MINUTES OF THE JUNE 1, 2020
MEETING OF THE
INTERIM FINANCE COMMITTEE

Chair Maggie Carlton called a special meeting of the Interim Finance Committee (IFC) to order at 1:42 p.m. on June 1, 2020, via videoconference. There was no physical location for the meeting pursuant to the Governor's Emergency Directive 006.

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

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:
Cindy Jones, Fiscal Analyst, Assembly
Mark Krmpotic, Fiscal Analyst, Senate
Sarah Coffman, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Eileen O'Grady, Chief Deputy Legislative Counsel
Cheryl Harvey, Fiscal Analysis Division Secretary
Donna Thomas, Fiscal Analysis Division Secretary

EXHIBITS:
(Exhibit A): Meeting Packet

A. ROLL CALL.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), called the roll; all members were present.

B. PUBLIC COMMENT.

Pursuant to the Governor's Emergency Directive 006, there was no physical location for the June 1, 2020, meeting of the Interim Finance Committee. The meeting was broadcast on the Nevada Legislative website at www.leg.state.nv.us. Public comment was accepted live via telephone. Written comments were also accepted by e-mail, facsimile, and mail before, during, and after the meeting.

Barry Gold, Director of Government Relations, AARP Nevada, provided public comment on Agenda Items C-2, C-3 and C-5, regarding the use of federal Aging and Disability Resources Centers COVID Emergency Application funds; Coronavirus Aid, Relief and Economic Security (CARES) Act funds; and federal Families First Coronavirus Response Act funds.

Mr. Gold said AARP Nevada, on behalf of its 345,000 members across the state, strongly supported the use of the grant funding for the items listed in Agenda Items C-2, C-3 and C-5. The programs and services in those work programs were needed by seniors and their families across the state and they aligned with the purpose of the funding prescribed by Congress. However, Mr. Gold said the national AARP Office in Washington, D.C. flagged a few of the items for consideration. For example, Agenda Item C-3 might have unintentionally expanded the definition of who was served under the National Family Caregiver Support Program (NFCSP). Older adults, as defined under Agenda Item C-3, significantly expanded the scope of people served under the NFCSP, which was a group of people who were not technically authorized to receive services under that program. The two categories of people authorized to receive funding under the NFCSP were family caregivers and older relative caregivers. He said the national AARP Office wondered if it was an unintentional mistake and if a technical adjustment could be made to correct the language. In addition, the national AARP Office highlighted the importance of approving the Families First Coronavirus Response Act grant funds for nutrition services.

Continuing, Mr. Gold said, when additional federal funding was provided in the future, AARP strongly urged the Committee to consider allocating a portion of the funding to nursing homes for personal protective equipment (PPE) and testing, because 20 percent of COVID-19 deaths in the state occurred in nursing homes. In addition, AARP thought the funds should also be used to assist people in quarantine by providing essential services, such as chores, shopping and transportation.

Lastly, Mr. Gold noted that the federal funds could also be used to fund broadband availability throughout the state. He recalled that Assemblyman Tyrone Thompson advocated for statewide broadband availability. Mr. Gold said federal funding was available for broadband infrastructure, such as hardware and software, which could be used for COVID-19 services such as telehealth and electronic activity. The AARP urged the Committee to consider that in the future. He understood it was not easy to find funding to increase broadband availability.

C. WORK PROGRAM REVISIONS IN ACCORDANCE WITH NRS 353.220(5)(b) – REQUIRES EXPEDITIOUS ACTION WITHIN 15 DAYS.

The Committee expressed interest in hearing further testimony concerning Agenda Items C-4, Department of Health and Human Services (DHHS), Division of Public and Behavioral Health (DPBH); C-5, DHHS, Division of Welfare and Supportive Services (DWSS); C-6, DHHS, Division of Child and Family Services (DCFS); C-7, DHHS, DCFS; and C-8 through C-17, Department of Employment, Training and Rehabilitation.

In response to comments provided by AARP Nevada, Assemblywoman Benitez-Thompson requested further testimony on Agenda Item C-3, DHHS, Aging and Disability Services Division.

Chair Carlton said, due to the virtual setting of the meeting, a roll call vote would be taken for all action items to ensure each vote was recorded correctly.

> ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO APPROVE AGENDA ITEMS C-1 AND C-2.
>
> SENATOR WOODHOUSE SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY.

1. State Public Charter School Authority - FY 2020

Addition of $4,630,216 in federal Elementary and Secondary School Emergency Relief funds transferred from the Department of Education to provide charter schools with emergency relief to address the impacts of COVID-19. Requires Interim Finance approval since the amount added to the CARES Act Emergency Relief category exceeds $75,000. **Work Program #C50804**

Refer to motion for approval under Agenda Item C.

2. Department of Health and Human Services - Aging and Disability Services - Home and Community-Based Services - FY 2020

Addition of $450,000 in federal Aging and Disability Resources Centers (ADRC) COVID Emergency Application funds to support outreach and public education, person-centered counseling and streamlined eligibility determinations to best fit individual needs during the COVID-19 pandemic. Requires Interim Finance

approval since the amount added to the ADRC COVID-19 Award category exceeds $75,000. **Work Program #C50724**

Refer to motion for approval under Agenda Item C.

3. Department of Health and Human Services - Aging and Disability Services - Home and Community-Based Services - FY 2020

Addition of $1,735,540 in federal Coronavirus Aid, Relief and Economic Security (CARES) Act for Supportive Services under ***the Older Americans Act*** Title III-B grant funds, $6,247,945 in federal CARES Act for ~~Supportive~~ ***Nutrition*** Services ***and federal Families First Coronavirus Response Act*** under ***the Older Americans Act*** Title III-C grant funds, and ~~$694,216~~ ***$854,871*** in federal CARES Act for ~~Supportive Services~~ ***Family Caregiver Support*** under ***the Older Americans Act*** Title III-E grant funds to ensure older adults and caregivers who are self-isolating due to high risk of contracting COVID-19 have access to essential services. Requires Interim Finance approval since the amount added to the Title III-B COVID category exceeds $75,000. **Work Program #C50747. REVISED 5-22-20.**

Chair Carlton asked the agency to address the concerns expressed by AARP Nevada during public comment.

Rique Robb, Deputy Administrator, Aging and Disability Services Division, DHHS, clarified that the wording in the work program was an oversight. She said the funding was intended for older adults and their caregivers.

Chair Carlton said she was happy the funding would be used for nutritional services, which was particularly important during the current pandemic.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO APPROVE AGENDA ITEM C-3.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

4. Department of Health and Human Services - Public and Behavioral Health - Biostatistics and Epidemiology - FY 2020

Addition of $96,250,733 in federal Epidemiology and Laboratory Capacity (ELC) grant funds to support laboratories and epidemiological response to the COVID-19 pandemic. Requires Interim Finance approval since the amount added to the ELC-COVID-19 Component category exceeds $75,000. **Work Program #C50690**

Caleb Cage, Director for COVID-19 Response for the State of Nevada, Office of the Governor, stated that Governor Sisolak included community-based testing as

an essential part of his plan to reopen, and keep open, the economy and government in the State of Nevada. In the plan, community-based testing component consisted of three pieces: collection of samples, testing and laboratories, and contact tracing. All three components combined, created the data that was utilized by the DHHS, Division of Public and Behavioral Health (DPBH) as well as local and district partners to identify outbreaks as they occurred so that people who tested positive for COVID-19, as well as people they may have had contact with, could be notified. In doing so, instances could be isolated quickly.

Continuing, Mr. Cage stated that many components were implemented in the last three months by the DPBH and local and district partners to begin contact tracing and establish laboratory testing capacity and sample collection capacity. Recently, the federal government released the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) grant, totaling $96.3 million, to increase capacity at laboratories and for contact tracing. He noted the ELC funds were a critical resource for the state. Mr. Cage said he appreciated the Committee's consideration of accepting the vital funds.

Julia Peek, Deputy Administrator, DPBH, DHHS, stated that Agenda Item C-4 requested approval to accept two ELC supplemental grant awards supported by the federal Centers for Disease Control and Prevention (CDC). The ELC funds, which served as the backbone for Nevada's Public Health Epidemiology and Laboratory System program, supported health-care-associated infections, vector-borne diseases, and influenza. Ms. Peek said the ELC funding was a collaborative project that included active oversight by local health departments and public health laboratories in the state, in addition to a formal ELC governance team that reviewed budget activities and efforts.

In response to COVID-19, the CDC provided two supplemental funding awards providing more than $96.0 million to the state. Ms. Peek noted that the two grant awards were complementary in scope. She said the ELC CARES 2020 award amounted to more than $7.2 million and must be expended within 24 months, or by April 22, 2022. The funds were intended to rapidly establish and monitor key activities related to COVID-19 in the areas of epidemiology, laboratories and informatics. Additionally, the funds were meant to provide state and local governments the ability to develop data-driven policy decision reports regarding testing, mitigation and prevention efforts.

Continuing, Ms. Peek stated that a variety of activities were permissible under the award. One such activity was to aggressively identify cases of COVID-19 and conduct contact tracing. She said the division developed a training course that would be used in conjunction with two federal training courses to train the National Guard and contact tracing volunteers. Upon completion of the training courses, contact tracers were assigned to a local or state health department, which saved time for workers in the field.

Ms. Peek said another activity included enhanced laboratory testing and reporting capacity. She said the division was working closely with the rural communities and the National Guard to hold community testing events in concert with the Community Health Nursing Program, county health officers and local emergency managers.

Ms. Peek said a third activity was prevention and control of COVID-19 in health care settings to protect vulnerable, high-risk populations. In difference to the activities mentioned before, she noted that this particular activity included a lot of detailed guidance of the CDC on the prevention and control of infections in nursing homes – the division was even provided with a precise script on how to conduct infection control surveys in nursing home facilities. The division immediately engaged closely with its Bureau of Health Care Quality and Compliance (HCGC) on this, which had been a valuable partner in the effort.

Moving on to the second and largest of the two ELC grant awards, Ms. Peek said the ELC Enhancing Detection Program was part of the federal Paycheck Protection Program and Health Care Enhancement Act of 2020. The award was approximately $89.0 million, and the funds must be expended within 30 months, or by November 17, 2022. Ms. Peek said the funds were broadly intended to provide critical resources to state, local and territorial health departments to support a broad range of COVID-19 testing and epidemiologic surveillance-related activities. She said milestones and performance measures would be monitored to gauge progress toward successful completion of priority activities supported with the funds.

Ms. Peek noted that both ELC grant awards had many reporting requirements and deliverables, to the extent that the CDC stressed the importance of adequate staffing to ensure those requirements were met. She said ELC awards in general were difficult grants to oversee, and the significant reporting requirements for the two current ELC grants complicated the process.

Continuing, Ms. Peek stated that the division had to establish a robust testing program to ensure adequate testing was available to meet the CDC priorities, which included diagnostic testing, contact tracing testing, and surveillance of asymptomatic persons to determine community spread. The division had to detail how it was going to test a minimum of 2 percent of Nevadans each month from now until December 2020, as well as its plans to increase the number of people tested by the fall of 2020. In addition, the division needed to improve surveillance and reporting of electronic health data and ensure the data could be published publically in real time, or within 24 hours of a confirmed positive test report. Ms. Peek stated that typically, Nevada did not use a funding formula for the federal ELC grant award because of the different categorical funding; however, in this case, the division decided to allocate funds per county, per person. She said $30.0 million was allocated from the funding award, through the federal ELC governance structure. That figure was determined

based on a scenario in which the Nevada State Public Health Laboratory was responsible for testing 2 percent of the population to meet the deliverable, and then multiplied that number by $45 per test. Ms. Peek stated that the division was aware the private sector would also do testing, so the division would be able to use the funds to improve informatics along with other things the laboratories had noted. In addition to the $30.0 million that would be allocated to laboratories across Nevada for testing, the division looked at a per capita investment, which was approximately $20.00 per person when considering the remaining funds.

Ms. Peek stated that the state ELC team recently received notification that Nevada would receive over $900,000 through the federal Project First Find ELC grant award. She did not have a lot of information about the grant, but was aware the grant focused on infection prevention, specifically in health-care-associated systems.

Lastly, Ms. Peek stated that the DHHS was working closely with the Department of Public Safety, Division of Emergency Management (DEM), the Nevada State Public Health Laboratory, and the Governor's Office to ensure funds were not duplicative and to provide the most benefits to Nevadans immediately and in the long term, because the end date for many of the expenses were variable. Additionally, the DPBH developed spending plans for each of the awards to determine the deliverables and length of time that was available to draw down the funds based on funding stream.

Chair Carlton asked how the DPBH would ensure that rural counties without a health district would receive adequate services for effective COVID-19 response.

Ms. Peek replied that within the *Nevada Revised Statutes* and NAC 441A, any rural county without a health district, which excluded Washoe and Clark Counties, fell under the DHHS Chief Medical Officer. The Chief Medical Officer delegated authority to the counties, so that each county could conduct investigations jointly with the division. However, she noted that counties could elect to have the division conduct investigations on their behalf. Ms. Peek said she had discussions with representatives from Mineral County about containment and epidemiology in that county. Mineral County representatives indicated there were many older homes in the area, which made it difficult to isolate people, so Mineral County might consider purchasing a place for people to stay who tested positive and needed to be in isolation, which was a vastly different approach compared to other counties.

Continuing, Ms. Peek said eastern Nevada was doing a phenomenal job of utilizing the funding. She said Great Basin College (GBC) had taken over disease investigations in the area. Thus, the division was working with the GBC and the Nevada System of Higher Education (NSHE) to compensate the college.

Ms. Peek noted that digital contact tracing solutions would be provided across the state, regardless if it was a district, county or state. In addition, the DPBH was looking at citizen-based apps. She said the division was working on statewide standards, but would also provide assistance and resources to the counties based on specific need.

Chair Carlton asked if state employees, rather than contract staff, could be utilized to provide support and monitor cases and outbreaks within vulnerable populations.

Ms. Peek replied that there were great opportunities for state employees to work as contact tracers. The DPBH was working with NSHE to train contact tracers as well as potentially hire for prospective positions. She said it was definitely a path worth pursuing. In addition, the division was considering surge staff contact tracing from a vendor-based solution with the requirement that 25 to 50 percent of staff had to be Nevada residents. As well, there were potential opportunities to provide a subaward to agencies that needed to lay off staff. Ms. Peek was confident that state employees could help the division address the contact tracing solution in whatever path worked best for them.

Chair Carlton asked about training for contact tracers, including the length of training and whether certification would be awarded. She also asked what qualifications were required of contact tracers.

Ms. Peek replied that training for contact tracing consisted of web-based training courses. One training course was provided by the division's partner, ASTHO (Association of State and Territorial Health Officials). She noted that ASTHO provided a very thorough training course. The second training course was provided through Johns Hopkins University.

Continuing, Ms. Peek said a background check was required through Battle Born Medical Corps, after which the individual was required to complete the aforementioned training courses as well as a Nevada-based training course. She said total training time was approximately 10 to 12 hours. Upon completion, each individual was awarded a contact tracing certificate through NSHE and was eligible for placement.

Ms. Peek noted there were several models of contact tracing work. She said volunteers were asked to work at least 20 hours per week. Students worked approximately 10 to 20 hours per week, with less hours required during the school year. She noted that students and volunteers could receive pay for the work, but that model would look different.

Responding to a question from Chair Carlton, Ms. Peek indicated there was no cost to applicants for contact tracing background checks, training or certification. She was unsure if background checks were done on a prioritized basis; however,

Battle Born Medical Corps was able to complete background checks within several days.

In answer to a question from Senator Goicoechea, Mr. Cage replied that it was his understanding the success of the contact tracing process was contingent upon an individual's willingness to participate and provide honest answers. He said contact tracers had to be able to reach individuals that had a positive test result and then follow up with them after the required quarantine. Mr. Cage said it was difficult to reach some people, which also might be the case for people who were involved in recent protests.

Ms. Peek added that through traditional contact tracing, when someone tested positive for COVID-19 after being in a large crowd, the individual was interviewed to determine who had been in close proximity to them, or within six feet. In the case of protests, although an individual may not have known most of the people around them, they likely knew individuals who had been in close proximity to them.

Continuing, Ms. Peek said there were opportunities to work with app developers to create an app that could record an individual's location for ten minutes or more, which would work well during instances such as a protest. If a test was confirmed positive through a public health investigation, individuals who had been near that person would be alerted through the app and could follow up with the local health district. Ms. Peek stated that the technology community was considering some great innovations, including a digital contact tracing solution; however, an app was not yet available, so the division had to continue conducting contact tracing the traditional way.

Assemblywoman Titus said she appreciated the need for increasing policies and funding for infectious diseases. However, she expressed concern about spending $66.2 million on contact tracing, which equated to $33 per Nevada citizen, because she was unsure the true outcomes were beneficial for the state. Assemblywoman Titus asked if the contact tracing process for COVID-19 was different from the existing process used for basic infectious diseases. As a physician, she had treated many infectious diseases and then reported that information to the local epidemiologist, who subsequently contacted individuals who had possible exposure to the individual with the disease. She noted that it was not an expensive process. Assemblywoman Titus asked what was unique about the contact tracing process for COVID-19 that required $66.2 million, and knowing that the number of cases would decrease. She also asked how contact tracing would be conducted other than through a telephone call. For example, would the state track cell phones and travel, and if so, who would have access to those records?

Continuing, Assemblywoman Titus noted there were different levels of exposure to the virus, such as household members who were at high risk of exposure, and the general public, who was at medium risk of exposure. She understood there could be a surge of cases in the fall of 2020; however, it seemed like a significant amount of funding to spend on a process that was already in use by the state.

Chair Carlton remarked that it was her understanding the funding for contact tracing was not just for Nevada residents. She said tourism would eventually begin to increase, and the state would need to conduct contract tracing for out-of-state visitors if cases spiked as a result.

Ms. Peek said the COVID-19 pandemic had highlighted where improvements were needed within the public health care system. She clarified that the federal funding was not just for contact tracing; it also allowed the state to improve informatics and reporting. The quantity of information flowing through the state's health care information technology system had created many challenges. For example, in a single day, the division received more new reported cases of COVID-19 and associated laboratory reports than it did in the entire year for chlamydia. She said the large quantity of information flowing through the system highlighted the need for significant system upgrades, which was expensive; however, it was an allowable use of the funds. Similarly, the Nevada State Public Health Laboratory utilized the National Guard to help with administrative tasks, such as faxing reports to local jurisdictions, which could be done electronically with improvements to the information technology system. Ms. Peek said the funding provided latitude and was not limited to contact tracing. She said the division needed to pivot based on the state's funding and the timing of expenditures. She said the CDC stated that the division needed to become faster at reporting, which would require a significant information technology investment.

Continuing, Ms. Peek said the division conducted contact tracing and case investigations every day, which was a fundamental part of public health, but the quantity of cases delayed the reporting process. She reiterated that the division received more reports of COVID-19 each day than any other communicable disease each year. Therefore, the DPBH was looking to hire about 400 contact tracing staff, which would quadruple the current number of staff. However, the division may need as many as 1,000 staff, which was the standard recommendation in some reports. In Nevada, that amounted to 30 staff per 100,000 residents. Ms. Peek said a significant number of staff was required for contact tracing, because the division needed to immediately identify and contact any individual who tested positive as well as people who had been in close contact with that individual, which required considerable staff time.

Ms. Peek stated there was a process within the public health system for cross-jurisdictional sharing to enable collaboration across state and international boundaries. However, it took time to follow up with each jurisdiction, which was something the division was embedding in the funding to manage the large

number of cases. Ms. Peek noted the funding had to be expended within 24 to 30 months, and the division wanted to ensure the funds lasted for the duration, and hopefully until a vaccination became available.

Mr. Cage added that recently, many partners within Clark County conducted an exercise to observe the outcome if an individual failed the screening process within a resort property. He said this was particularly important for Nevada as a popular tourist destination. As the state continued to attract visitors again, contact tracing was essential and a critical component of reopening the state and improving the economy. He said the exercise conducted in Clark County included identifying individuals who tested positive for COVID-19, contact tracing and wraparound services. Mr. Cage noted the exercise had a positive outcome.

Assemblyman Frierson said he understood the discussion was focused on federal funding, not state funding, which would revert to the federal government and subsequently to another state if Nevada did not take advantage of it.

With regard to contact tracers, Assemblyman Frierson said contact tracers were trained to conduct thorough investigations and obtain accurate information based on technology, such as cell phone tracing, Global Positioning System (GPS), and other combined data to ensure outbreaks were controlled, especially in places where there were large crowds, such as Clark County.

Ms. Peek concurred with Assemblyman Frierson. She said the money was 100 percent federal funding, with the first funding stream ending in 24 months, and the second funding stream ending in 30 months. She said the division rarely returned ELC money, because it was the backbone of the state's public health system. Ms. Peek said the division would continually monitor the funding.

Ms. Peek confirmed that contact tracers were trained investigators. She said contact tracers needed approximately two months to become comfortable investigating cases independently; therefore, the division implemented contract tracing supervisors to provide assistance to new contact tracers. She stated that contact tracing was a process, which was why it was referred to as an investigation, because it involved more than just data entry.

Assemblywoman Benitez-Thompson asked for additional details on the funding map for the grant awards to ensure she understood the process. She asked for specific details on the first contract of $504,089, which was still to be determined, as well as the second grant award of $475,000 for Salesforce and Deloitte.

Additionally, Assemblywoman Benitez-Thompson asked for further information on the transfers to the Community Health Services Program for the Community Health Nursing Program, and to the Bureau of Health Care Quality and Compliance (HCQC). She thought the division might consider providing more funding to the HCQC, especially considering the large impact the virus had on

nursing homes. Assemblywoman Benitez-Thompson was aware there was a budget item for five Health Facility Inspector positions. She asked if those inspectors would be contract positions, but still perform HCQC tasks, thereby increasing the number of people conducting facility inspections.

Ms. Peek confirmed the division had some pending contracts. The Salesforce contract was a digital contact tracing solution for the state, which the division hoped to include on the next Board of Examiners agenda. Ms. Peek noted that many states were using the Salesforce product. She indicated she would provide more information about the product if it would be helpful for the Committee.

Continuing, Ms. Peek said the division was also considering a contract with Deloitte, which would allow for surge staffing and the implementation of Salesforce. Additionally, the division had a pending contract with NSHE to establish contact tracing solutions in the state and reduce the state's reliance on surge staff, which would benefit Nevada in the long term. Ms. Peek said the University of Nevada, Las Vegas was working on a solution that would look at all diseases collectively, and develop contact tracers and disease investigators that would help public health in perpetuity. She noted the division would process the contract when the final budget was received from NSHE.

Ms. Peek said budget account 3224, the Community Health Nursing Program, housed two General Funded Disease Investigator positions that reported to the State Epidemiologist. Additionally, budget account 3224 also supported nursing staff. She said the nurses had been working very hard at community testing events in addition to performing contact tracing duties when needed. She said the nurses complemented the Disease Investigators and physically lived in the community; therefore, they were occasionally asked to go to a physical location to find an individual. Ms. Peek said the nurses were very much a partner to the division.

Ms. Peek said the ELC supplemental award focused on infection prevention and control so the division developed surge teams that concentrated on epidemiology, health care facility inspections, which was more of the regulatory team, and the environmental health team. The intention for the HCQC was to have inspectors that were experts in the field of long-term care and nursing to support the epidemiology team, which also did a lot in that area, but the two were complementary.

Ms. Peek noted that the contractors would remain in budget account 3219. She said the division did not need to transfer funds to pay a contractor, because it was all part of the DPBH. Ms. Peek stressed that the division was focused on skilled nursing and long-term care in a number of different budget accounts.

Assemblywoman Benitez-Thompson said she appreciated the clarification. She said it seemed that a lot of beneficial conversations had occurred between the division and stakeholders. She liked that funds were being distributed to various government entities, such as $30.0 million to the Southern Nevada Health District and $10.0 million to the Washoe County Health District. She commented that the state should never be in the position of forcing federal dollars into an area where they were not wanted. Therefore, if a particular county opted out of the funding, it should be reallocated to other counties in need of funding.

Ms. Peek confirmed that the division intended to reallocate funding if a county opted out. In addition, the DPBH statewide funds were part of the rural allocation, so if a statewide effort was needed, the division could use some of the funds that were allocated to a different area. Ms. Peek said the division would have to pivot to address COVID-19, because it was unknown how it looked geographically and in vulnerable populations. However, the division could make the funds meet the needs of the counties. Ms. Peek noted that contact tracers were relocated if there were no COVID-19 cases in the county in which they were assigned. She said there was a statewide effort to address the pandemic.

Senator Denis asked if Salesforce was an off-the-shelf product and if it was utilized by other states. Ms. Peek confirmed that Salesforce was on an off-the-shelf product. She said Deloitte would customize Salesforce specific to Nevada and build it into the state's workflow. Deloitte would also help establish teams to oversee Salesforce at the health districts. Ms. Peek indicated that Salesforce would be implemented as early as next week pending all appropriate signatures. She noted that the division had many discussions with vendors over the last three weeks. One of the main qualifiers was that the selected vendor must have experience standing up the product quickly in other states.

Senator Denis asked if the $459,005 for DPBH information technology services included additional staff. Ms. Peek confirmed that was correct. She added that the division's IT Director requested a manager to help implement all the products and oversee reporting of laboratory reports into the system, which required expertise to address the issues the division was experiencing.

Senator Denis asked when the COVID-19 Public Health Response Plan would be implemented. Ms. Peek replied that the contact tracing piece of the plan was recently finalized. She said she would provide a copy for the Committee's review. Ms. Peek also indicated that a draft version of the response plan, which included items such as laboratory capacity, had been provided to the Committee. She said the division hoped to finalize the response plan by the end of the week.

Senator Denis asked if the stakeholders were involved in the process of the plan. Ms. Peek replied that stakeholders were required to sign off on efforts related to the ELC funding. She said the division had discussions with the stakeholders as the awards were received. Additionally, the DPBH and the Division of Emergency

Management had weekly meetings with all the stakeholders at every county level. During those meetings, Ms. Peek provided updates related to contact tracing, and the stakeholders and tribes provided effective feedback. She noted there was ongoing open dialogue between the agencies and stakeholders. However, the most effective conversations were one-on-one discussions with the counties, because each county had specific needs. Ms. Peek remarked that conversations with NSHE had been exceptional. She said NSHE had stepped up in matters related to training and workforce development.

Senator Denis asked how the division would utilize contract staff.

Ms. Peek replied that contract staff would be hired through a variety of methods. She said the division would utilize the master service agreement (MSA) opportunities available in the state for the information technology solution and patents. In addition, the division was working to develop a system that would allow NSHE to hire contract staff and provide oversight for the contact tracing piece. She said the division would also hire staff through the Deloitte contract. Lastly, the division would award subgrants to local health departments to hire contract staff by their usual means.

Senator Denis asked if state employees could be trained to perform some of the functions that would be performed by contract staff.

Ms. Peek confirmed that state employees could also be trained to perform the same functions as the contract staff. She noted that the division was still in the early stages of discussion. Ms. Peek said she asked NSHE to determine if it was feasible to establish positions within the NSHE budget, which would allow state employees to transfer to those positions while retaining health insurance and retirement benefits. Ms. Peek said there was also an opportunity to fill non-benefit contract positions. She stated that the division was doing its best to create a situation in which everyone would benefit.

Senator Settelmeyer asked if there was a plan to allow local authorities the ability to manage outbreaks differently in their respective communities, because currently, it seemed like a “one size fits all” approach.

Ms. Peek said there were some standards related to outbreak management, which she thought would still be honored. She said outbreak management could potentially look different in some of the counties that had never conducted their own case investigations or contact tracing. Ms. Peek noted that the division typically managed those functions via telephone for some counties; however, some counties wanted those functions performed in person rather than by telephone. Therefore, the process might be different for certain counties, but there were solid standards for outbreak management that would be honored, and training would be provided accordingly.

Senator Settelmeyer asked for confirmation that local authorities would be allowed to have control over outbreak management in their counties going forward. Ms. Peek confirmed that was correct.

Senator Settelmeyer asked if the division could provide a breakdown for the expenditure of the $66.2 million. He asked how much funding would be used for contact tracing versus antibody testing, which he thought was more useful.

Ms. Peek replied that only a portion of the funds would be used for contact tracing. She said the CDC was currently developing standards for seroprevalence studies for epidemic parameters, which related to antibody testing. She noted the 2 percent minimum testing per month was a combination of the polymerase chain reaction test and antibody test. Ms. Peek said a lab work group comprised of local health departments and other agencies were discussing antibody testing in various communities. She noted that Washoe County recently began a seroprevalence study, and the remainder of the state was observing the study's participation rate to determine if the same method should be used for the remaining counties.

In response to a question from Senator Settelmeyer, Ms. Peek replied that the percentage of funding for contact tracing would be determined further along in the process. She said if there was feedback concerning contact tracing in specific counties, the division could have the discussion again with the Director of the Nevada State Public Health Laboratory to see what would work for each county and to help design a county-specific study.

Assemblyman Wheeler expressed concern about privacy rights. He asked who had access to contact tracing data. Specifically, would the federal government and other states have access to the data? He also asked if the information would be available to the public.

Ms. Peek replied that the division maintained a database for case investigation and contact tracing. She said names and personal information was not provided to the CDC. The CDC only looked at the data from an aggregate perspective.

Ms. Peek said there was a process in place called the Interstate Communication of Confidential Records (ICCR). She said Nevada and California each had an ICCR Coordinator through which information was transferred when someone tested positive for COVID-19 in either state. Subsequently, the ICCR Coordinator was responsible for sharing that information with the individual's county of residence. She noted there was a similar process in place for all communicable diseases.

Continuing, Ms. Peek stated that all personal information remained in-house except in instances when that information needed to be shared with an external public health agency. She said information had been subpoenaed in the past;

however, the division redacted many details, including names, birthdates and other personal information. Only aggregate information was provided unless a person had authorized the release of their personal information. Ms. Peek said she would provide follow-up information to the Committee.

Assemblyman Wheeler asked who managed the contact tracing database. He asked if the database was controlled in-state by a contractor, or if a federal partner controlled the security of the database to protect private information.

Ms. Peek replied that the state was responsible for overseeing the database. The DPBH in Carson City and Washoe County used a system that was developed by the CDC; however, the database was maintained by the division. The DPBH worked with Inductive Health Informatics, which was vetted through the Division of Enterprise IT Services (EITS) and other agencies, to help with processes. Ms. Peek said the Southern Nevada Health District had its own system with the same qualifiers to ensure the information was protected and private. She noted that the health district had a great informatics team that was responsible for overseeing the database.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO APPROVE AGENDA ITEM C-4.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Kramer and Assemblyman Wheeler opposed the motion.)

5. Department of Health and Human Services - Welfare and Supportive Services - Energy Assistance Program - FY 2020

Addition of $8,112,854 in Coronavirus Aid, Relief, and Economic Security (CARES) Act Low-Income Home Energy Assistance funds to provide supplemental payments to eligible households to assist with increased home energy usage during stay-at-home order due to COVID-19 pandemic. Requires Interim Finance approval since the amount added to the CARES Grant category exceeds $75,000. **Work Program #C50638**

Steve Fisher, Administrator, Division of Welfare and Supportive Services (DWSS), DHHS, introduced Robert Thompson, Deputy Administrator, DWSS, DHHS and Maria Wortman-Meshberger, Chief of the Energy Assistance Program, DWSS, DHHS.

Mr. Fisher stated that Work Program #C50638 requested the addition of $8.1 million in federal CARES Act Low-Income Home Energy Assistance funds to respond to the energy needs of Nevadans during the current state of emergency.

Robert Thompson, Deputy Administrator, DWSS, DHHS, stated that the additional funds were provided through the federal CARES Act. The division intended to utilize approximately 40 percent of the funds to retroactively increase benefits for customers of the Energy Assistance Program. He said the stay-at-home order resulted in increased energy usage and additional costs to Nevadans; therefore, the division sought to retroactively increase assistance to customers for the current fiscal year. Mr. Thompson noted that the division anticipated a significant increase in Energy Assistance Program applications in FY 2021 due to the state's current economic situation and in response to the reinstatement of termination for non-payment.

In answer to a question from Chair Carlton, Mr. Thompson clarified that individuals who were currently receiving energy assistance would receive additional assistance in the form of a credit toward their heating and cooling costs based on household size.

Assemblywoman Benitez-Thompson recalled discussion about an amendment to the state plan so the DWSS could improve response during an emergency situation. She asked what the timeframe was for the amendment.

Mr. Thompson thought that Assemblywoman Benitez-Thompson was referring to the division's request to waive income requirements in certain situations. He said that conversation was prompted by the federal shutdown when federal employees were not receiving pay but did not qualify for assistance due to their spouse's income. Mr. Thompson said the division requested approval from the federal government to amend the state plan to waive certain income requirements during a state of emergency, and if the administrator determined funding was available. He said it was initially thought that type of exception would apply to emergencies such as a wildfire that could displace residents. However, the COVID-19 pandemic became another prospective qualifying event. He said the division would still have to amend the state plan; therefore, the suspension of the income requirements would not take effect until the state plan amendment was approved.

Assemblywoman Benitez-Thompson said it was good the division was having discussions about program income requirements. She thought the federal poverty levels were arbitrary numbers, and increased discretion during a state of emergency was important. Assemblywoman Benitez-Thompson asked the agency to provide the Committee with the anticipated timing of the state plan amendment and whether revised income requirements would be included in the amendment.

Chair Carlton recalled that the Health Management Information System (HMIS) tracked public assistance to prevent people from receiving additional assistance in the same year. She asked if the retroactive payment or future payments from the

Energy Assistance Program would prohibit a person from receiving other assistance for rent, water and gas.

Mr. Thompson replied that the Energy Assistance Program was considered a supplement rather than additional assistance; however, the division would have to follow up with partnering agencies to determine if they would consider it additional assistance.

Chair Carlton said she wanted to ensure that people who received assistance for a smaller expense like electric were not prohibited from receiving assistance for a larger expense like rent, which would cause more harm than good. She asked the division to provide the Committee with further clarification.

In answer to a question from Senator Settelmeyer, Mr. Thompson replied that there was not a backlog for the Energy Assistance Program. He said the processing timeframes remained static during the pandemic.

Senator Denis asked the agency what the average retroactive payment would be for each customer. He recalled that in the past, people did not receive assistance on a monthly basis, because the program had limited funds.

Mr. Thompson replied that the Energy Assistance Program would provide a retroactive payment of a flat amount based on household size. For example:

- Household of one - $100
- Household of three - $200
- Household of five or six - $250
- Household of seven - $300

Mr. Thompson said the division did not have prior experience with retroactive payments, so additional usage had to be estimated. He thought that seemed like the most logical method of providing retroactive assistance based on the current level of funds. He that the retroactive payment was a one-time amount to be used toward previous energy usage for the year.

Senator Denis asked if the division expected the number of applicants to increase in FY 2021. Mr. Thompson confirmed that was correct. He added that one of the driving factors for the Energy Assistance Program was that people typically applied for assistance when their utilities were in danger of being shut off due to non-payment. He said initially there was a decrease in the number of applications due to the suspension of termination of service for non-payment; however, the division anticipated a surge in applications as soon as that was lifted.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO APPROVE AGENDA ITEM C-5.

SENATOR DENIS SECONDED THE MOTION.

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

6. Department of Health and Human Services - Child and Family Services - Southern Nevada Child and Adolescent Services - FY 2020

Addition of $195,717 in Emergency COVID-19 grant funds transferred from the Division of Public and Behavioral Health to provide crisis intervention services, mental and substance use disorder treatment and other related recovery supports for children impacted by the COVID-19 pandemic. Requires Interim Finance approval since the amount added to the Mobile Crisis Expansion Grant category exceeds $75,000. **Work Program #C50731**

Agenda Items C-6 and C-7 were discussed jointly. Refer to testimony and motion for approval under Agenda Item C-7.

7. Department of Health and Human Services - Child and Family Services - Northern Nevada Child and Adolescent Services - FY 2020

Addition of $410,634 in Emergency COVID-19 grant funds transferred from the Division of Public and Behavioral Health to provide crisis intervention services, mental and substance use disorder treatment and other related recovery supports for children impacted by the COVID-19 pandemic. Requires Interim Finance approval since the amount added to the Mobile Crisis Expansion Grant category exceeds $75,000. **Work Program #C50746**

Agenda Items C-6 and C-7 were discussed jointly.

Ross Armstrong, Administrator, Division of Child and Family Services (DCFS), DHHS, said Work Programs #C50731 and #C50746 requested approval to receive grant funds from the DPBH to expand mobile crisis teams in Northern and Southern Nevada to address increased need.

Chair Carlton recalled discussion during the 2019 Legislative Session about Mobile Outreach Safety Teams (MOST) and the expansion of Mobile Crisis Response Teams (MCRT). She also recalled that a proposal was not approved by the 2019 Legislature. Chair Carlton understood there was not a state match or maintenance of effort requirement. She asked what unmet need the additional funding would address for the MCRTs.

Mr. Armstrong replied that MOST generally involved multiple agencies, including law enforcement and mental health professionals, working together for adults; however, MCRTs were different. He did not recall a proposal related to the

expansion of MCRTs during the 2019 Legislative Session. Mr. Armstrong said Alexis Tucey, Deputy Administrator, DCFS, DHHS, could provide data related to the increased need. He noted the division was tracking general COVID-19 calls, tangentially COVID-19 calls, as well as calls that were indirectly related to COVID-19.

Alexis Tucey, Deputy Administrator, DCFS, DHHS, stated that the request would add one team in Southern Nevada, which would consist of one Mental Health Counselor and one Psychiatric Case Worker, and two teams in Northern Nevada, which would also consist of one Mental Health Counselor and one Psychiatric Case Worker. The intent was to expand the capacity to respond accordingly to youth and families that were experiencing stressors related to the pandemic.

Chair Carlton said it was her understanding the temporary positions would be terminated following the expiration of the CARES Act grant. She asked if the division intended to request an extension of those positions during the 2021 Legislative Session if there was a positive outcome.

Ms. Tucey confirmed that the positions were contract positions and would be terminated following the expiration of the CARES Act grant on August 19, 2021. At that time, the division would determine if there was an ongoing need for the additional positions.

Chair Charlton requested that the division collect as much data as possible, because there was often a lack of data on which to base decisions. She said adequate data would help with future discussions related to this particular matter.

Assemblywoman Neal said, based on April 2020 behavioral health data from the DCFS, the MCRTs in Northern Nevada had received 30 calls and responded to 10 calls. She noted the average number of calls was 52.8. Assemblywoman Neal asked what types of issues the MCRTs were addressing during the pandemic.

Ms. Tucey replied that the division collected data between March 25, 2020, and May 5, 2020. The division received many phone calls, which were broken down into three categories, including primary concern as emotional distress related to COVID-19; primary concern related to questions regarding COVID-19; and COVID-19 as a secondary concern. Ms. Tucey said between April 29, 2020, and May 5, 2020, the data reflected that approximately 86 calls related to COVID-19 as a secondary concern; 49 calls with a primary concern as emotional distress related to COVID-19; and 6 calls with a primary concern about questions related to COVID-19. She noted that was a reduction in calls compared to when the division first began tracking calls. She said initial data included 161 calls with a primary concern as emotional distress related to COVID-19; 114 calls with a primary concern about questions related to COVID-19; and 54 calls with COVID-19 as a secondary concern.

In answer to a question from Senator Denis, Ms. Tucey replied that the DCFS experienced an increased number of calls specific to COVID-19 related questions. The division's request would allow the DCFS the ability to expand its timeframe in which it was able to respond to crisis-related calls within the Northern Nevada area.

Senator Denis asked if the number of calls unrelated to COVID-19 had decreased.

Mr. Armstrong interjected that the DCFS could provide a report to the Committee that included a breakdown of calls. He said the DCFS had seen an absolute collapse of calls reporting child abuse and neglect. More specifically, 50 percent less calls related to child abuse and neglect were received in April 2020, which was unprecedented. He added that each family had its own definition of a crisis, and the division provided each family with the appropriate link related to that specific crisis. Mr. Armstrong said he would provide the Committee with specific call data, including calls by region.

Responding to a question from Senator Denis, Mr. Armstrong said the X factor was that the division was unable to provide 7-day a week, 24-hour coverage for Northern Nevada. Therefore, the DCFS anticipated an increase in call volume when community partners became aware that the hours for the MCRTs had been expanded, at which time, the division would determine if the calls during those expanded hours had a similar breakdown. The DCFS anticipated that by fall 2021, as everyone became more familiar with how to respond to COVID-19 and the state had acclimated to the "new normal," the emotional and psychological toll would be less for people.

SENATOR DENIS MOVED TO APPROVE AGENDA ITEMS C-6 and C-7.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

8. **Department of Employment, Training and Rehabilitation - Rehabilitation - Bureau of Services to Persons Who are Blind or Visually Impaired - FY 2020** Transfer of $15,610 from the Case Services category to the Phone System category to fund one-time costs to replace the department's end-of-life phone system. Requires Interim Finance approval since the cumulative amount transferred from the Case Services category exceeds $75,000. **Work Program #C50763**

Agenda Items C-8 through C-17 were discussed jointly. Refer to testimony and motion for approval under Agenda Item C-17.

9. **Department of Employment, Training and Rehabilitation - Rehabilitation - Bureau of Services to Persons Who are Blind or Visually Impaired - FY 2020 -** Transfer of $1,056 from the Case Services category to the Phone System category to provide funding for two months of ongoing costs related to the new phone system. Requires Interim Finance approval since the cumulative amount transferred from the Case Services category exceeds $75,000. **Work Program #C50771**

Agenda Items C-8 through C-17 were discussed jointly. Refer to testimony and motion for approval under Agenda Item C-17.

10. **Department of Employment, Training and Rehabilitation - Rehabilitation - Vocational Rehabilitation - FY 2020**
Transfer of $97,451 from the Case Services category to the Phone System category to fund one-time costs to replace the department's end-of-life phone system. Requires Interim Finance approval since the amount added to the Phone System category exceeds $75,000. **Work Program #C50789**

Agenda Items C-8 through C-17 were discussed jointly. Refer to testimony and motion for approval under Agenda Item C-17.

11. **Department of Employment, Training and Rehabilitation - Rehabilitation - Vocational Rehabilitation - FY 2020**
Transfer of $6,590 from the Case Services category to the Phone System category to provide funding for two months of ongoing costs related to the new phone system. Requires Interim Finance approval since the cumulative amount transferred from the Case Services category exceeds $75,000. **Work Program #C50795**

Agenda Items C-8 through C-17 were discussed jointly. Refer to testimony and motion for approval under Agenda Item C-17.

12. **Department of Employment, Training and Rehabilitation - ~~Workforce Development~~ - *Employment Security - Special Fund* - FY 2020**
Transfer of $793,996 from the Reserves category to establish the Phone System category to fund one-time costs to replace the department's end-of-life phone and Interactive Voice Response systems. Requires Interim Finance approval since the amount added to the Phone System category exceeds $75,000. **Work Program #C50462. REVISED 5-22-20.**

Agenda Items C-8 through C-17 were discussed jointly. Refer to testimony and motion for approval under Agenda Item C-17.

13. Department of Employment, Training and Rehabilitation - Workforce Development - FY 2020

Transfer of $149,106 from the Reserves category to the Phone System category to fund one-time costs to replace the department's end-of-life phone system. Requires Interim Finance approval since the amount added to the Phone System category exceeds $75,000. **Work Program #C50764**

Agenda Items C-8 through C-17 were discussed jointly. Refer to testimony and motion for approval under Agenda Item C-17.

14. Department of Employment, Training and Rehabilitation - ~~Employment Security - Special Fund~~ - *Workforce Development* - FY 2020

Transfer of $10,082 from the Reserves category to the Phone System category to provide funding for two months of ongoing costs related to the new phone system. Requires Interim Finance approval since the cumulative amount added to the Phone System category exceeds $75,000. **Work Program #C50772. REVISED 5-22-20.**

Agenda Items C-8 through C-17 were discussed jointly. Refer to testimony and motion for approval under Agenda Item C-17.

15. Department of Employment, Training and Rehabilitation - Unemployment Insurance - FY 2020

Addition of $203,513 in federal Unemployment Insurance Administrative Grant funds to provide funding for two months of ongoing costs related to the new phone and Interactive Voice Response systems. Requires Interim Finance approval since the amount added to the Phone System category exceeds $75,000. **Work Program #C50786**

Agenda Items C-8 through C-17 were discussed jointly. Refer to testimony and motion for approval under Agenda Item C-17.

16. Department of Employment, Training and Rehabilitation - Administrative Services - Information Development and Processing - FY 2020

Addition of $294,896 in Cost Allocation Reimbursement and $793,996 in Transfer from ES Special Fund to fund one-time costs to replace the department's end-of-life phone and Interactive Voice Response systems. Requires Interim Finance approval since the amount added to the Phone System category exceeds $75,000. **Work Program #C50762**

Agenda Items C-8 through C-17 were discussed jointly. Refer to testimony and motion for approval under Agenda Item C-17.

17. Department of Employment, Training and Rehabilitation - Administrative Services - Information Development and Processing - FY 2020

Addition of ~~$19,941~~ ***$223,454*** in Cost Allocation Reimbursement ~~and $203,513 in Transfer from ES Special Fund~~ to provide funding for two months of ongoing costs related to the new phone and Interactive Voice Response systems. Requires Interim Finance approval since the amount added to the Phone System category exceeds $75,000. **Work Program #C50773. REVISED 5-22-20.**

Agenda Items C-8 through C-17 were discussed jointly.

Chair Carlton asked the agency why Agenda Items C-8 through C-17 went to the Board of Examiners (BOE) before coming to the IFC.

Heather Korbulic, Director, Department of Employment, Training and Rehabilitation (DETR), replied that in coordination with the State Purchasing Division, DETR responded to the emergent needs of Nevadans who needed to connect to DETR through the department's phone system to resolve issues with their unemployment claims. Therefore, DETR worked with the State Purchasing Division to do an emergency procurement as outlined in *Nevada Administrative Code* (NAC) 333.114.

Assemblywoman Monroe-Moreno said many Committee members had received numerous phone calls from people who were trying to access their unemployment benefits. She asked what impact the current phone system had on services provided to the public. She also asked how services would improve following the implementation of the new phone system.

Ms. Korbulic said all the work programs submitted by the department were related to the replacement of the department's phone system and the connected Interactive Voice Response (IVR) system. She said it was well publicized that the DETR phone system was unable to handle the large volume of calls that the department had been receiving. She said the existing phone system was very fragile and barely operational, with many components at end of life.

Continuing, Ms. Korbulic said the new phone system was a cloud-based system, which meant it could be tailored to meet the needs of the department. It would also allow more callers to reach DETR. She said teams of DETR staff had been working to address unemployment insurance (UI) claims and resolve issues throughout the pandemic. Ms. Korbulic stated that DETR, like many other state agencies, had experienced positive cases of COVID-19 among staff. Although DETR was following the appropriate protocols to protect the safety and well-being of staff, the existing phone system did not allow for remote work. The new phone system, among many other positive features, would allow UI staff to work remotely as necessary to protect their health and safety and ensure the continuity of UI services.

Ms. Korbulic added that Nevada had the highest unemployment rate on record for any state. She said the COVID-19 crisis had placed an enormous demand on the department's extremely fragile phone system. The COVID-19 emergency as well as the consequences of a system outage that could result from not replacing the current phone system forced DETR to begin working on the implementation of the replacement system.

Assemblywoman Monroe-Moreno asked the agency how quickly service levels for UI benefits were expected to improve after the implementation of the new phone system.

Ms. Korbulic replied that DETR was working on implementing the new phone system for the department's Claims and Adjudication Offices. She said the new phone system had been implemented in three DETR offices. At the same time, DETR required staff to answer calls, so the department was actively recruiting and standing up new call centers in Northern Nevada and Southern Nevada, which was recently opened. Ms. Korbulic said DETR was working on hiring staff while also stabilizing the phone system to allow more calls to get through.

Assemblywoman Monroe-Moreno asked how DETR would minimize the impact of the phone system replacement on staff and services considering the department's current workload.

Ms. Korbulic agreed there was stress on the department's existing resources, both internal information technology (IT) support and UI staff. To address that, DETR leveraged contracts with IT staff to help the agency with its existing UI system. Additionally, DETR was working on the new phone system integration as well as standing up the Pandemic Unemployment Assistance (PUA) program. She said all of that was an enormous strain of department's resources, but DETR was doing its best to add and augment to ensure that services were delivered per state and federal requirements.

Assemblywoman Monroe-Moreno said she was aware there was a backlog of UI claims. She asked for an update on the current backlog and how implementing the new phone system would impact the backlog.

Ms. Korbulic indicated that each week DETR paid out more in weekly eligible claims. In the current week, DETR paid out 84 percent of eligible claims in traditional UI compared to 81 percent in the previous week. The agency continued to see large decreases in UI claims that were pending adjudication, and from week to week, there had been a decrease in claims by 6,000. In addition, DETR was seeing an increase in people who were going back to work, or who were not eligible for UI because they were collecting some form of income. Ms. Korbulic said in addition to a decrease in the number of pending claims awaiting adjudication in standard UI, there was also a significant increase in the number of people deemed

ineligible, which was a demonstration of the significant amount of work that was happening with DETR's Adjudication teams.

Continuing, Ms. Korbulic said DETR recently launched the PUA portal to accept weekly claims and connected the payment systems. She said DETR began disbursing payments on PUA claims effective May 27, 2020. The agency continued to address the backlog of claims and disburse payments in the order in which claims were received. Ms. Korbulic indicated that as of May 29, 2020, DETR had paid out $36.0 million in PUA benefits.

Assemblywoman Monroe-Moreno asked the agency how many claims were in the current backlog. Ms. Korbulic noted that the reports were embargoed by a week. For the week of May 25, 2020, there was a backlog of 40,657 claims, which was a decrease of approximately 7,000 claims from the previous week.

Chair Carlton asked if the claims in the backlog were awaiting adjudication. Ms. Korbulic confirmed that the claims in the backlog were standard UI claims that were pending adjudication. She said approximately 60 percent of claims were typically ineligible for payment, but DETR was required to adjudicate those claims to determine eligibility.

Chair Carlton asked if a claimant was automatically ineligible for UI if they were receiving a pension. Ms. Korbulic replied that UI eligibility depended on the pension details. During the adjudication process, DETR determined whether the pension amount put the claimant over the income threshold. She said claims adjudication was required to ensure that DETR was paying the correct weekly benefit amount.

Chair Carlton asked how long it would take DETR to process the current backlog of claims. Ms. Korbulic replied that DETR continued to add staff. The agency was also in the process of automating solutions to address and release benefits for people with pending claims. Therefore, it was difficult to determine how long it would take to address the backlog.

Assemblywoman Monroe-Moreno asked what cost savings measures DETR had identified to support the $1.3 million needed in FY 2021 for the new phone and IVR system.

Kitty DeSocio, Chief Financial Officer, DETR, stated that the ongoing annual costs for the phone and IVR systems was approximately $1.3 million, the majority of which would be paid through the unemployment federal grant, because most of the staff that would utilize the new phone system were paid through that funding stream. She said DETR had gone through several iterations of cost savings measures to reduce costs, including salary savings and travel expenditures. Ultimately, the agency was seeking revenue through a variety of ways to support the costs associated with the new phone system.

In response to a question from Assemblywoman Monroe-Moreno, Ms. DeSocio confirmed that DETR would not request additional General Funds to support phone system costs in FY 2021.

Senator Settelmeyer said many constituents were still awaiting PUA payments. He asked what percentage of independent contractors had been paid to date as well as the status of those claims.

Ms. Korbulic relayed that DETR was currently working with its vendor to determine the exact number of independent contractor claims that had been paid to date. She said DETR could determine how many weeks had been paid out and the number of pending claims, but it was unable to determine the exact number of claims that had been paid. Ms. Korbulic indicated that DETR was making strides every day to address PUA claims. She said more payments were disbursed every day. Ms. Korbulic said she would provide the Committee with the number of PUA claims that had been paid to date.

Assemblywoman Neal said approximately $36.0 million in PUA claims had been paid to date. She was recently informed by a constituent that it could take one to four weeks before receiving the first PUA payment. Assemblywoman Neal asked why it was taking that long to process PUA claims. Additionally, she said it was her understanding that DETR added PUA to the existing UI system. She asked for clarification on how the PUA system functioned.

Ms. Korbulic said she did not have the current numbers available for PUA payouts; however, as of May 29, 2020, 79,589 individuals had filed PUA claims. Of those, 542,261 weekly claims were filed, which required an enormous amount of computation and automation to process. Ms. Korbulic noted that employees were working nightly to process PUA claims. Additionally, DETR was working closely with its vendor to ensure the department was aligning payments and claims correctly. Ms. Korbulic said DETR was also catching a significant amount of fraudulent claims before payments were disbursed, all of which required considerable staff time.

Although Ms. Korbulic could not speak specifically to the constituent's claim referenced by Assemblywoman Neal, she said DETR processed PUA claims in the order in which they were received. She indicated that a claim could be delayed if there was an issue that needed to be resolved.

Ms. Korbulic confirmed that DETR used the UInv platform for PUA; however, PUA had an entirely different eligibility system with its own complex set of rules and logic. In addition, the PUA system was connected to banks and federal funds in a way that was new for DETR. Ms. Korbulic said the PUA system was functioning in terms of accepting initial and weekly claims. She said DETR was working as quickly as possible to identify and address issues that were brought to the attention

of the department through the call center and by claimants. However, the PUA system was functioning as anticipated.

Assemblywoman Neal recalled a previous statement by Ms. Korbulic indicating that some forms of income disqualified individuals from receiving UI benefits. She was aware there was a range of claims, but she thought individuals typically qualified for benefits if their hours were reduced. Assemblywoman Neal asked the department to provide further clarification.

Ms. Korbulic said she would provide the Committee with more information on UI weekly eligibility standards. She noted that federal law required claimants to report all income received for the week to ensure that DETR did not pay more than the allowable amount. If a claimant received income that exceeded the weekly threshold, DETR had to withhold payment and recalculate the amount so that the claimant received only the amount for which they were eligible.

Senator Denis asked if the software for the new IVR system could be upgraded. Ms. Korbulic replied that one of the many features of the new phone system was that it allowed for an integrated IVR; therefore, when people called DETR, they could be connected to the traditional UI system, which provided fluidity and interactivity. She stated that the system would be implemented as soon as DETR could fully integrate the phone system into its UI system.

Senator Denis was aware the department's current phone system was 12 years old. He asked if DETR had been considering an upgrade to the phone system prior to the pandemic. Ms. Korbulic confirmed that was correct. She was aware there had been discussions during past legislative session about the phone system; however, she was unaware of the full history. She said DETR was aware the phone system needed to be replaced and the current crisis compounded the issue and put DETR at risk of a system outage that would be devastating.

In response to a question from Senator Denis, Ms. Korbulic replied that the new phone system was cloud-based, which made it scalable. In addition, the new system contained a number of important features, including the ability to record calls for quality assurance purposes.

Senator Denis understood the new phone system was scalable. He thought there would be additional costs if the system had to be scaled to meet the department's current call volume; however, he asked if those costs would decrease as call volume decreased.

Ms. Korbulic replied that the phone system was a subscription-based contract so DETR would not have to pay more as the system was scaled up; however, DETR would incur additional personnel costs, because staff levels would have to be increased to accommodate a larger call volume.

Senator Denis asked how much downtime was expected during the transition from the old system to the new system. Ms. Korbulic replied that DETR had already begun implementation into smaller units, such as the new call centers and the Nevada Equal Rights Commission (NERC). She said the department was currently working to resolve issues as they arose. The new phone system would be implemented within the remainder of DETR in the next 30 to 60 days. Ms. Korbulic indicated the old system would seamlessly roll into the new system without any downtime.

Senator Settelmeyer was aware that other states had transitioned to app-based technology for UI benefits. He asked if DETR's new system included an app-based system that constituents could use to file UI claims. He noted that claims processing in other states increased from 1,200 claims per week to 2,000 claims per day using an app-based system.

Ms. Korbulic replied that the UInv system was separate from the new phone system. She said the UInv computer system was antiquated as it related to the need for cloud-based, scalable technology in 2020; however, that was unrelated to the new phone system. She said the phone and UInv systems would be integrated. Ms. Korbulic also noted that the new phone system could be integrated with whichever computer system DETR employed.

Senator Settelmeyer asked how soon constituents could expect an improvement after the implementation of the phone system.

Ms. Korbulic stated that DETR had already begun implementing the new phone system at the new call centers. In addition, DETR was expanding its workforce at a rapid pace in collaboration with the Division of Human Resource Management. She said the department was hoping for noticeable improvements with each passing day.

Assemblywoman Jauregui asked how many PUA claims had been filed. Ms. Korbulic replied that 79,589 PUA claims had been filed as of May 29, 2020.

Assemblywoman Jauregui recalled that DETR indicated at a recent IFC meeting that approximately 80,000 traditional UI claims were awaiting adjudication. Since then, the number decreased to 40,000 claims. She asked if the decrease was because many of those claims actually related to PUA rather than traditional UI.

Ms. Korbulic explained that the PUA and traditional UI systems were entirely separate. She agreed the decrease in claims could be because some claimants filed for traditional UI rather than PUA. Ms. Korbulic noted the reason for the significant decline was because the department was adjudicating claims as quickly as possible and finding data fixes or automated solutions to release benefits. She added that the decrease was attributable to the hard work by DETR staff.

Continuing, Ms. Korbulic reiterated that PUA was an entirely separate system, and DETR had not had a chance to review the data to see how many claims were duplicates; however, that should not matter, because if a person was ineligible for traditional UI, they could still file for PUA.

Assemblywoman Jauregui stated that a significant number of constituents had contacted her indicating they could not reach DETR directly and never received a response when they left a message. She had to explain to many of those constituents that they were ineligible for traditional UI, because they were independent contractors or gig workers. Assemblywoman Jauregui asked if the remaining 40,000 claims that required adjudication could be processed more quickly, because it was likely those individuals did not qualify for traditional UI and may need to be referred to PUA.

Ms. Korbulic said the outstanding claims that were awaiting adjudication were the most challenging claims. Most of those claims were held for reasons related to separation of employment. She said UI was for individuals, who through no fault of their own, were unemployed or separated from their job. When a claimant indicated they were discharged or fired from a job, federal and state law required DETR to adjudicate claims to determine eligibility. Ms. Korbulic said DETR was trying to find automated solutions for those claims. She said that was just one of many challenging situations that remained in the backlog of claims. She noted that DETR staff was actively working on those cases every day.

Assemblywoman Spiegel asked if the new phone system was capable of using artificial intelligence so that self-service could be expanded and answers could be provided more quickly.

Ms. Korbulic was uncertain if that feature was available in the new phone system; however, she said she would provide that information to the Committee.

Senator Cancela remarked that a significant number of Nevadans spoke Spanish and Tagalog. She asked if DETR was actively trying to hire bilingual staff to assist those claimants.

Ms. Korbulic replied that DETR gave preference to candidates who spoke multiple languages, especially Spanish-speaking candidates. She said DETR was currently and actively recruiting approximately 140 staff. The department would open another recruitment period when JobConnect offices reopened and those staff returned to their usual duties.

Chair Carlton said one of her constituents had been waiting a very long time for their claim to be adjudicated. The constituent wanted to know if they would still receive retroactive UI benefits, even if they were called back to work before the claim was adjudicated.

Ms. Korbulic replied that DETR continued to process and adjudicate claims in the order in which they were received. She stated that anyone with a traditional UI or PUA claim would receive retroactive pay from the date of eligibility.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA ITEMS C-8 THROUGH C-17.

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

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

D. PUBLIC COMMENT

Pursuant to the Governor's Emergency Directive 006, there was no physical location for the June 1, 2020, meeting of the Interim Finance Committee. The meeting was broadcast on the Nevada Legislative website at www.leg.state.nv.us. Public comment was accepted live via telephone. Written comments were also accepted by e-mail, facsimile, and mail before, during, and after the meeting.

There was no public comment.

E. ADJOURNMENT.

Chair Carlton adjourned the meeting at 3:59 p.m.

_____
Assemblywoman Maggie Carlton, Chair
Interim Finance Committee

_____
Brenda Erdoes, Director, Legislative Counsel Bureau,
and Secretary, Interim Finance Committee