OF ADMINISTRATION

- a) Purchasing Division – Report on the Procurement Card program (letter of intent, 2019 Legislature).
- b) State Public Works Division
  - 1) Information regarding the Project Status Exception Report pursuant to NRS 341.100(8)(g).
  - 2) Quarterly report on the division's process on construction cost containment efforts, the tracking of budgeted inflationary costs compared to actual inflationary costs, and the tracking of other construction cost escalations compared to budgeted costs that are impacting legislatively approved CIP projects for the period ending September 30, 2019 (letter of intent, 2019 Legislature).

There was no discussion on these items.

4. DEPARTMENT OF AGRICULTURE – Quarterly report on the travel and training expenditure for the period ending September 30, 2019 (letter of intent, 2019 Legislature).

There was no discussion on this item.

5. NEVADA SYSTEM OF HIGHER EDUCATION – Quarterly report on the progress made by the University of Nevada, Reno School of Medicine in obtaining federal approval for the research program on the medical use of marijuana, as well as the status of activities and information received through the program, for the period ending September 30, 2019, pursuant to NRS 453A.600.

There was no discussion on this item.

6. DEPARTMENT OF BUSINESS AND INDUSTRY – Quarterly 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)

There was no discussion on this item.

7. GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

- a) Quarterly report on the receipt of all cash and non-cash gifts, donations and grants received for the period ending September 30, 2019 (letter of intent, 2019 Legislature).
- b) Annual report regarding the Knowledge Account for the period of November 1, 2018, through October 31, 2019, pursuant to NRS 231.1595.

There was no discussion on these items.

8. DEPARTMENT OF HEALTH AND HUMAN SERVICES

- a) Aging and Disability Services Division – Quarterly report for the Senior Rx and Disability Rx Prescription program for the period ending September 30, 2019, pursuant to NRS 439.630(1)(c)
- b) Division of Welfare and Supportive Services – Assistance to the Aged and Blind – Annual report on the implementation of the federal Supplemental Security Income (SSI) payment increases scheduled for January 2020 (letter of intent, 2019 Legislature).

There was no discussion on these items.

9. DEPARTMENT OF CORRECTIONS

- a) Director's Office – Quarterly report on the department's retention and recruitment efforts for Correctional Officers at each of its institutions statewide (letter of intent, 2019 Legislature).

There was no discussion on this item.

- b) Quarterly report on department wide overtime for the period ending September 30, 2019, as requested during the August 24, 2017, meeting of the Interim Finance Committee.

Agenda Items C-59, N-9b, N-9d and N-9e were discussed jointly. Refer to Agenda Item C-59 for testimony.

- c) Quarterly 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).

There was no discussion on this item.

- d) Memorandum to report on unanticipated costs associated with implementing a new inmate menu to meet the Chief Medical Officer's recently adopted nutritional standards.

Agenda Items C-59, N-9b, N-9d and N-9e were discussed jointly. Refer to Agenda Item C-59 for testimony.

- e) Memorandum on unanticipated costs relating to recent changes made by the department to its Medical Directives to reflect the medical community standards of testing and treatment of inmates for the Hepatitis C Virus.

Agenda Items C-59, N-9b, N-9d and N-9e were discussed jointly. Refer to Agenda Item C-59 for testimony.

10. DEPARTMENT OF PUBLIC SAFETY

- a) Division of Emergency Management
  - 1) Emergency Assistance Account – Quarterly report on the expenditures made from the Emergency Assistance Account for the period ending September 30, 2019, pursuant to NRS 414.135(5).
  - 2) Disaster Relief Account – Notice of intent to request approval of a grant from the Disaster Relief Account to Lincoln County to cover expenses associated with the county-wide response to the September 2019 “Storm Area-51” event, pursuant to NRS 353.2755.
  - 3) Disaster Relief Account – Notice of intent to request approval of a grant from the Disaster Relief Account to Nye County to cover expenses associated with the county-wide response to the September 2019 “Storm Area-51” event, pursuant to NRS 353.2755.
- b) Records, Communications and Compliance Division – Quarterly report on the implementation progress and status of the Nevada Criminal Justice Information System (NCJIS) modernization project (letter of intent, 2019 Legislature).

There was no discussion on these items.

11. DEPARTMENT OF TRANSPORTATION – Quarterly report on the activities of the Advisory Committee on Transportational Storm Water Management and the implementation and efficacy of the department’s storm water program for the period ending September 30, 2019, pursuant to NRS 408.439 (11).

There was no discussion on this item.

12. DEPARTMENT OF VETERANS SERVICES – Semiannual report on the operating performance of the Avalon Care Center at the Northern Nevada Veterans Home for the period ending June 30, 2019, as requested during the December 11, 2018, meeting of the Interim Finance Committee.

Amy Garland, Executive Officer, Department of Veterans Services, introduced Wendy Simons, Deputy Director, Department of Veterans Services, and Michael Ball, Administrator, Northern Nevada State Veterans Home (NNSVH).

Ms. Garland said the Committee directed the Department of Veterans Services at its December 11, 2018, meeting to submit semiannual reports on the operation and performance of the Avalon Care Center at the NNSVH. She said the current report covered the period January 1, 2019, through June 30, 2019. Ms. Garland shared several updates to the report for the period July to December.

Ms. Garland reported that the NNSVH passed full Centers for Medicare and Medicaid Services (CMS) survey on July 3, 2019, and passed the Veterans Administration (VA) survey on October 23, 2019. The NNSVH was currently at 50 percent occupancy and full occupancy was anticipated by the end of April 2020. Current staffing was at 77 percent.

Wendy Simons, Deputy Director, Department of Veterans Services, said she had good news to present to the Committee on behalf of the state's veterans. She reported that several of the Committee members were able to visit the NNSVH. She encouraged Committee members to visit the home if they had the opportunity. She said the Committee would find that the NNSVH was a remarkable facility that was operating very well. She said the department was proud of the NNSVH resident population and the engagement of the veterans' community partners that visited the facility and participated in events. The NNSVH hosted a number of public events, including an art show. Those events brought spirit and a heartbeat to the final construction and operation of the facility.

Ms. Simons said the NNSVH currently employed 104 staff. The staff-to-resident ratio was 1:5 during the day and 1:8 at night. There were 32 nurses on staff, which allowed for a nurse-to-resident ratio of 1:16 at night. The facility had not found it difficult to hire registered nurses; however, it was always challenging to hire certified nursing assistants (CNA). She said Michael Ball, Administrator, NNSVH, held two job fairs, and had contracts with the Perry Foundation and Truckee Meadows Community College to be clinical sites for two different CNA nursing programs. She noted that the Department of Veterans Services leadership was currently attending the graduation of 34 CNAs, which coincided with the IFC meeting. She added that there was a CNA referral bonus as well as a sign-on bonus. Ms. Simons noted that a recruitment retention committee had been formed called "SOAR" (Staff Outreach Appreciation Recruiting and Retention).

Ms. Simons said the top complaint in nursing homes was usually the food. She noted that in August 2019 the Perry Foundation Endeavor Awards program honored the chef and dining services of the NNSVH for innovations in dining services. She noted that excellence in dining services was rarely discussed in relation to skilled nursing facilities. The NNSVH model included very special features built into the program, and the program had great leadership.

Ms. Simons introduced Connie Johnson, State Home Officer, NNSVH. Ms. Simons said Ms. Johnson was actively involved in ensuring customer satisfaction, and making sure the reports required by the contract were received. She said customer satisfaction was "off the charts." She noted the NNSVH was tracking comments. One such comment, from the daughter of a veteran at the NNSVH, stated, *"I appreciate everything. He loves the food. His call button is answered immediately. The care is phenomenal and I cannot rave enough. He was in two other facilities in the Reno area and they were horrible with care. It's just a phenomenal facility and the care is awesome. The staff is happy because they get paid better and are happy with their jobs, so it makes a better experience for dad."* Another comment came from Dr. Phillips regarding a 66-year-old Vietnam veteran being treated for a traumatic brain injury (TBI) who had been in another nursing facility for the past six to nine months. The veteran was immobile and it required multiple people to transfer him on his arrival to the NNSVH on October 5, 2019. Dr. Phillips reported that the veteran was now able to stand using parallel bars, take steps, had regained core balance to greatly improve his sitting posture, and the veteran and caregiver were

pleased with his overall improvement and the commitment of the staff. Ms. Simons said families, residents and community partners provided feedback as to the overall good stewardship of the operation.

Ms. Simon introduced Michael Ball, Administrator, NNSVH, who had been the administrator of the facility since October 2018. He was a Northern Nevada native and a 23-year army veteran. Mr. Ball said he was excited to be a part of this endeavor with the state and hoped to continue to do great things with the program.

Chair Carlton noted that the NNSVH had not received \$7.2 million in federal reimbursements as of November 2019. She asked if it was anticipated that the NNSVH would request General Fund dollars in the 2019-20 Interim due to the delay in VA certification.

Ms. Garland said there were some delays, but because the NNSVH was VA-certified as of October 23, 2019, admissions would be accelerated. She said the NNSVH was expected to return to its projected revenue levels by February 2020. The facility did not anticipate a need to request General Funds during the interim.

Chair Carlton asked when the \$7.2 million would be reimbursed by the federal government. Ms. Garland said she received news that the NNSVH report had been approved today, so reimbursement was expected the following week.

Chair Carlton said it seemed that the NNSVH and department staff were on the right track.

Assemblywoman Titus said she had not yet had a chance to tour the facility, but would like to eventually. She said there was concern during the 2019 Legislative Session about a private company being contracted to operate a public facility. Concerns included subcontracting; how the facility would be staffed; how facility staff would be reimbursed; and who would employ staff. There was also a question about whether the facility would transition to a VA facility versus a state facility or a private facility.

Ms. Simons explained that the facility needed to be opened quickly. She said the department researched five management companies. Avalon had the top record in operating and starting state veterans homes, and was selected as the contractor. The department had direct oversight over and input into key leadership positions for the home. However, all of the facility's employees were hired and paid by Avalon.

Ms. Simons said she would like for Assemblywoman Titus to see the facility. She noted that at the moment happy hour was taking place at the facility's sports bar.

Ms. Simons added that Mr. Ball had been the administrator of a five-star facility in Carson City for nine years. That facility had a VA contract, which was different than being a state veterans' home, so he understood the VA approval system. Further assessment would be required to determine whether the home would remain under contract management or be converted to a state-operated facility in the future. She noted that the contract with Avalon was for a minimum of four years. That would allow

time for the department to conduct financial and operational analyses, and assess the benefits of the NNSVH becoming a state-run home with state employees compared to maintaining the contract with the management company.

Chair Carlton noted that she and Assemblywoman Titus were interested in comparing employee pay rates and benefits under the contractor to ensure it was in line with what the Committee wanted in the state.

Ms. Simon thanked the legislators who had already visited the facility, and she encouraged the other legislators to visit. She said Nevada should be exceedingly proud of the NNSVH.

13. OFFICE OF THE MILITARY – Notice to add one new full-time position to support the Army National Guard request to establish a new Army National Guard Training Support System Program at the state level. This results in an increase from 110.51 FTE to 111.51 FTE. **RECEIVED AFTER SUBMITTAL DEADLINE, 11-22-19. RELATES TO AGENDA ITEM C. 88.**

There was no discussion on this item.

#### **O. PUBLIC COMMENT.**

There was no public comment.

#### **P. ADJOURNMENT.**

Chair Carlton adjourned the meeting at 2:24 p.m.

---

Assemblywoman Maggie Carlton, Chair  
Interim Finance Committee

---

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