

MINUTES OF THE JUNE 19, 2014
MEETING OF THE
INTERIM FINANCE COMMITTEE
LEGISLATIVE COUNSEL BUREAU
Carson City, Nevada

Chairwoman Debbie Smith called a regular meeting of the Interim Finance Committee (IFC) to order at 9:08 a.m. on June 19, 2014, in Room 4100 of the Nevada Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda and [Exhibit B](#) is the Meeting Packet. All exhibits are available and on file at the Fiscal Analysis Division of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Debbie Smith, Chairwoman
Assemblywoman Maggie Carlton, Vice Chair
Assemblyman Paul Aizley
Assemblyman David P. Bobzien
Assemblywoman Olivia Diaz for Assemblyman Hogan
Assemblyman Andy Eisen
Assemblywoman Lucy Flores
Assemblyman Jason Frierson for Assemblyman Horne
Assemblyman Tom Grady
Assemblyman John Hambrick
Assemblyman Crescent Hardy
Assemblyman Pat Hickey
Assemblywoman Marilyn Kirkpatrick
Assemblyman Randy Kirner
Assemblyman James Oscarson for Assemblyman Anderson
Assemblyman Michael Sprinkle
Senator Aaron Ford for Senator Denis
Senator Pete Goicoechea
Senator Ben Kieckhefer
Senator David Parks
Senator James Settlemeyer for Senator Roberson
Senator Joyce Woodhouse

COMMITTEE MEMBERS EXCUSED:

Assemblyman Anderson
Assemblyman Hogan
Assemblyman Horne
Senator Denis
Senator Roberson

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Rick Combs, Director, Legislative Counsel Bureau
Brenda Erdoes, Legislative Counsel
Eileen O'Grady, Chief Deputy Legislative Counsel
Mark Krmpotic, Fiscal Analyst, Senate
Cindy Jones, Fiscal Analyst, Assembly
Alex Haartz, Principal Deputy Fiscal Analyst
Mike Chapman, Principal Deputy Fiscal Analyst
Sherie Silva, Interim Finance Committee Secretary
Cheryl Harvey, Fiscal Analysis Division Secretary

A. ROLL CALL.

Rick Combs, Director, Legislative Counsel Bureau, and Secretary, Interim Finance Committee, called the roll; a quorum was present in both houses.

B. PUBLIC COMMENT.

Chairwoman Smith welcomed audience members in Carson City and Las Vegas and those listening on the Internet. She called for public comment.

Former State Senator Townsend testified from Las Vegas that he was a member of the Governor's Behavioral Health and Wellness Council, and he was present to report the recommendations from the Council after its first six months of meetings. He said a great deal of work was expended by the Council to try to deal with the numerous challenges and mental health issues in southern Nevada. A report was submitted to the Governor in May 2014 that included five recommendations, which were before the Committee for approval at this meeting (refer to testimony and motion for approval under Agenda Item G-168, page 78 of these minutes).

Senator Townsend said that a great deal of input was received from stakeholders concerning the mental health problems, which were complex and involved the federal, state, and local governments. The five recommendations involved areas that the Council members believed were the most important to be dealt with in the least costly and most effective manner.

Senator Townsend noted that Senator Smith, Senator Roberson, Assemblywoman Kirkpatrick, and Assemblyman Hickey served on the Council. Their input was invaluable, and he appreciated their participation. He said that he was present to endorse the recommendations before the Committee and to answer any questions. He thanked the Committee for the time to speak.

Chairwoman Smith thanked Senator Townsend for his participation on the Council and his testimony in support of the proposed changes to mental health services.

Fred Voltz, Private Citizen, Carson City, testified concerning mining tax revenue issues that had recently occurred and his suggestions for new revenue sources for the state. His verbatim testimony is attached as [Exhibit C](#).

Chairwoman Smith thanked Mr. Voltz for his testimony. There was no further public comment.

C. APPROVAL OF MINUTES OF THE FEBRUARY 6, 2014, MEETING.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE
FEBRUARY 6, 2014, MEETING MINUTES.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

D. ALLOCATIONS OF FEDERAL GRANT FUNDS FOR WHICH A STATE
AGENCY, COMMISSION OR DEPARTMENT HAS REQUESTED A PUBLIC
HEARING PURSUANT TO NRS 353.337.

- 1. Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2014** - Transfer of \$14,002 from the Aging Administration category to the Aging Homemaker category to reimburse sub-recipients of the Aging Homemaker Program from Title XX funds. **Requires Interim Finance approval since the work program involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing. Work Program #C29236**

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the work program in Agenda Item D required a public hearing because it included a transfer of \$14,002 in block grant funds from the Department of Health and Human Services, Grants Management Unit, Aging Administration category, to the Aging Homemaker category. He said that the Fiscal Analysis Division staff had no questions or concerns.

Chairwoman Smith opened the public hearing on Agenda Item D-1. Hearing no requests to testify, she closed the public hearing and called for a motion.

ASSEMBLYMAN KIRNER MOVED TO APPROVE AGENDA
ITEM D-1.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Carlton was not
present for the vote.)

E. **WORK PROGRAM REVISIONS IN ACCORDANCE WITH NRS 353.220(5)(b).**
INFORMATIONAL ONLY – REQUIRED EXPEDITIOUS ACTION WITHIN
15 DAYS.

- 1. Department of Health and Human Services - Public and Behavioral Health - Northern Nevada Adult Mental Health Services - FY 2014** - Deletion of \$285,906 in Healthy Nevada Funds transferred from the Nevada Treasurer's Office to redirect funds to the Substance Abuse and Prevention Treatment Agency budget account to provide additional funding for service providers. Requires Interim Finance approval since the amount deleted from the Operating category exceeds \$75,000. **RELATES TO ITEMS E.2 and E.3. Work Program #C29523**
- 2. Department of Health and Human Services - Public and Behavioral Health - Substance Abuse Prevention and Treatment Agency - FY 2014** - Addition of \$730,812 in Healthy Nevada Funds transferred from the Nevada Treasurer's Office to provide additional funding to service providers for continued provision of substance abuse and treatment services. Requires Interim Finance approval since the amount added to the Tobacco Funds Transfer category exceeds \$75,000. **RELATES TO ITEMS E.1 and E.3. Work Program #C29431**
- 3. Department of Health and Human Services - Public and Behavioral Health - Facility for the Mental Offender - FY 2014** - Deletion of \$444,906 in Healthy Nevada Funds transferred from the Nevada Treasurer's Office to redirect funds to the Substance Abuse and Prevention Treatment Agency budget account to provide additional funding for service providers. Requires Interim Finance approval since the amount deleted from the Personnel Services category exceeds \$75,000. **RELATES TO ITEMS E.1 and E.2. Work Program #C29531**

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the three work program revisions in Agenda Item E involved the allocation of National Tobacco Settlement funds to the Substance Abuse Prevention and Treatment Agency (SAPTA) within the Division of Public and Behavioral Health, Department of Health and Human Services. He recalled that there was discussion at a previous Committee meeting concerning the difficulties that SAPTA providers were experiencing in the communities because they were now required to bill Medicaid for reimbursement.

Mr. Krmpotic said that the work programs in Agenda Item E were submitted as 15-day expeditious action items to assist the SAPTA providers in fiscal year (FY) 2014 through Tobacco Settlement funding. He explained that funds would be redirected to SAPTA from the Lake's Crossing Center in Sparks and Northern Nevada Adult Mental Health Services.

Chairwoman Smith recalled that there was considerable constituent contact and Committee discussion about the problems, and she asked for an update on the situation

and whether the transfers would rectify the problems for SAPTA and the service providers.

Mary Wherry, Deputy Administrator, Division of Public and Behavioral Health, Department of Health and Human Services, said that expeditious action on the requests enabled the Division to provide significant relief. A total of \$730,799 had been distributed: the Community Counseling Center in Las Vegas received nearly \$265,000, and the providers were drawing funds down as needed. One of the providers, Bristlecone, did not have funds for the month of June and would fully draw down its allocation.

Chairwoman Smith asked for further questions and there were none. She noted that the work programs were informational only and no Committee action was required.

F. WORK PROGRAM REVISIONS IN ACCORDANCE WITH NRS 353.220(5)(c). INFORMATIONAL ONLY – REQUIRED ACTION WITHIN 45 DAYS.

1. **Department of Motor Vehicles - FY 2014** - Transfer of \$211,789 from the Personnel Services category to the Data Mailers and Decals category to provide sufficient authority for the April billing and the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Data Mailers and Decals category exceeds \$75,000. **Work Program #C29304**

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the work program in Agenda Item F involved the Department of Motor Vehicles' transfer of \$211,789 from the Personnel Services category to the Data Mailers and Decals category to provide authority for billing and mailing of decals through the remainder of the fiscal year. The request had been approved under the 45-day provision and no Committee action was required.

Chairwoman Smith asked for questions and there were none.

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

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, announced that the Committee had requested testimony on the following Agenda Items: G-12, G-13, G-14, G-15, Department of Education, and G-28 and G-48, Department of Health and Human Services (DHHS), would be heard together; items G-52, DHHS, and G-137, Department of Public Safety (DPS), would be heard together; item G-58, DHHS; items G-125 and G-128, DPS, would be heard together; item G-130, Parole and Probation, DPS; item G-136, DPS; items G-164, G-165, G-166, G-167, G-168, G-169, G-170, G-171, G-172, G-173, G-174, and G-175, Department of Health and Human Services.

Mr. Krmpotic noted the following additional information:

- Agenda Items G-2, Office of the Attorney General, and G-8 and G-9, Department of Education, were withdrawn.
- Agenda Items G-41, G-44, G-45, G-51, and G-58, Department of Health and Human Services, required revision.
- Agenda Items G-31, G-46, G-47, G-63, and G-65, Department of Health and Human Services, involved block grant funding and required a public hearing.

Chairwoman Smith requested testimony on Agenda Items G-46 and G-63, in addition to the required block grant public hearing. She asked whether Committee members wished to hear testimony on any other items in Agenda Item G.

Assemblyman Sprinkle requested further testimony on Agenda Item G-149, Department of Conservation and Natural Resources, Forestry Division.

Senator Parks requested further testimony on Agenda Item G-25, Department of Business and Industry, Taxicab Authority.

Mr. Krmpotic explained that adjustments were made to the following work programs, which involved the Division of Health Care Financing and Policy, Department of Health and Human Services. The work programs were submitted to address changes in caseload and cost-per-eligible for various clients covered under Medicaid.

- Agenda Item G-41, Intergovernmental Transfer Program:
 - Increase in revenue in the Regional Transportation Commission reimbursement from \$2,244,730 to \$2,325,669 to realign revised revenue estimates.
 - Disproportionate share of hospital receipts from local government: Increase in deaugmentation of receipts from local governments from \$6,190,384 to \$8,061,600.
 - County Receipts – University of Nevada School of Medicine: Initial decrease in revenue by \$116,409.
 - County Receipts – Public and Patient Upper Payment Limit (UPL): Increase in deaugmentation of revenue from \$7,797,481 to \$8,167,529.
 - School District Reimbursement: Increase in receipts from school districts by \$958,287.

- County Receipts – Graduate Medical Education (GME): Increase in initial deaugmentation of revenue by \$922,004 due to a reduction in GME state net benefit.
- County Receipts – Public Outpatient Upper Payment Limit: Initial deaugmentation of revenue by \$1,335,126 due to a reduction in outpatient UPL state net benefit.
- Category 10 – Transfer to Medicaid: Decrease transfers to the Medicaid account from \$4,019,216 to \$7,594,793.
- Agenda Item G-44 – Nevada Medicaid, Title XIX – Fiscal year (FY) 2014: General Fund appropriation transfer from FY 2015 to FY 2014 to cover increased expenses in the Medicaid account in FY 2014.
 - Transfer of \$6,200,703 in General Funds reduced to \$1,617,249 for the state's share of expenditures for Medicaid recipients.
 - Title XXI: Initial increase of \$2,313,603 to correct the funding source for the federal share of children's health insurance caseloads.
 - Initial increase in Money Follows the Person grant of \$591,665.
 - Increase in Title XIX revenue from \$33,127,692 to \$35,631,591.
 - Decrease in the deaugmentation in County Reimbursements, GL 4103, from \$3,785,933 to \$3,400,812.
 - Establish reimbursements from the Department of Corrections in GL 4335 of \$50,537.
 - Increase in deaugmentation of transfers from the Intergovernmental Transfer Program from \$4,019,217 to \$7,504,793.
- Numerous changes to expenditure categories:
 - Category 11 – CHIP to Medicaid: Increase in deaugmentation from \$431,367 to \$556,035.
 - Category 12 – TANF/CHAP: Decrease in augmentation from \$20,492,117 to \$6,308,259.
 - Category 13 – Medicaid Expansion: Decrease in augmentation from \$29,672,401 to \$28,708,880.

- Category 14 – Medical Assistance for Aged, Blind and Disabled: Increase in deaumentation from \$200,134 to \$12,404,234.
- Waiver category: Eliminate increase of \$5,460,631.
- County Match, category 17: Decrease in deaumentation from \$6,702,691 to \$1,868,785.
- MHDS Medical Payments: Initial deaumentation of \$9,599,999.
- Child Welfare, category 19: Deaumentation increased from \$1,366,942 to \$2,099,712.
- School Based Services: Increase in augmentation from \$489,463 to \$3,028,645.
- Offline Category: Deaumentation of \$16,811,058 is eliminated.
- DCFS Medical Payments: Eliminate increase of \$3,000,000.
- County Match Supplemental Fund: Decrease in deaumentation from \$2,080,175 to \$1,508,022.
- Agenda Item G-45, DHHS, Health Care Financing and Policy:
 - Appropriation transfer from FY 2015 to FY 2014 decreased from \$6,200,703 to \$1,617,249.
 - Title XIX receipts deaumentation decreased from \$17,248,131 to \$4,498,606.
 - Category 28: deaumentation decreased from \$23,448,834 to \$6,115,855.

Chairwoman Smith noted that it was important to include the revisions in the record to reflect accurate figures when voting to approve the requests. She asked for public comment on any items in Agenda Item G that were not pulled for further testimony and hearing none, she called for a motion.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE REMAINING WORK PROGRAM REVISIONS AND POSITION CHANGES IN AGENDA ITEM G.

SENATOR SETTELMAYER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Work Program Revisions

1. **Governor's Office - State Energy Office - Energy Conservation - FY 2014** - Addition of \$38,754 in State Energy Program (SEP) Formula Grant funds to continue energy program outreach, reporting and planning activities. Requires Interim Finance approval since the amount added to the SEP Formula Grant category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29526**

Refer to motion for approval under Agenda Item G.

2. **Office of the Attorney General - Administrative Fund - FY 2014** - Transfer of \$66,000 from the Personnel Services category to the Operating category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred from Personnel Services category exceeds \$75,000. **Work Program #C29537. WITHDRAWN 5-20-14.**

3. **Office of the Attorney General - Administrative Fund - FY 2014** - Addition of \$211,528 in federal Byrne grant funds, deletion of \$76,401 in Transfer from the Court Settlement account and transfer of \$207,738 from the Personnel Services category to the Reserve category to reconcile funds for the Criminal Mortgage Fraud Unit. Requires Interim Finance approval since the amount transferred from the Personnel Services category exceeds \$75,000. **Work Program #C29533**

Refer to motion for approval under Agenda Item G.

4. **Department of Administration - Enterprise IT Services-Telecommunications - FY 2014** - Addition of \$114,676 in Repair Charge revenue to cover telephone repair and service requests from customers such as new wiring, data drops, and telephone system equipment. Requires Interim Finance approval since the amount added to Telephone Services category exceeds \$75,000. **Work Program #C29580**

Refer to motion for approval under Agenda Item G.

5. **Department of Administration - Enterprise IT Services - Security - FY 2015** - Addition of \$587,152 in Transfer from Emergency Management revenue to support the Nevada Cyber Security and Cyber Assessment, Monitoring, and Incident Response programs. Requires Interim Finance approval since the amount added to the Cyber Security category exceeds \$75,000. **Work Program #C29527**

Refer to motion for approval under Agenda Item G.

6. **Department of Administration - SPWD - Buildings and Grounds - FY 2015** - Transfer of \$1,146,896 from the Reserve category to the Building Renovation category to fund various life safety and deferred facility and infrastructure

maintenance needs for state-owned facilities in both Southern and Northern Nevada. Requires Interim Finance approval since the amount transferred to the Building Renovation category exceeds \$75,000. **Work Program #C29529**

Refer to motion for approval under Agenda Item G.

7. **Department of Administration - Nevada State Library and Archives - Nevada State Library - CLAN - FY 2015** - Addition of \$114,000 in Balance Forward from Previous Year to provide sufficient cash to purchase equipment benefiting all member libraries. Requires Interim Finance approval since the amount added to the Cooperative Libraries Automated Network (CLAN) Operating category exceeds \$75,000. **Work Program #C29274**

Refer to motion for approval under Agenda Item G.

8. **Department of Education - State Programs - FY 2015** - Addition of \$1,500,000 in General Fund Appropriation to carry forward unspent End of Course Examination funds from Fiscal Year 2014. Requires Interim Finance approval, pursuant to Assembly Bill 288, Section 43.5, subsection 2 of the 2013 Legislative Session. **RELATES TO ITEM G.9. Work Program #C29538. WITHDRAWN 5 23-14.**

9. **Department of Education - State Programs - FY 2014** - Deletion of \$1,500,000 in General Fund Appropriation to carry forward unspent End of Course Examination funds to Fiscal Year 2015. Requires Interim Finance approval, pursuant to Assembly Bill 288, Section 43.5, subsection 2 of the 2013 Legislative Session. **RELATES TO ITEM G.8. Work Program #C29620. WITHDRAWN 5-23-14.**

10. **Department of Education - Other Unrestricted Accounts - FY 2015** - Addition of \$39,341 in Transfer from Public and Behavioral Health to provide funding for the Safe Schools, Healthy Students program to create safe and violence free schools, and promote mental, emotional and behavioral health of children, families, schools and communities. Requires Interim Finance approval since the amount added to the Safe Schools Healthy Students category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29610**

Refer to motion for approval under Agenda Item G.

11. **Department of Education - Other Unrestricted Accounts - FY 2015** - Addition of \$125,339 in Transfer from Public and Behavioral Health funds for a training program on methods of identification, prevention and reporting on bullying and cyberbullying. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **Work Program #C29626**

Refer to motion for approval under Agenda Item G.

Chairwoman Smith announced that Agenda Items G-12, G-13, G-14, G-15, G-28, and G-48 would be heard together.

- 12. Department of Education-Individuals with Disabilities Education Act (IDEA) - FY 2015** - Addition of \$125,000 in Head Start grant funds to provide funding for the Head Start State Collaboration program to promote early education and school readiness. Requires Interim Finance approval since the amount added to the Head Start Collaboration Office category exceeds 10 percent of the legislatively approved amount for that category and includes a new position. **RELATES TO ITEMS G.14 and G.28. Work Program #C29249**

Refer to testimony and motion for approval under Agenda Item G-15.

- 13. Department of Education-Individuals with Disabilities Education Act (IDEA) - FY 2015** - Addition of \$140,000 in federal Early Childhood Comprehensive Systems Project grant funds to promote access to developmental assessments for children up to age five. Requires Interim Finance approval since the amount added to the Early Childhood Comprehensive Systems Project category exceeds \$75,000 and includes a new position. **RELATES TO ITEM G.14. Work Program #C29472**

Refer to testimony and motion for approval under Agenda Item G-15.

- 14. Department of Education-Individuals with Disabilities Education Act (IDEA) - FY 2015** - Addition of \$3,774,548 in Transfer from the Division of Welfare and Supportive Services to fund the Early Childcare Assistance and Development program in order to promote, facilitate and improve early childhood learning and development. This request facilitates Executive Order 2013-16 authorizing the relocation of Early Childhood Systems to the Department of Education. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000 and the request includes a new position. **RELATES TO ITEMS G.12,G.13, and G.48. Work Program #C29476**

Refer to testimony and motion for approval under Agenda Item G-15.

- 15. Department of Education-Individuals with Disabilities Education Act (IDEA) - FY 2015** - Addition of \$806,284 in Transfer from the Department of Administration funds to support a pilot project as required by Senate Bill 486 of the 2013 Legislative Session for a statewide effort to build a comprehensive early childhood education and care system that supports the ability of all children in Nevada to enter kindergarten ready to learn. Requires Interim Finance approval since the amount added to the Silver State Kids category exceeds \$75,000. **Work Program #C29477**

28. Department of Health and Human Services - Director's Office - Administration - FY 2015 - Deletion of \$125,000 in federal Head Start grant funds to relocate the funding for the Head Start State Collaboration and Early Childhood Systems Office to the Nevada Department of Education pursuant to Executive Order 2013-16. Requires Interim Finance approval since the amount deleted from the Personnel Services category exceeds \$75,000. **RELATES TO ITEM G.12. Work Program #C29216**

48. Department of Health and Human Services-Welfare and Supportive Services - Child Assistance and Development - FY 2015 - Transfer of \$245,038 from the Personnel Services category to the Discretionary Child Care category, \$29,242 from the Operating category to the Discretionary Child Care category, \$92,041 from the Child Care Mandatory Matching category to the Discretionary Child Care category, \$87,699 from the Child Care Mandatory Matching category to the Early Child Care and Education Program category and \$1,529 from the Information Services category to the Discretionary Child Care category to capture all costs for the quality functions of the Early Child Care and Education Program in a single category which will allow the division to subgrant those funds to the Nevada Department of Education, pursuant to Governor Sandoval's Executive Order 2013-16. Requires Interim Finance approval since the amount added to the Early Child Care and Education Program category exceeds \$75,000. **RELATES TO ITEM G.14. Work Program #C29428**

Dale Erquiaga, Superintendent of Public Instruction, Department of Education, introduced Mindy Martini, Deputy Superintendent for Business and Support Services; Janie Lowe, Education Program Supervisor, Department of Education; and Amber Joiner, Assistant Director, Department of Health and Human Services .

Mr. Erquiaga explained that the work programs in Agenda Items G-12, G-13, G-14, G-15, G-28, and G-48 were related to the completion of a process that was instigated by a Governor's Executive Order in the fall of 2013 that moved early childhood education and early learning development programs from the Department of Health and Human Services (DHHS) to the Department of Education. He said that an early learning team had been assembled from members of DHHS and Department of Education staff.

Mr. Erquiaga pointed out that the request was a departure from the 2013-2015 Legislatively Approved Biennial Budget. In consultation with DHHS and the Department of Education, the Governor made the changes for two primary reasons:

- The Race to the Top Grant process through the federal government in fall 2013. The Department of Education wanted to be on better footing than it had been when it applied for grant funds in 2011 and did not receive them. Mr. Erquiaga explained that by assembling a more cohesive early learning team, it was thought that the state would be better able to compete with other states.

Nevada did not receive those grant funds, but an application would be filed for a new level of grant in 2014.

- With the implementation of the Zoom Schools, which included pre-kindergarten (pre-K), and as another year of data concerning the state's pre-K program became available, the two Departments analyzed the impact of early learning activities on children 0 to 4 years of age upon their kindergarten readiness. The trends indicated that the state needed to increase emphasis on alignment and cohesion in services to children ages 0 to 4.

Mr. Erquiaga said that there were approximately 180,000 children in Nevada ages 0 to 4, and there were about 455,000 children in the K-12 (kindergarten through twelfth grade) system. He pointed out that the new Nevada Academic Content Standards were more rigorous, even in kindergarten, and the current level of readiness for children was not sufficient.

Mr. Erquiaga went on to explain that the decision was made to move the Head Start program, as well as "quality" dollars and assessment dollars the 2013 Legislature had appropriated for early learning assessments, to create a new office within the Department of Education that would focus on aligning federal programs with the existing successful pre-K program. He noted that Nevada was among the lowest states in serving the 0 to 4-year population, and the goal was to serve more children in school districts, Head Start programs (both community and faith based), and their homes.

Chairwoman Smith noted that Mr. Erquiaga had stated that the work programs were a departure from what was approved by the 2013 Legislature. She asked why the plan was not discussed during the 2013 Legislative Session.

Mr. Erquiaga replied that upon further analysis and planning around the data and as more work was being added to the existing pre-K program, which was very small, the strategy made sense to expand readiness for kindergarten. He noted that he was not with the Department during the 2013 Session, but he was aware that the strategy had been discussed but not included in the Governor's Recommended Budget.

At the time the state made its first application to the Race to the Top in 2013, Nevada's system was not aligned, and in the interim, the state implemented the Silver State Kids Strategic Plan, which focused on children in this age group and laid out a path to move forward. Mr. Erquiaga said that the decision was made to act under Executive Order, but in order to keep the federal partners in synch, particularly the Head Start office, it was important to move the dollars as well as the positions. He said the work could be accomplished through Executive Order, but the alignment of funding was necessary and in the best interest of the school districts and the programs served.

Chairwoman Smith recalled extensive discussion during the 2013 Session concerning why the Silver State Kids program was housed in DHHS. She understood the logic of the move and she was excited that a larger pre-K program was planned, but the

Legislature met every other year and there was time in between when agencies could not do everything they wanted to do. The plan was well intentioned, but she was frustrated that it was being implemented without legislative authority.

Assemblyman Sprinkle asked Amber Joiner whether DHHS was comfortable with the funding being moved from the DHHS budget and if the Department had any concerns.

Amber Joiner, Deputy Director, Department of Health and Human Services, replied that the Department fully supported the transition. All of the funds being transferred from DHHS related directly to the positions that had transferred to the Department of Education, and there was no impact on DHHS.

Senator Kieckhefer asked where the Department of Education was in the collection of data from the Early Childhood Assessment, whether the data would be housed and filtered within the Department to monitor the results, and if funds were allocated appropriately.

Mr. Erquiaga replied that the pilot program was included in one of the work programs being discussed. He said the Department had some experience with the Teaching Strategies GOLD (TSG) assessment in the existing framework, and the school districts had been requested to identify additional kindergarten class sites to try the assessment. He said the final assessment instrument had not been selected. The Department was pursuing other possible ways to assess readiness of children to enter kindergarten in the future. The assessment and data would be housed within the Department, and it was contemplated that the data would ultimately be part of the State Longitudinal Data System, as well as the current data hub, which would include information from K-12, higher education, and the Department of Employment, Training and Rehabilitation.

Senator Kieckhefer asked whether parents would have access to data concerning assessment of the quality of school performance.

Mr. Erquiaga explained that part of the Silver State Kids plan discussed a quality rating system not unlike the school performance framework in which stars were assigned. He said it was the Department's goal to move forward with a system that would be useful to parents when making choices about placing their children in a school district, a private setting, a faith-based system, or home schooling with coaching assistance.

Assemblyman Eisen said it was good to hear that the Zoom schools funded by the 2013 Legislature were having positive results. He asked how transferring the early childhood education programs from DHHS to the Department of Education would better enable expansion of the programs and serve more children, and why the transition was needed now rather than after the 2015 Legislative Session.

Mr. Erquiaga replied that the urgency was in part due to the federal government's allocation and granting process. Because Nevada was not successful in the 2013 Race to the Top Program, Governor Sandoval and other members of the National Governors

Association had participated in the U.S. Department of Education revision of the Early Learning Preschool Grants program, which included a new category of developmental grants. He pointed out that Nevada was very behind in education, and the developmental grants would give the state an opportunity to compete in the fall of 2014 through the Early Childhood Advisory Council approved by the 2013 Legislature.

Mr. Erquiaga said the other reason for urgency was that the state was so far behind in early childhood education, and children who arrived in kindergarten stayed behind. The program was a preventative measure for children in kindergarten to be successful when they entered the K-12 system.

Assemblyman Bobzien said he supported the move overall and believed it was long overdue. He recalled that in the past there had been reticence on the part of the Administration to make private providers, who had expressed a general resistance to further reporting, accountable. He asked what conversations had taken place with the private providers to prepare them for this change.

Mr. Erquiaga said he also remembered those conversations during the 2011 Legislative Session. Part of the impetus for including Head Start in the move was that private providers and faith-based providers were better than the Department in that arena. He said providers receiving early childhood dollars would be required to participate in the quality rating system.

Assemblyman Bobzien said he agreed with Senator Kieckhefer that constituents were looking forward to having data to make informed choices for their children's early childhood education.

Assemblywoman Diaz asked for a brief history of early education in the state and the current status.

Mr. Erquiaga explained that the Department of Education would administer four categories of funding for early childhood education for children who were at risk, disabled, or in need of assistance to reach an appropriate level of readiness for kindergarten:

- A state pre-kindergarten (pre-K) program had existed for nearly a decade and funded seats for children in need. A pre-K program was also run for children with disabilities in the school districts.
- Head Start, which was a federal program in the U.S. Department of Health and Human Services, had been housed in Nevada's Department of Health and Human Services. The Head Start program served children in the same age group, but it had a different philosophy and approach. He noted that the Head Start program would also transfer to the Department of Education under the current work program requests.

- The federal Office of Early Care and Education provided another allocation of federal dollars for the quality of services provided in a number of settings.
- Quality and assessment programs were approved by the 2013 Legislature.

Assemblywoman Diaz asked how many additional children would be served with the new program and funding.

Mr. Erquiaga replied that the number served would not increase in fiscal year (FY) 2014. The first year would involve alignment to standards and readiness. Increased access would be addressed during preparation of the 2015-2017 biennial budget.

Chairwoman Smith asked for further questions; there were none. She asked for public comment and hearing none, she called for a motion.

SENATOR KIECKHEFER MOVED TO APPROVE AGENDA ITEMS G-12, G-13, G-14, G-15, G-28, and G-48.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick was not present for the vote.)

- 16. Nevada System of Higher Education (NSHE) - University of Nevada - Las Vegas - FY 2014** - Addition of \$322,000 in Miscellaneous Student Fees to fund part time instructors. Requires Interim Finance approval, pursuant to Senate Bill 521, Section 8, of the 2013 Legislative Session. **Work Program #C29629**

Refer to motion for approval under Agenda Item G.

- 17. Nevada System of Higher Education (NSHE) - Great Basin College - FY 2014** - Addition of \$10,764 in Non-Resident Tuition to fund part time instructors. Requires Interim Finance approval, pursuant to Senate Bill 521, Section 8, of the 2013 Legislative Session. **Work Program #C29632**

Refer to motion for approval under Agenda Item G.

- 18. Nevada System of Higher Education (NSHE) - College of Southern Nevada - FY 2014** - Addition of \$105,761 in Miscellaneous Student Fees and \$830,084 in Non-Resident Tuition to offset other revenue shortfall. Requires Interim Finance approval, pursuant to Senate Bill 521, Section 8, of the 2013 Legislative Session. **Work Program #C29631**

Refer to motion for approval under Agenda Item G.

19. **Nevada System of Higher Education (NSHE) - Truckee Meadows Community College - FY 2014** - Addition of \$24,423 in Non-Resident Tuition to fund part-time instructors. Requires Interim Finance approval, pursuant to Senate Bill 521, Section 8, of the 2013 Legislative Session. **Work Program #C29634**

Refer to motion for approval under Agenda Item G.

20. **Nevada System of Higher Education (NSHE) - Nevada State College at Henderson - FY 2014** - Addition of \$262,814 in Registration Fees to fund additional retention services for students. Requires Interim Finance approval, pursuant to Senate Bill 521, Section 8, of the 2013 Legislative Session. **Work Program #C29633**

Refer to motion for approval under Agenda Item G.

21. **Department of Agriculture - Nutrition Education Programs - FY 2014** - Addition of \$139,162 in federal U.S. Department of Agriculture Child and Adult Care Food Program (CACFP) funds to fund an increase in the CACFP activity, which provides food to at-risk populations. Requires Interim Finance approval since the amount added to the Commodity Food Program category exceeds \$75,000. **Work Program #C29607**

Refer to motion for approval under Agenda Item G.

22. **Department of Agriculture - Commodity Food Program - FY 2014** - Addition of \$1,468,890 in Direct Sales-Processing funds to fund an anticipated increase in processing food orders requested by schools. Requires Interim Finance approval since the amount added to the Food Processing Program category exceeds \$75,000. **Work Program #C29606**

Refer to motion for approval under Agenda Item G.

23. **Department of Agriculture - Registration and Enforcement - FY 2015** - Transfer of \$115,430 from the Reserve category to the Noxious Weed Control category to fund an increase in noxious weed control efforts required statewide. Requires Interim Finance approval since the amount added to the Noxious Weed Control category exceeds \$75,000. **Work Program #C29602**

Refer to motion for approval under Agenda Item G.

24. **Department of Business and Industry - Housing Division - FY 2014** - Addition of \$58,734 in Loan Servicing funds to cover costs associated with the Loan Servicing Program recently taken over by the Housing Division. Requires Interim Finance approval since the amount added to the Loan Servicing category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29283**

Refer to motion for approval under Agenda Item G.

- 25. Department of Business and Industry - Taxicab Authority - FY 2014** - Transfer of \$69,400 from the Reserve category to the Relocation Expenses category to cover the full cost of re-locating the Taxicab Authority approved during the 2013 Session. Requires Interim Finance approval since the amount added to the Relocation Expenses category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29573**

Chairwoman Smith announced that Senator Parks had requested further testimony on Agenda Item G-25.

Senator Parks noted that there appeared to be a 30 percent cost overrun for the relocation of the Taxicab Authority. He recalled that the 2013 Legislature approved the move based on the fact that the old location was unsafe and the new location would be ideal. However, he found it ironic that the state decided to relocate the Nevada Equal Rights Commission office to the old location. He asked whether the new location was the one originally proposed and the reasons for a 30 percent increase over the budget for the move.

Shannon Chambers, Administrative Services Officer, Department of Business and Industry, explained that the location selected during the 2013 Legislative Session fell through after Session, and a new location needed to be chosen. Based on the new location, the cost estimates for furniture, a filing system, and a needed security system increased. She said the items were essential for the Taxicab Authority to operate a 24-hour safe and secure operation.

Ms. Chambers noted that the Authority had also added employees, which increased the costs of infrastructure, furniture, and computer wiring and cables, which were not anticipated during the 2013 Session. She said that no further costs were anticipated, and a grand opening was scheduled the following week.

Assemblywoman Carlton asked where the new office was located, and Ms. Chambers replied 2090 East Flamingo Road.

Assemblywoman Carlton asked whether the new location was safer than the previous one, and Ms. Chambers said it was considered safer and it was also a better location in terms of airport proximity.

Chairwoman Smith asked for public comment and hearing none, she called for a motion.

SENATOR GOICOECHEA MOVED TO APPROVE AGENDA
ITEM G-25.

ASSEMBLYWOMAN FLORES SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Kirner and Kirkpatrick were not present for the vote.)

- 26. Department of Business and Industry - Manufactured Housing - Mobile Home Lot Rent Subsidy - FY 2014** - Transfer of \$36,715 from the Reserve category to the Lot Rent Subsidy Payments category to continue providing lot rent subsidy payments to qualifying low-income mobile home park residents. Requires Interim Finance approval since the amount transferred to the Lot Rent Subsidy Payments category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29374**

Refer to motion for approval under Agenda Item G.

- 27. Governor's Office of Economic Development - FY 2014** - Transfer \$20,000 from the In-State Travel category to the Marketing category for trade missions and other marketing costs to promote the state's economic development efforts. Requires Interim Finance approval since the change in the Marketing category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29280**

Refer to motion for approval under Agenda Item G.

- 28. Department of Health and Human Services - Director's Office - Administration - FY 2015** - Deletion of \$125,000 in federal Head Start grant funds to relocate the funding for the Head Start State Collaboration and Early Childhood Systems Office to the Nevada Department of Education pursuant to Executive Order 2013-16. Requires Interim Finance approval since the amount deleted from the Personnel Services category exceeds \$75,000. **RELATES TO ITEM G.12. Work Program #C29216**

Refer to testimony and motion for approval under Agenda Item G-15.

- 29. Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2014** - Addition of \$27,500 in Casey Family Program funds to support and promote implementation of differential response and/or alternative response, which allows Child Protection Services to respond differently to reports of child abuse and neglect, depending on the level of risk to the child. Requires Interim Finance approval since the cumulative amount added to the Differential Response category exceeds \$75,000. **Work Program #C29202**

Refer to motion for approval under Agenda Item G.

- 30. Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2014** - Addition of \$102,154 in Birth and Death Certificate fees transferred from the Children's Trust Fund (CTF) to fund subrecipients, which support programs and services designed to prevent abuse and neglect of children.

Requires Interim Finance approval since the amount added to the CTF Grant category exceeds \$75,000. **RELATES TO ITEM G.32. Work Program #C29255**

Refer to motion for approval under Agenda Item G.

- 31. Department of Health and Human Services - Director's Office - Grants Management Unit - FY 2014** - Addition of \$115,474 in federal Community Services Block Grant (CSBG) funds to promote economic self-sufficiency, family stability, and community revitalization by assisting families with income at or below 125% of federal poverty guidelines. **Requires Interim Finance approval since the work program involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing and since the amount added to the CSBG Grants category exceeds \$75,000. Work Program #C29248**

Chairwoman Smith announced that Agenda Item 31 involved the allocation of block grant funds and required a public hearing. She opened the public hearing and asked for testimony; hearing no requests to testify, she closed the public hearing and called for a motion.

ASSEMBLYMAN HARDY MOVED TO APPROVE AGENDA
ITEM G-31.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 32. Department of Health and Human Services - Director's Office - Children's Trust Account - FY 2014** - Transfer of \$102,154 from the Reserve category to the Transfer to Grants Management Unit (GMU) BA 3195 category to fund subrecipients, which support programs and services designed to prevent abuse and neglect of children. Requires Interim Finance approval since the amount added to the Transfer to GMU BA 3195 category exceeds \$75,000. **RELATES TO ITEM G.30. Work Program #C29256**

Refer to motion for approval under Agenda Item G.

- 33. Department of Health and Human Services - Director's Office - Consumer Health Assistance - FY 2015** - Addition of \$148,655 in federal Level Two Support Establishment of State-Operated Health Insurance Exchanges grant funds transferred from the Silver State Health Insurance Exchange (SSHIX) and deletion of \$363,177 in federal Consumer Assistance Program (CAP) grant funds to shift the funding of salaries and operating costs for four ombudsmen positions to accommodate the influx of inquiries and complaints by the public for SSHIX as well as increase education and outreach for a portion of FY 2015. Requires Interim

Finance approval since the amount deleted from the Personnel Services category exceeds \$75,000. **RELATES TO ITEM G.161. Work Program #C29279**

Refer to motion for approval under Agenda Item G.

- 34. Department of Health and Human Services - Aging and Disability Services - Federal Programs and Administration - FY 2014** - Addition of \$70,601 in federal State Health Insurance Assistance Program (SHIP) grant funds to support a network of volunteers to ensure elderly citizens of Nevada receive information on such topics as Medicare benefits, Medicare supplemental insurance, Advantage Plans, beneficiary rights, etc. Requires Interim Finance approval since the amount added to the SHIP category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29339**

Refer to motion for approval under Agenda Item G.

- 35. Department of Health and Human Services - Aging and Disability Services - Federal Programs and Administration - FY 2014** - Addition of \$575,119 in federal Title III-B Projects, \$6,756 in federal Title III-C Training, \$3,586,682 in federal Title III-C Nutrition, \$97,629 in federal Title III-D Preventive Health and \$688,530 in federal Title III-E Caregiver grant fund to allow senior citizens to remain independent; maintain health, independence and quality of life; develop and strengthen preventive health services; and provide caregiver information, training and access to services. Requires Interim Finance approval since the amount added to the Title III-C Nutrition category exceeds \$75,000. **Work Program #C29383**

Refer to motion for approval under Agenda Item G.

- 36. Department of Health and Human Services - Aging and Disability Services - Federal Programs and Administration - FY 2014** - Addition of \$359,453 in federal Nutrition Services Incentive Program (NSIP) grant funds to continue delivery of nutritious meals to older adults. Requires Interim Finance approval since the amount added to the Nutrition Services Incentive Program category exceeds \$75,000. **Work Program #C29417**

Refer to motion for approval under Agenda Item G.

- 37. Department of Health and Human Services - Aging and Disability Services - Federal Programs and Administration - FY 2015** - Addition of \$73,000 in Healthy Nevada Funds transferred from the Nevada Treasurer's Office to establish a Task Force on Alzheimer's disease and develop a state plan to address Alzheimer's disease, pursuant to NRS 439.5083. Requires Interim Finance approval since the amount added to the Alzheimer's Task Force category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29470**

Refer to motion for approval under Agenda Item G.

38. **Department of Health and Human Services - Aging and Disability Services - Home and Community Based Services - FY 2014** - Transfer of \$45,000 from the Personal Assistance category to the Community Services Option Program for the Elderly (COPE) Purchase of Services category to fund a projected shortfall due to the cost of services being higher than the budgeted amount per person per month. Requires Interim Finance approval since the cumulative amount transferred to the COPE Purchase of Services category exceeds \$75,000. **Work Program #C29404**

Refer to motion for approval under Agenda Item G.

39. **Department of Health and Human Services - Aging and Disability Services - Home and Community Based Services - FY 2015** - Addition of \$113,000 in Healthy Nevada Funds transferred from the Nevada Treasurer's Office to support the Nevada Commission on Autism Spectrum Disorder, which was established to advise on the development and improvement of services to Nevadans with Autism pursuant to Executive Order 2011-21. Requires Interim Finance approval since the amount added to the Autism Commission category exceeds \$75,000. **Work Program #C29474**

Refer to motion for approval under Agenda Item G.

40. **Department of Health and Human Services - Aging and Disability Services - Sierra Regional Center - FY 2014** - Transfer of \$125,000 from the Personnel Services category and \$100,000 from the Family Support category to the Residential Supports category to fund a projected shortfall due to an increase in the average placement costs within the program. Requires Interim Finance approval since the amount transferred to the Residential Supports category exceeds \$75,000. **Work Program #C28352**

Refer to motion for approval under Agenda Item G.

41. **Department of Health and Human Services - Health Care Financing and Policy - Intergovernmental Transfer Program - FY 2014** - Addition of \$6,190,384 in Receipts from the Indigent Accident Fund and \$2,244,730 in Regional Transportation Commission - Reimbursement funds and deletion of \$6,190,384 in Receipts from Local Governments, \$7,797,481 in County Fees, and \$3,037,760 in funds transferred from various divisions of the Department of Health and Human Services from the Upper Payment Limit to allow the division to realign authority for payments from local government entities used as state matching funds for Medicaid expenditures to medical providers. Requires Interim Finance approval since the amount added to the Transfer to BA 3243 - Medicaid category exceeds \$75,000. **RELATES TO ITEM G.44. Work Program #C29638**

Refer to adjustments to Item G-41 on pages 6 and 7 of these minutes and the motion for approval under Agenda Item G.

- 42. Department of Health and Human Services - Health Care Financing and Policy - Administration - FY 2014** - Transfer of \$234,091 in General Fund Appropriation to FY 2015 and deletion of \$1,160,878 in federal Title XIX funds to continue contracts for audits, security assessments, mandatory website redesign, the ongoing replacement of the Medicaid Management Information System, and audit contract payments initiated in FY 2014. Requires Interim Finance approval, pursuant to Assembly Bill 507, Section 34 of the 2013 Legislative Session. **RELATES TO ITEM G.43. Work Program #C29347**

Refer to motion for approval under Agenda Item G.

- 43. Department of Health and Human Services - Health Care Financing and Policy - Administration - FY 2015** - Transfer of \$234,091 in General Fund Appropriation from FY 2014 and addition of \$1,160,878 in federal Title XIX funds to continue contracts for audits, security assessments, mandatory website redesign, the ongoing replacement of the Medicaid Management Information System, and audit contract payments initiated in FY 2014. Requires Interim Finance approval pursuant to Assembly Bill 507, Section 34 of the 2013 Legislative Session. **RELATES TO ITEM G.42. Work Program #C29409**

Refer to motion for approval under Agenda Item G.

- 44. Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2014** - Transfer of \$6,200,703 in General Fund Appropriation from FY 2015; addition of \$33,127,692 in federal Title XIX funds, \$153,917 in federal Money Follows the Person Reinvestment funds, and \$296,783 in federal Balancing Incentive Program Reinvestment funds; and deletion of \$3,785,933 in County Reimbursements funds and \$4,019,217 in Receipts from Local Governments transferred from the Intergovernmental Transfer Account funds to allow the division to pay providers for medical services, reinvest in the home and community infrastructure to support recipients in a home and community based setting, and align authority based on projected revenues and expenditures. Requires Interim Finance approval pursuant to Assembly Bill 507, Section 34 of the 2013 Legislative Session. **RELATES TO ITEMS G.41 and G.45. Work Program #C29635**

Refer to adjustments to Item G-44 on pages 7 and 8 of these minutes and the motion for approval under Agenda Item G.

- 45. Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2015** - Transfer in \$6,200,703 in General Fund Appropriation to FY 2014; addition of \$153,917 in federal Money Follows the Person Reinvestment funds and \$3,064,707 in federal Balancing Incentive Program Reinvestment funds; and deletion of \$17,248,131 in federal Title XIX funds to allow the division to pay providers for medical services in a timely manner and to remain in compliance with the federal prompt pay requirements.

Requires Interim Finance approval pursuant to Assembly Bill 507, Section 34 of the Legislative Session. **RELATES TO ITEM G.44. Work Program #C29645**

Refer to adjustments to Item G-45 on page 8 of these minutes and the motion for approval under Agenda Item G.

- 46. Department of Health and Human Services-Welfare and Supportive Services - Administration - FY 2014** - Transfer of \$250,000 from the Personnel Services category to the Information Services category to cover an anticipated shortfall caused by increased utilization of Enterprise IT Services mainframe services due to caseload increases and the Affordable Care Act (ACA) eligibility engine interfaces. **Requires Interim Finance approval since the work program involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing and since the amount added to the Information Services category exceeds \$75,000. Work Program #C29342**

Chairwoman Smith said that she had pulled Agenda Item G-46 for further testimony, and it also involved allocation of block grant funds and required a public hearing. She asked agency representatives to provide a brief overview of the request and discuss caseloads.

Sue Smith, Deputy Administrator for Administrative Services, Division of Welfare and Supportive Services, Department of Health and Human Services (DHHS), explained that the work program in Agenda Item G-46 requested approval to transfer \$250,000 from the Personnel Services category to the Information Services category to cover a projected shortfall in fiscal year (FY) 2014 in the Enterprise Information Technology Services (EITS) mainframe utilization. She said that public assistance caseloads had increased 12 percent over the legislatively approved budget, and the savings in Personnel Services were generated by higher-than-anticipated vacancy savings. The current vacancy rate was 10 percent and there were 19 vacant positions.

Naomi Lewis, Deputy Administrator, Program and Field Operations, Division of Welfare and Supportive Services, DHHS, testified that currently there were 28,136 pending Medicaid applications, and the Division was on target to reduce the number to less than 20,000 by June 30, 2014. She said the ongoing Medicaid recipient count was 495,275, which was a dramatic increase.

Chairwoman Smith recalled that there were about 40,000 pending applications at the Committee meeting in April, and it appeared that the Division had decreased the number by approximately 12,000.

Ms. Lewis said the highest number of pending applications was nearly 71,000 on April 8, 2014. She added that the ongoing Medicaid recipient count was projected in the budget to be 429,646.

Assemblyman Kirner recalled that the normal inventory of pending applications was approximately 15,000.

Ms. Lewis said that prior to implementation of the Affordable Care Act (ACA) in October, the pending inventory was in the mid-17,000 range. Based on increased caseload applications, the pending inventory was anticipated to be higher.

Assemblyman Kirner asked whether the projection that 22 percent of the state population would be on Medicaid was accurate.

Michael McMahon, Administrator, Division of Welfare and Supportive Services, DHHS, replied that approximately 600,000 Nevadans were estimated to be on Medicaid by the start of the 2015 Legislative Session. He added that enrollments in the Medicaid system would be equal to the expected enrollment in qualified health plans in the state.

Assemblyman Kirner asked whether the last six months of the 2015-2017 biennial budget would include a decrease from 100 percent to 96 percent or 97 percent for the Affordable Care Act, which would be phased down to 90 percent, and more funding would be required for Medicaid in the 2015 Legislative Session.

Leah Lamborn, Administrative Services Officer, Division of Health Care Financing and Policy, DHHS, replied that for the newly eligible expanded group, the state's share of State General Fund in FY 2017 would be 2.5 percent.

Assemblyman Kirner affirmed that the state's share of subsidies would be phased down from 100 percent to 90 percent. Ms. Lamborn said that was correct, and the state's share would be 90 percent in 2020.

Chairwoman Smith asked for further questions and there were none. She opened the public hearing on Agenda Item G-46 and hearing no requests to testify, she closed the hearing and called for a motion.

SENATOR WOODHOUSE MOVED TO APPROVE AGENDA
ITEM G-46.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 47. Department of Health and Human Services-Welfare and Supportive Services - TANF- FY 2014** - Addition of \$1,500,000 in federal Temporary Assistance for Needy Families (TANF) funds to provide cash assistance payments based on the April 2014 caseload projections. **Requires Interim Finance approval since the work program involves the allocation of block grant funds and the agency is choosing the IFC meeting for the required public hearing and since the**

**amount added to the Cash Assistance Payments category exceeds \$75,000.
Work Program #C29563**

Chairwoman Smith announced that Agenda Item G-47 involved the allocation of block grant funds and required a public hearing. She opened the public hearing and hearing no requests to testify, she closed the hearing and called for a motion.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA
ITEM G-47.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 48. Department of Health and Human Services-Welfare and Supportive Services - Child Assistance and Development - FY 2015** - Transfer of \$245,038 from the Personnel Services category to the Discretionary Child Care category, \$29,242 from the Operating category to the Discretionary Child Care category, \$92,041 from the Child Care Mandatory Matching category to the Discretionary Child Care category, \$87,699 from the Child Care Mandatory Matching category to the Early Child Care and Education Program category and \$1,529 from the Information Services category to the Discretionary Child Care category to capture all costs for the quality functions of the Early Child Care and Education Program in a single category which will allow the division to subgrant those funds to the Nevada Department of Education, pursuant to Governor Sandoval's Executive Order 2013-16. Requires Interim Finance approval since the amount added to the Early Child Care and Education Program category exceeds \$75,000. **RELATES TO ITEM G.14. Work Program #C29428**

Refer to testimony and motion for approval under Agenda Item G-15.

- 49. Department of Health and Human Services - Public and Behavioral Health - Radiation Control - FY 2015** - Transfer of \$43,597 from the Reserve category to the Equipment category and \$30,191 from the Reserve category to the Division Cost Allocation category to purchase two sodium iodide crystals Scintillation tubes needed to ensure safe radiation levels and respond to emergencies throughout the state and to cover the cost of the division's approved FY 2015 federal indirect rate agreement. Requires Interim Finance approval since the amount added to the Equipment category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29276**

Refer to motion for approval under Agenda Item G.

- 50. Department of Health and Human Services - Public and Behavioral Health - Immunization Program - FY 2015** - Addition of \$191,910 in federal Adult Hepatitis B grant funds and \$220,403 in federal Vaccine Storage and Handling grant funds to continue support efforts in reducing the Hepatitis B virus in adults at

risk for contracting the disease and to continue improvement of vaccine management, storage and the handling of vaccinations held by providers. Requires Interim Finance approval since the amount added to the Adult Hepatitis B Grant category exceeds \$75,000. **Work Program #C29281**

Refer to motion for approval under Agenda Item G.

- 51. Department of Health and Human Services - Public and Behavioral Health - Immunization Program - FY 2015** - Addition of \$49,329 in federal Prevention and Public Health Fund (PPHF), Immunization Billing Plan grant funds and \$1,361,666 in federal PPHF, Health Level 7 and School Located Vaccine grant funds to continue development and implementation of strategic plans for billing immunization services, the streamlining of medical record processing and increasing immunization rates in schools. Requires Interim Finance approval since the amount added to the Prevention and Public Health Performance category exceeds \$75,000. **Work Program #C29294**

Refer to motion for approval under Agenda Item G.

Chairwoman Smith announced that Agenda Items G-52 and G-137 would be heard together.

- 52. Department of Health and Human Services - Public and Behavioral Health - Health Facilities Hospital Licensing - FY 2015** - Transfer of \$291,969 from the Reserve category to the Transfer to Criminal History Repository (CHR) category to provide funding for the Department of Public Safety - CHR for the Public and Behavioral Health's Automated Background Check System. Requires Interim Finance approval since the amount transferred to the Transfer to CHR category exceeds \$75,000. **RELATES TO ITEM G.137. Work Program #C29427**

- 137. Department of Public Safety - Criminal History Repository - FY 2015** - Addition of \$291,969 in funds transferred from the Department of Health and Human Services - Public Behavioral Health (PBH) to fund three new positions, two existing positions, and associated costs to provide support to the PBH determination process for the Nevada Automated Background Check System established pursuant to S.B. 502 (2013 Legislature). Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **RELATES TO ITEM G.52. Work Program #C28959**

Richard Whitley, Administrator, Division of Public and Behavioral Health, Department of Health and Human Services (DHHS), explained that the work program in Agenda Item G-52 requested authority to transfer \$291,969 from the Reserve category to the Criminal History Repository within the Department of Public Safety (DPS). Agenda Item G-137 requested authority for DPS to receive the funds.

Mr. Whitley said that DPS had requested the funds to cover the costs of staffing to support the determination process for background checks for employees of health facilities regulated by the Division of Public and Behavioral Health.

Julie Butler, Administrator, General Services Division, Department of Public Safety, noted that the Criminal History Repository was housed within the General Services Division of DPS, and she read the following testimony.

This work program seeks approval to transfer \$291,969 from the State Health Division to the Criminal History Repository to fund three new positions and two existing positions to support the Repository's statutory mandate to provide employment suitability determinations for individuals applying to work in facilities licensed by Public and Behavioral Services. These facilities include long-term-care facilities, hospices, portions of hospitals providing long-term care, residential group homes, adult daycare facilities, and medical facilities providing alcohol and drug treatment to children, among others. Because the Repository is performing functions specific to the Health Division that it does not perform for other licensing and regulatory agencies, this work program seeks to properly align the funding for these positions with the statutorily mandated duties.

For years, the Criminal History Repository has provided the employment suitability determinations for applicants wishing to work in facilities licensed by the Health Division. This is required under *Nevada Revised Statutes* (NRS) Chapter 449. The Repository's work consists of identifying applicants via fingerprint submission, running the applicants' criminal history records, running the applicants' sex offender registry status, and determining whether or not the applicants have been convicted of a disqualifying crime found in a list in NRS Chapter 449.

The purpose for these background checks is the recognition that residents of these long-term-care facilities are typically elderly and vulnerable. Thus, for patient safety, there is a desire to ensure that individuals convicted of certain crimes are not employed in these facilities. After making the employment suitability determination, the Repository staff then sends one of three responses to the Health Division and to the facility: that the applicant is either eligible for employment, not eligible for employment, or what we call undecided, which means that we can't tell because there is something that could be potentially disqualifying, but we are missing information to make that final determination (most likely a court disposition that would indicate the final adjudication of the case).

In terms of what's changed, the Repository has been absorbing this workload with all its other duties for several years. However, recent legislation, as well as new regulations that were adopted by the

Health Division, will have a dramatic impact on the Repository's ability to provide responsive services going forward.

In the 2013 Session, Senate Bill (S.B.) 502 was enacted to broaden the number and type of facilities requiring background checks under NRS Chapter 449 to align with the federal Affordable Care Act. The Repository is projecting an 18 percent increase in background checks for this group of workers as a result. In addition, S.B. 502 established authority for the Health Division to establish an Internet-based background check system for the Division's licensees. Some of the goals of the Internet-based system were to speed up the background check process, and thus the hiring process for facilities and job applicants, and to reduce the number of duplicative background checks. Senate Bill 502 further established a Rap Back component for the Repository to inform facilities if any of their employees are convicted of subsequent disqualifying criminal activity after the initial background check.

The Nevada Applicant Background Check System (NABS) was established as a result of S.B. 502 and funded by a previously approved federal grant. NABS was launched on a pilot basis at the end of May. NABS dramatically changes the way the Repository will conduct its employment suitability determinations. NABS will require the Repository staff to submit one overall employment eligibility status into the system rather than manually sending separate eligibility letters to the Health Division and the facilities, as was our previous practice.

Because only the Administrative Assistant (AA) 3s can perform the employment suitability determinations, the Repository cannot supplement its services to the Health Division with its existing AA 2 positions as it does today. Further, NABS will require staff to perform dual data entry of the applicant's employment eligibility status – once into the Repository's existing systems in order to generate the billing for the applicant fingerprint submission and again into the NABS system so that the facility and the Health Division will know immediately of the applicant's employment eligibility status. Any fingerprints that reject from state or F.B.I. systems must be similarly data-entered twice.

Further, recently approved regulations make it so that applicants cannot continue to work without undetermined responses. If the applicants wish to be hired or to remain employed, they will be required to challenge their criminal history records with the Repository. The Repository is expecting a 186 percent increase in record challenges as a result. Due to the timeframes required in NABS and in the regulations, Repository staff will have only a limited window of time in which to process the record challenges and make a redetermination of the applicant's criminal history for entry into the NABS system.

Based upon the volume of the projected fingerprint submissions from the Health Division and the cumulative impacts from Senate Bill 502, NABS, and the new regulations, we are requesting two new FTE Administrative Assistant 3 positions and one FTE Administrative Assistant 4 position to continue to be responsive to the needs of the Health Division, the employing facilities, and the job applicants.

Assemblywoman Carlton said that the fiscal notes for Senate Bill (S.B.) 502 from the 2013 Legislative Session indicated that no additional funds were anticipated. She said the Legislature was told there would be a financial impact and that the funding was included in the Governor's budget. She asked where the money included in the budget was and why Reserve funds would be used for the project.

Ms. Butler replied that the fiscal note included with the Governor's Executive Budget for S.B. 502 dealt with the Rap Back program, which was the mechanism by which the Repository would notify an employer of any subsequent criminal convictions of any of the employees that worked in the facilities. She said there were three reasons that the financial impact was not recognized during the 2013 Session:

- It was difficult for the Repository to estimate the impact of any piece of legislation, state or federal. Many times the bill sponsor and/or the licensing and regulatory agency had no idea how many additional background checks would be generated as a result. In the case of S.B. 502, the Health Division could not tell the Repository how many additional employees would be background checked. The approximate number of additional facilities was known, but there was no way to know how many staff those facilities would hire.
- The approach taken during the 2013 Legislative Session with all fiscal notes that were to have an impact on the Repository was to say that the bill would have impact but the impact was unknown, and the Repository reserved the right to come before the Interim Finance Committee in the future if it was found that the required resources exceeded capacity.
- At the time, the Internet web system was in the conceptual phases, and it was difficult to foresee the true impact it would have on the Repository staff. Now that the system was designed and being implemented, the impact was huge for the Repository in terms of staffing requirements. It had essentially created a program that the Repository had to staff in order to be responsive to the needs of the Health Division.

Ms. Butler said she did not want to give the impression that she was against the website: she was not. She saw from an operational standpoint why it made sense for the facilities and the Health Division. The website would provide the ability for the Health Division and the employing facility to track the status of applicants, it would reduce duplicative background checks, and facilities would be able to determine an applicant's status and whether a background check or fingerprinting was required or the

employee had been determined eligible to work. Ms. Butler said the website would help the Repository with the additional timeframes by which determinations must be made, and it would help get people to work faster.

Ms. Butler said that there were many positive aspects of the website, but there was a workload impact on the Repository that could not be absorbed without resources to provide the services.

Assemblywoman Carlton said she understood the Repository's position, but no financial impact was indicated on the fiscal note. When the Committee was given the impression that funds were included in the Governor's budget, members assumed that they were in the budget and would be available.

Assemblyman Carlton noted that S.B. 502 included the opportunity to impose a fee on the facilities to pay for background checks, and she hoped that would be considered in the future, because using reserve funds for a project should be a short-term solution to a backload and not an ongoing way to address consistent workload. She noted that there were many health facilities in the state, and it should not be difficult to determine costs in the future. Assemblywoman Carlton recommended that the Repository move toward regulations to establish fees; the program could not continue to be funded with reserves.

Assemblyman Sprinkle said that he agreed with Assemblywoman Carlton's comments. He asked how the new positions, if approved, would be funded in the future and whether three positions would be sufficient.

Ms. Butler replied that the work program did not propose to fund these positions from reserves, but rather to transfer authority from the Health Division to recognize and properly align the work being performed for the benefit of the Health Division. A fee was not being proposed on applicants to fund the positions. The applicants paid for the initial background check, but they had never paid for the employment suitability determination portion of the background check. She said that she did not wish to charge the applicants, because it would result in one type of applicant being charged a higher fee versus another just to maintain a job. She was aware that the Committee was sensitive to the amount of fees charged to applicants trying to get jobs.

Ms. Butler clarified that the three positions being requested were involved with the Rap Back program and had nothing to do with the determination and the NABS system. She said there would be some decision units in the Health Division's budget going forward for a permanent funding mechanism for the positions.

Mr. Whitley pointed out that the reserves came from the fees charged to facilities. In building its budget, the Division would need to calculate the time and effort as part of the activity of regulating facilities, which were held accountable for ensuring that individuals were processed. He said going forward, public safety should be held to the same rigor required of the Health Division, which required that certain programs should

be fee-funded from the industry to be regulated. In talking to the facilities, it made sense for the Division to charge the fee to the facilities so that two agencies would not be assessing fees.

Ms. Butler said the Division believed that three positions would be enough to staff this program. She pointed out that over the past four fiscal years, from FY 2009 to FY 2013, there had been a 25 percent increase in the number of background checks processed and no new staff had been requested since FY 2008, in response to the state's budget crisis. She reiterated that the Repository was at capacity.

Assemblywoman Kirkpatrick asked how many background checks would be performed by the three positions.

Ms. Butler replied that the projection was that the workload would increase from 23,000 background checks to 28,000 per fiscal year to accommodate S.B. 502. She noted that two full-time positions were currently performing work solely for the Health Division. A total of five full-time staff would be making employment suitability determinations for the program.

Assemblyman Oscarson asked whether there was a current backlog and if so, if it would be reduced or eliminated if the three positions were approved.

Ms. Butler said that currently there was not a backlog, and the fear was that if the positions were not approved, there would be a backlog because the required workload would far exceed the capacity of the current staff to process. She recalled that in FYs 2004, 2005, and 2006, it took four to five months to process a background check. Through her tenure at the Repository and through the dedicated efforts of the staff, the time had been reduced to a number of days. She did not want to return to the long turnaround times, because the employment suitability decisions determined whether individuals could get jobs.

Assemblywoman Kirkpatrick calculated that an increase of 5,000 applications would result in about four applications per day. She asked how many man-hours were required to perform a background check.

Ms. Butler asked Ms. Ornellas, former supervisor over the unit that processed background checks, to respond to Assemblywoman Kirkpatrick's question.

Julie Ornellas, Management Analyst, Records and Technology, Department of Public Safety, explained that each background check depended on the extent of the rap sheet. An individual could have one offense or a 20-to-30-page rap sheet. The Administrative Assistants had to compare all of the NRS Chapter 449 disqualifiers to every offense on the rap sheet. The time required was difficult to estimate because it depended upon the type of case. She said the problem for staff was that all of the information had to be entered into the Repository's tracking and billing system, which was a very secure

environment that could not interface with NABS, and entered again into the NABS system to provide visibility to the regulatory body and facilities for monitoring purposes.

Ms. Ornellas said that currently the staff was just able to keep up with the increase in volume and the dual entry of the data.

Assemblywoman Carlton recommended that the current circumstances be taken into consideration when developing the next biennial budget for the agency. It was important that the background checks be performed correctly and in a timely manner.

There were no further questions from the Committee, and Chairwoman Smith asked for public comment. Hearing no requests to testify, she called for a motion.

SENATOR KIECKHEFER MOVED TO APPROVE AGENDA
ITEMS G-52 AND G-137.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chairwoman Smith said that she would like to meet with the Budget Director and the Governor's Office before the 2015 Legislative Session concerning ways to provide more consistent and accurate information on fiscal notes. She thought part of the problem was insufficient training and messaging, and she noted that there would be more pressures, particularly for new staff, on the biennial budget in the 2015 Session.

- 53. Department of Health and Human Services - Public and Behavioral Health - Public Health Preparedness Program - FY 2015** - Addition of \$281,570 in U.S. Department of Homeland Security BioWatch grant funds to pay the University of Nevada Las Vegas for activities relating to collecting air samples in Clark County and submitting performance reports to the U.S. Department of Homeland Security. Requires Interim Finance approval since the amount added to the Bio Watch Grant category exceeds \$75,000. **Work Program #C29139**

Refer to motion for approval under Agenda Item G.

- 54. Department of Health and Human Services - Public and Behavioral Health - Biostatistics and Epidemiology - FY 2014** - Addition of \$53,907 in federal Office of Surveillance, Epidemiology and Laboratory Services' BioSense 2.0 grant funds for syndromic surveillance, which will allow staff to see real-time emergency room and urgent care data to promote timely exchange of electronic health-related information, which will result in improved all-hazards public health situation awareness. Requires Interim Finance approval since the amount added to the BioSense Grant category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29272**

Refer to motion for approval under Agenda Item G.

- 55. Department of Health and Human Services - Public and Behavioral Health - Chronic Disease - FY 2015** - Addition of \$359,605 in Transfer for Community Health Worker (CHW) funds from various Division of Public and Behavioral Health budget accounts, and transfer of \$4,300 from the Chronic Disease Prevention Program category to the Community Health Worker category, \$33,406 from the Women's Health Connection category to the Community Health Worker category, and \$31,574 from the Colorectal Cancer category to the Community Health Worker category to centralize fiscal transactions for the CHW project for transparency purposes, which may lead to additional federal funding for the program. Requires Interim Finance approval since the amount added to the Community Health Worker category exceeds \$75,000. **Work Program #C29288**

Refer to motion for approval under Agenda Item G.

- 56. Department of Health and Human Services - Public and Behavioral Health - Chronic Disease - FY 2015** - Addition of \$116,275 in federal Quitline Capacity grant funds to continue direct services for the Nevada Tobacco Users Helpline to answer live calls, provide quit tips, referrals and encouragement to assist those who attempt to quit smoking. Requires Interim Finance approval since the amount added to the Quitline Capacity category exceeds \$75,000. **Work Program #C29326**

Refer to motion for approval under Agenda Item G.

- 57. Department of Health and Human Services - Public and Behavioral Health - Maternal Child Health Services - FY 2015** - Addition of \$1,440,654 in federal Affordable Care Act - Maternal, Infant and Early Childhood Home Visiting Program grant funds to expand existing home visiting services in Elko, Lyon, and Storey counties. Requires Interim Finance approval since the amount added to the Home Visiting Expansion category exceeds \$75,000. **Work Program #C29224**

Refer to motion for approval under Agenda Item G.

- 58. Department of Health and Human Services - Public and Behavioral Health - Marijuana Health Registry - FY 2015** - Addition of \$4,644,250 in Dispensary Licenses and Fees to continue funding for 12 full-time state employees and 15 temporary contracted staff for the implementation of the Medical Marijuana Establishment Program. Additionally, 4 temporary contracted staff are requested to provide technological programming in support of the provisions of Senate Bill 374 of the 2013 Legislative Session. **Work Program #C28856**

Marla McDade Williams, Deputy Administrator, Division of Public and Behavioral Health, Department of Health and Human Services (DHHS), explained that the work program in Agenda Item 58 was a request to extend authority into fiscal year (FY) 2015 for the Medical Marijuana Establishment program and to allocate funding for information

technology (IT) projects that were needed for the Division to be able to make the first dispensary sale in the state.

Assemblyman Sprinkle asked why only four of the state positions previously authorized had been filled. He noted that it was now April, and he wondered whether Ms. McDade Williams was concerned.

Ms. McDade Williams replied the recruitment and interview process was challenging, and some applicants declined offers of employment. She said that six hiring packets were in the process of being approved, and the temporary positions would be coming on staff on July 1, 2014. She was not concerned that there would be any problems.

Senator Goicoechea asked how much revenue had been generated from licenses and fees.

Ms. McDade Williams replied that funds had not yet been generated. The first application period would not open until August 5, 2014. She said approximately 425 applications were anticipated to be received with the \$5,000 non-refundable fee. Approximately \$600,000 had been drawn from the General Fund advance, and \$400,000 had been spent. She said all of the funds would be recovered once the fee revenue was generated.

Assemblywoman Carlton said she had not agreed with the process in Clark County. She asked whether the County Commission's review of the applications to forward to the state would have an impact on the revenue to the state.

Ms. McDade Williams replied that there could be an impact if the number of applications was reduced. Because the state had the ability to charge all of the fees back for the work it did for the establishments, any revenue collected should go to the Distributive School Account and the program would remain whole, regardless of the amount of money received.

Assemblywoman Carlton said she had concerns with the manner that local jurisdictions were handling the program and she asked Ms. McDade Williams to keep the Committee informed. She asked for information concerning the status of the data management system.

Ms. McDade Williams explained that there were three primary functions involving information technology components:

- A centralized licensure system was under development, which would probably not be ready prior to approval of the first dispensaries. The Division had been working with the State of Arizona to determine the best approach to track cardholders' purchases of product from the dispensaries to ensure that they would not buy more than they were authorized to buy within that 14-day period. Ms. McDade Williams pointed out that the Division would hold all of the

cardholder data, and because of confidentiality concerns, the information could not be disbursed. The dispensaries would have to verify with the state that an individual was a cardholder. She said that an interim solution had been found to allow that verification for the first dispensary sale, and there would be a long-term solution as well.

- In working through the various issues with the Department of Motor Vehicles (DMV), the State of Arizona, and internally, it was determined that the Division should keep the agent card-printing system in-house. It would be too costly to have that system rebuilt into the DMV's budget, but it was a minimal cost for the Division to retain the printing system in-house.
- The third component involved legislation that allowed cardholders to grow their own marijuana under certain circumstances, and a means of identification required to make a person eligible. The most efficient approach would be to issue a card specifying that the person was eligible to grow his own product. Currently, if a person in possession of marijuana were stopped, law enforcement would enter the database and verify that the individual was an eligible cardholder. In the future, law enforcement would also be able to verify that the person was allowed to grow his own marijuana.

Ms. McDade Williams said that in addition to the three functions involving programming costs, an interface was being built with driver's license records to automate the issuance of cards. Currently the Division mailed a piece of paper to an applicant, who would schedule an appointment at DMV to have his picture taken, and 7 to 10 days later, the card would be mailed. The interface would automate the procedure to obtain a medical marijuana card without requiring the applicant to go to DMV.

Assemblywoman Carlton thanked Ms. McDade Williams for her hard work: she had done an outstanding job and the state appreciated her excellent performance.

Assemblyman Hambrick asked whether the medical marijuana cardholders would be monitored with the CCW (carry-concealed weapon) permits, and Ms. McDade Williams replied that they would.

Chairwoman Smith asked why the state was expending the resources to do the database, client verification, and inventory control when Senate Bill (S.B.) 374 (2013 Session) required the businesses to pay those costs.

Ms. McDade Williams replied that the confidentiality provisions of the current law listed specific reasons for obtaining information from the cardholder system. The information could not be released to the dispensaries, so the legislation identified the electronic verification system as a database to keep track of data in real time and to be accessible to the Division and the establishments. She said it did not make sense for the Division to go into establishments because they did not have the information; the cardholder information was maintained by the Division only. When the regulations were developed,

the burden was put on the dispensaries to come into the Division's verification system when they had a patient at a dispensary, which ensured that there would not be violations of the confidentiality provisions. It was a relatively cost-effective system that allowed the Division to maintain the information and confidentiality of the cardholders.

Chairwoman Smith asked whether the language in the statutes needed to be clarified, and Ms. McDade Williams replied that she did not believe so. There was another initiative that the Division would be prepared to discuss during the 2015 Session about monitoring the real-time inventory of all establishments, which was different from the current process. The dispensaries were allowed to verify the eligibility of a cardholder through the Division, and they must track that information and could also record the amount of product that was purchased. The dispensaries would be able to verify that the cardholder was eligible to purchase product and not exceed his allowed amount.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analyst Division, Legislative Counsel Bureau, said that one of the Administrative Assistant positions would be working with DMV to automate the application system for registering cards and should be funded out of the Reserve category. The adjustments that Fiscal staff proposed included moving \$92,400 from Reserve, category 86, to Medical Marijuana Operating, category 10, and moving \$92,400 from the Dispensaries, category 15, to the Distributive School Account, category 82.

Chairwoman Smith asked for public comment and hearing none, she called for a motion.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA
ITEM G-58.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chairwoman Smith noted that Ms. McDade Williams would be leaving state service, and she thanked her for her many years of service to the Legislative Counsel Bureau and the state.

59. Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2014 - Addition of \$115,726 in Pharmacy Sales funds received from the Division of Child and Family Services (DCFS) for the provision of medications to the Desert Willow Treatment Center. Requires Interim Finance approval since the amount added to the DCFS Pharmacy category exceeds \$75,000. Work Program #C29257

Refer to motion for approval under Agenda Item G.

60. **Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2014** - Transfer of \$464,610 from the Personnel Services category to the Professional Services category, \$68,143 from the Personnel Services category to the Mental Health Tech Services category, and \$401,634 from the Personnel Services category to the Transitional Housing category to fund contracted clinical staff, which includes psychiatrists, nurses, medical laboratory staff, and general medicine physicians; transitional housing to support current agency operations; and maintain quality patient care through state fiscal year end. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds \$75,000. **Work Program #C29534**

Refer to motion for approval under Agenda Item G.

61. **Department of Health and Human Services - Public and Behavioral Health - Northern Nevada Adult Mental Health Services - FY 2014** - Transfer of \$100,000 from the Medications category to the Criminal Justice Diversion category to provide housing and behavioral health wrap around services to individuals released from jails, prisons, and forensic behavioral health institutions. Requires Interim Finance approval since the amount transferred to the Criminal Justice Diversion category exceeds \$75,000. **Work Program #C29412**

Refer to motion for approval under Agenda Item G.

62. **Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Administration - FY 2015** - Addition of \$486,026 in federal Cooperative Agreements to Benefit Homeless Individuals for States (CABHI) grant funds to enhance or develop infrastructure and service systems for increased capacity to provide accessible, effective, comprehensive, coordinated/integrated, and evidence-based treatment services; permanent supportive housing; peer supports; Community Mental Health Services' funded peer navigators; and other critical services to persons who experience chronic homelessness with substance use disorders or co-occurring substance use and mental disorders. Requires Interim Finance approval since the amount added to the CABHI Grant category exceeds \$75,000. **Work Program #C29300**

Refer to motion for approval under Agenda Item G.

63. **Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Administration - FY 2015** - Addition of \$1,652,793 in federal Nevada Safe Schools/Healthy Students grant funds to promote early childhood social, emotional learning and development; promote mental, emotional and behavioral health; connect families, schools and communities; prevent and/or reduce alcohol, tobacco and other drug use; and create safe and violence free schools. **Requires Interim Finance approval since the work program involves the allocation of block grant funds and the agency is choosing to use the**

IFC meeting for the required public hearing and the amount added to the Nevada Safe Schools category exceeds \$75,000. Work Program #C29291

Chairwoman Smith announced that the Committee would recess for lunch at 12:14 p.m.

Chairwoman Smith called the meeting back to order at 12:59 p.m. She announced that Agenda Item G-63 required a public hearing because it involved allocation of block grant funds, and she had also pulled it to ask for further information.

Mary Wherry, Deputy Administrator, Division of Public and Behavioral Health, Department of Health and Human Services (DHHS), explained that Agenda Item G-63 was a request for authority to spend \$1,652,793 in Nevada Safe Schools/Healthy Students grant funds in fiscal year (FY) 2015.

Chairwoman Smith noted that the grant was a Safe Schools grant, and she asked how the Department of Education and the Division of Public and Behavioral Health were working together to use the grant funds.

Ms. Wherry explained that the Division of Public and Behavioral Health had been working closely with Marcia Galloway at the Department of Education, which had hired a staff person to be co-located in the Division because the Department did not have sufficient space. She said that the federal government required the Department of Education to be extremely involved in the grant.

Chairwoman Smith noted that one of the objectives of the grant was to connect families, schools, and communities. She had an interest in family engagement with schools, and she asked how families and parents were involved – whether it was in the education setting or the community setting.

Ms. Wherry said that the federal government required a needs assessment to be completed, and the Department of Education had contracted for a needs assessment for the three communities that would receive the grant funds. The needs assessment would set the stage for a statewide comprehensive plan. Once the needs assessment was completed, the Department would be able to identify, by community, the population that should be focused upon with the grant funds. She pointed out that the needs of one community might be different from another community, and the assessment would determine the mental health needs, physical needs, cognitive needs, and others. The needs assessment and comprehensive plan should be completed by August 2014, and they would identify how many students would be involved and what practices should be employed to address the needs of each of the school districts. She confirmed that the program was school based.

Chairwoman Smith said she would be interested in hearing what methods of communication with families were used, particularly how input from families was received about the program. She said that the family engagement issue was very specific, and the Department of Education now included the Office of Family

Engagement, which she hoped was involved in the program. She affirmed that the three school districts involved in the grant were Washoe, Lyon, and Nye Counties. She asked why those three were chosen and Clark County was not included.

Ms. Wherry said it was her understanding that Clark County had a Safe Schools grant a number of years earlier, but she did know the history of the grant. The expectation was that by the end of the grant, the program would have created sustainability and been implemented statewide, including in Clark County. In addition, it was possible that SAMHSA (Substance Abuse and Mental Health Services Administration) would be allocating additional funds because of the need for the Safe Schools program.

Chairwoman Smith asked whether Clark County was not eligible for the grant because it had a previous grant. Ms. Wherry said the program was opened up to the twelve statewide coalitions, and Clark County did not want to compete. Washoe, Lyon, and Nye Counties wanted to participate.

Chairwoman Smith noted that there was a subgrantee in each of the counties, and she asked whether they were part of the grant application and how the subgrantees were able to receive funds.

Ms. Wherry said that the subgrantees wanted to help write the grant application and participated throughout the process. She noted that the grant involved a cooperative agreement with SAMHSA and did not operate like a typical grant. The three counties were required to have their own staff and management team at the county level, and the staff had to participate and partner with the Department of Education staff and the vendor conducting the needs assessment to be a part of the statewide comprehensive plan. She said involvement in the grant was based on who was interested in advocating for their counties, with the understanding that as the grant progressed, all of the counties would have to participate.

Chairwoman Smith said she would be interested to know more about the process used to seek involvement of nonprofit organizations in these types of opportunities.

Senator Goicoechea said he had received several phone calls concerning funding of a program called Save the Children in Elko County and Pyramid Lake. The program was combined with the schools, and he was not familiar with how nonprofits were able to acquire additional funding. He would refer future calls to Ms. Wherry's office.

Chairwoman Smith asked for further questions from the Committee and there were none. She opened the public hearing on Agenda Item G-63 and hearing no requests to testify, she closed the public hearing and called for a motion.

Assemblyman Oscarson disclosed that he was a member of the Nye Communities Coalition Board of Directors, which would not affect his vote.

ASSEMBLYMAN EISEN MOVED TO APPROVE AGENDA
ITEM G-63.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 64. Department of Health and Human Services - Public and Behavioral Health - Substance Abuse Prevention and Treatment Agency - FY 2015** - Addition of \$172,186 in Annual Licensing fees to pay for Avatar licenses for providers. Requires Interim Finance approval since the amount added to the State Outcome Management Measurement System exceeds \$75,000. **Work Program #C29191**

Refer to motion for approval under Agenda Item G.

- 65. Department of Health and Human Services - Public and Behavioral Health - Substance Abuse Prevention and Treatment Agency - FY 2015** - Addition of \$1,432,012 in federal Strategic Prevention Framework Partnership for Success (SPF/PFS) grant funds to support programs, policies and practices used to reduce the prevalence of prescription drug misuse/abuse by people 12 to 25 years old. **Requires Interim Finance approval since the work program involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing and since the amount added to the SPF/PFS Grant category exceeds \$75,000. Work Program #C29192**

Chairwoman Smith announced that Agenda Item G-65 involved allocation of block grant funds and required a public hearing.

Mary Wherry, Deputy Administrator, Division of Public and Behavioral Health, Department of Health and Human Services (DHHS), explained that Agenda Item G-65 involved a Partners for Success grant received in October 2013, which involved a strategic provision framework and focused on minimizing the use of prescription drugs and reducing some of the damage on society as a result of prescription drug dependence and abuse. The work program requested authority to expend \$1,432,012 in federal fiscal year funds in fiscal year (FY) 2015. She said the Division should receive notice of the grant award by October 2015 and would return to the Committee with work programs to extend authority for the funds.

Chairwoman Smith opened the public hearing on Agenda Item G-65 and hearing no requests to testify, she closed the hearing and called for a motion.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA
ITEM G-65.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 66. Department of Health and Human Services - Child and Family Services - Juvenile Correctional Facility - FY 2014** - Addition of \$51,141 in Summit View-Red Rock Academy (SV-RRA) Reimbursement funds for utility expenses per the contract awarded, which requires the contractor to reimburse the state for the utilities costs after the facility is reopened. Requires Interim Finance approval since the amount added to the Utilities category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29329**

Refer to motion for approval under Agenda Item G.

- 67. Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2014** - Transfer of \$365,948 in General Fund Appropriation to FY 2015 for anticipated increases in rent, caseload of court jurisdiction youth, respite care and court ordered drug testing and assessments. Requires Interim Finance approval pursuant to Assembly Bill 507, Section 34 of the 2013 Legislative Session. **RELATES TO ITEM G.68. Work Program #C29369**

Refer to motion for approval under Agenda Item G.

- 68. Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2015** - Transfer of \$365,948 in General Fund Appropriation from FY 2014 and addition of \$4,689 in federal Title IV-E funds for anticipated increases in rent, caseload of court jurisdiction youth, respite care and court ordered drug testing and assessments. Requires Interim Finance approval pursuant to Assembly Bill 507, Section 34 of the 2013 Legislative Session. **RELATES TO ITEM G.67. Work Program #C29319**

Refer to motion for approval under Agenda Item G.

- 69. Department of Health and Human Services - Child and Family Services - Rural Child Welfare - FY 2014** - Transfer of \$19,735 from the Non XIX Medical category to the Drug Testing category for paternity, drug testing and parental assessments of parents whose children are in the care of the division. Requires Interim Finance approval since the cumulative amount transferred from the Non XIX Medical category exceeds \$75,000. **Work Program #C29382**

Refer to motion for approval under Agenda Item G.

- 70. Department of Health and Human Services - Child and Family Services - Nevada Youth Training Center - FY 2014** - Transfer of \$73,850 from the Utilities category to the Operating category to cover the cost of medical and psychiatric contracts in excess of budgeted amounts due to a rate increase. 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 #C29320

Refer to motion for approval under Agenda Item G.

71. **Department of Employment, Training and Rehabilitation - Rehabilitation - Vocational Rehabilitation - FY 2014** - Addition of \$238,500 in federal Section 110 grant funds to increase state budget authority to cover projected client services expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Client Services category exceeds \$75,000. **Work Program #C28989**

Refer to motion for approval under Agenda Item G.

72. **Department of Employment, Training and Rehabilitation - Rehabilitation - Vocational Rehabilitation - FY 2015** - Addition of \$1,032,259 in federal Section 110 grant funds to establish authority in SFY 2015 to fund the Vocational Opportunities for Inclusive Career Education (VOICE) program, which will allow eligible high school students with disabilities to focus on vocational investigation. Requires Interim Finance approval since this work program includes a new grant funded position. **Work Program #C29419**

Refer to motion for approval under Agenda Item G.

73. **Department of Employment, Training and Rehabilitation - Rehabilitation - Vocational Rehabilitation - FY 2015** - Addition of \$232,000 in federal Section 110 grant funds to continue a public relations and media campaign initiated in State Fiscal Year 2012 to reach people with disabilities, advocate for placing people with disabilities in the workplace and public outreach to educate businesses on the benefits of hiring people with disabilities. Requires Interim Finance approval since the amount added to the Section 110 Special Projects category exceeds \$75,000. **RELATES TO ITEM G.74. Work Program #C29555**

Refer to motion for approval under Agenda Item G.

74. **Department of Employment, Training and Rehabilitation - Rehabilitation - Services to the Blind and Visually Impaired - FY 2015** - Addition of \$58,000 in federal Section 110 grant funds to continue a public relations and media campaign initiated in State Fiscal Year 2012 to reach people with disabilities, advocate for placing people with disabilities in the workplace and public outreach to educate businesses on the benefits of hiring people with disabilities. Requires Interim Finance approval since the amount added to the Section 110 Special Projects category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM G.73. Work Program #C29554**

Refer to motion for approval under Agenda Item G.

75. **Department of Employment, Training and Rehabilitation - Employment Security - FY 2014** - Transfer of \$50,000 in Filing Fee revenue from the Reserve category to the Displaced Homemaker category to align state budget authority with projected contract services expenditures through the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Displaced Homemaker category exceeds \$75,000. **Work Program #C29432**

Refer to motion for approval under Agenda Item G.

76. **Department of Employment, Training and Rehabilitation - Employment Security - FY 2015** - Addition of \$1,000,000 in federal Workforce Investment Act National Emergency grant (WIA NEG) funds for dislocated worker training to continue a new on-the-job training and apprenticeship program targeted toward unemployed Nevadans that have been receiving unemployment benefits for at least 27 weeks. Requires Interim Finance approval since the amount added to the WIA NEG category exceeds \$75,000. **Work Program #C29435**

Refer to motion for approval under Agenda Item G.

77. **Department of Employment, Training and Rehabilitation - Employment Security - Special Fund - FY 2015** - Addition of \$7,000,000 in federal Reed Act grant funds to establish authority in Fiscal Year 2015 to provide for the continuation of Phase II of the department's Unemployment Insurance (UI) Modernization Project. Requires Interim Finance approval since the amount added to the UI Modernization Phase II category exceeds \$75,000. **Work Program #C29475**

Refer to motion for approval under Agenda Item G.

78. **Department of Employment, Training and Rehabilitation - Administrative Services - Information Development and Processing - FY 2015** - Addition of \$243,386 in Transfer from Education Subgrant funding to provide workforce components to the Statewide Longitudinal Data System that will enable records to be matched across state agencies and deletion of \$133,157 in Cost Allocation Reimbursement funding to account for the reallocation of staff time. Requires Interim Finance approval since the amount added to the Department of Education Subgrant category exceeds \$75,000. **Work Program #C29519**

Refer to motion for approval under Agenda Item G.

79. **Department of Corrections - Director's Office - FY 2014** - Addition of \$624,898 in Budgetary Transfers, addition of \$6,258 in Transfer from Prison Store, deletion of \$719,584 in State Criminal Alien Assistance Program (SCAAP) federal grant, and deletion of \$584 in Transfer from Inmate Welfare to fund a projected revenue shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred from the Drug Testing

category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29482**

Refer to motion for approval under Agenda Item G.

- 80. Department of Corrections - Prison Medical Care - FY 2014** - Deletion of \$41,583 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred from the Personnel Services category exceeds \$75,000. **Work Program #C29480**

Refer to motion for approval under Agenda Item G.

- 81. Department of Corrections - Correctional Programs - FY 2015** - Addition of \$150,282 in Transfer from Public Safety Residential Substance Abuse Treatment (RSAT) Grant funds and \$50,094 in Transfer from Inmate Welfare funds to support ongoing RSAT program activities and the continuance of two positions through year-end. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **RELATES TO ITEM G.118. Work Program #C29437**

Refer to motion for approval under Agenda Item G.

- 82. Department of Corrections - Ely State Prison - FY 2014** - Deletion of \$166,914 in Budgetary Transfers and \$6,589 in Room, Board and Transportation Charges and transfer of \$9,810 from the Equipment category to the Operating category, \$5,312 from the Equipment category to the Utilities category, and \$2,246 from the Equipment category to the Maintenance Contracts category to fund projected shortfalls for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred from the Inmate Drivens category exceeds \$75,000. **Work Program #C29443**

Refer to motion for approval under Agenda Item G.

- 83. Department of Corrections - High Desert State Prison - FY 2014** - Addition of \$315,318 in Budgetary Transfers and transfer of \$43,393 from the Uniform Allowance category to the Utilities category and \$1,681 from the Equipment category to the Utilities category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Utilities category exceeds \$75,000. **Work Program #C29461**

Refer to motion for approval under Agenda Item G.

- 84. Department of Corrections - Northern Nevada Correctional Center - FY 2014** - Deletion of \$1,415 in Budgetary Transfers to fund a projected revenue shortfall

within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29501**

Refer to motion for approval under Agenda Item G.

- 85. Department of Corrections - Northern Nevada Correctional Center - FY 2014 -** Deletion of \$29,214 in Budgetary Transfers and transfer of \$25,535 from the Inmate Drivens category to the Utilities category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Utilities category exceeds \$75,000. **Work Program #C29438**

Refer to motion for approval under Agenda Item G.

- 86. Department of Corrections - Nevada State Prison - FY 2014 -** Deletion of \$34,417 in Budgetary Transfers and deletion of \$5,177 in Reimbursement for Utilities and \$950 in Miscellaneous Revenue to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred from the Maintenance for Closed Facilities category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C28654**

Refer to motion for approval under Agenda Item G.

- 87. Department of Corrections - Southern Desert Correctional Center - FY 2014 -** Deletion of \$87,774 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred from the Utilities category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29513**

Refer to motion for approval under Agenda Item G.

- 88. Department of Corrections - Southern Desert Correctional Center - FY 2014 -** Deletion of \$99,271 in Budgetary Transfers and \$9,620 in Room, Board and Transportation Charges and transfer of \$28,000 from the Utilities category to the Operating category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount deducted from the Inmate Drivens category exceeds \$75,000. **Work Program #C29458**

Refer to motion for approval under Agenda Item G.

- 89. Department of Corrections - Lovelock Correctional Center - FY 2014** - Deletion of \$132,245 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred from the Utilities category exceeds \$75,000. **Work Program #C29489**

Refer to motion for approval under Agenda Item G.

- 90. Department of Corrections - Lovelock Correctional Center - FY 2014** - Deletion of \$58,461 in Budgetary Transfers to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred from the Equipment category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29450**

Refer to motion for approval under Agenda Item G.

- 91. Department of Corrections - Southern Nevada Correctional Center - FY 2014** - Addition of \$87 in Budgetary Transfers to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29444**

Refer to motion for approval under Agenda Item G.

- 92. Department of Corrections - Warm Springs Correctional Center - FY 2014** - Deletion of \$49,560 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred from the Utilities category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29484**

Refer to motion for approval under Agenda Item G.

- 93. Department of Corrections - Warm Springs Correctional Center - FY 2014** - Deletion of \$68,992 in Budgetary Transfers to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred from the Equipment category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29445**

Refer to motion for approval under Agenda Item G.

- 94. Department of Corrections-Florence McClure Women's Correctional Center - FY 2014** - Deletion of \$33,107 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program

(SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29503**

Refer to motion for approval under Agenda Item G.

- 95. Department of Corrections-Florence McClure Women's Correctional Center - FY 2014** - Addition of \$3,741 in Budgetary Transfers and transfer of \$24,536 from the Utilities category to the Inmate Drivens category, \$9,727 from the Special Projects category to the Inmate Drivens category, and \$114 from the Equipment category to the Inmate Drivens category to fund projected shortfalls for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred from the Inmate Drivens category exceeds \$75,000. **Work Program #C29451**

Refer to motion for approval under Agenda Item G.

- 96. Department of Corrections - Casa Grande Transitional Housing - FY 2014** - Deletion of \$10,528 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29504**

Refer to motion for approval under Agenda Item G.

- 97. Department of Corrections - Casa Grande Transitional Housing - FY 2014** - Addition of \$26,946 in Budgetary Transfers, deletion of \$19,134 in Room, Board and Transportation Charges, and transfer of \$4,707 from the Operating category to the Inmate Drivens category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29455**

Refer to motion for approval under Agenda Item G.

- 98. Department of Corrections - Casa Grande Transitional Housing - FY 2015** - Addition of \$550,000 in Contract Services Charge and transfer of \$96,000 from the Operating category to the Reserve for Reversion to General Fund category to continue the Purpose, Respect, Integrity, Determination and Excellence (PRIDE) Program activities for inmate pre and post release training. Requires Interim Finance approval since the amount added to the PRIDE Program category exceeds \$75,000. **Work Program #C29621**

Refer to motion for approval under Agenda Item G.

- 99. Department of Corrections - Northern Nevada Restitution Center - FY 2014 -** Deletion of \$14,895 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29485**

Refer to motion for approval under Agenda Item G.

- 100. Department of Corrections - Northern Nevada Restitution Center - FY 2014 -** Deletion of \$6,838 in Budgetary Transfers and transfer of \$9 from the Inmate Drivens category to the Maintenance Contracts category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29446**

Refer to motion for approval under Agenda Item G.

- 101. Department of Corrections - Stewart Conservation Camp - FY 2014 -** Deletion of \$3,174 in Budgetary Transfers and \$3,096 in Room, Board and Transportation Charges and transfer of \$3,504 from the Inmate Drivens category to the Utilities category and \$920 from the Inmate Drivens category to the Maintenance Contracts category to fund projected shortfalls for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29439**

Refer to motion for approval under Agenda Item G.

- 102. Department of Corrections - Stewart Conservation Camp - FY 2014 -** Deletion of \$15,337 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29498**

Refer to motion for approval under Agenda Item G.

- 103. Department of Corrections - Pioche Conservation Camp - FY 2014 -** Addition of \$30,677 in Budgetary Transfers and transfer of \$683 from the Equipment category to the Utilities category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29440**

Refer to motion for approval under Agenda Item G.

- 104. Department of Corrections - Three Lakes Valley Conservation Camp - FY 2014** - Deletion of \$133,881 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred from the Personnel Services category exceeds \$75,000. **Work Program #C29512**

Refer to motion for approval under Agenda Item G.

- 105. Department of Corrections - Three Lakes Valley Conservation Camp - FY 2014** - Deletion of \$1,375 in Budgetary Transfers and transfer of \$10,000 from the Inmate Drivens category to the Utilities category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29457**

Refer to motion for approval under Agenda Item G.

- 106. Department of Corrections - Wells Conservation Camp - FY 2014** - Deletion of \$11,424 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29499**

Refer to motion for approval under Agenda Item G.

- 107. Department of Corrections - Wells Conservation Camp - FY 2014** - Deletion of \$3,034 in Budgetary Transfers and transfer of \$613 from the Equipment category to the Utilities category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29441**

Refer to motion for approval under Agenda Item G.

- 108. Department of Corrections - Humboldt Conservation Camp - FY 2014** - Addition of \$25,620 in Budgetary Transfers to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29447**

Refer to motion for approval under Agenda Item G.

- 109. Department of Corrections - Humboldt Conservation Camp - FY 2014** - Deletion of \$43,952 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29487**

Refer to motion for approval under Agenda Item G.

- 110. Department of Corrections - Ely Conservation Camp - FY 2014** - Deletion of \$6,923 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29500**

Refer to motion for approval under Agenda Item G.

- 111. Department of Corrections - Ely Conservation Camp - FY 2014** - Addition of \$31,893 in Budgetary Transfers and transfer of \$1,590 from the Equipment category to the Inmate Drivens category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29442**

Refer to motion for approval under Agenda Item G.

- 112. Department of Corrections - Jean Conservation Camp - FY 2014** - Deletion of \$3,035 in Budgetary Transfers and \$2,861 in Room, Board and Transportation Charges to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29448**

Refer to motion for approval under Agenda Item G.

- 113. Department of Corrections - Jean Conservation Camp - FY 2014** - Deletion of \$39,921 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred from the Utilities category exceeds 10 percent cumulative of the legislatively approved amount for that category. **Work Program #C29488**

Refer to motion for approval under Agenda Item G.

- 114. Department of Corrections - Silver Springs Conservation Camp - FY 2014 -** Deletion of \$435 in Budgetary Transfers to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29460**

Refer to motion for approval under Agenda Item G.

- 115. Department of Corrections - Carlin Conservation Camp - FY 2014 -** Deletion of \$2,353 in Budgetary Transfers to fund a projected revenue shortfall within the department for the State Criminal Alien Assistance Program (SCAAP) federal grant for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29502**

Refer to motion for approval under Agenda Item G.

- 116. Department of Corrections - Carlin Conservation Camp - FY 2014 -** Addition of \$419 in Budgetary Transfers and deletion of \$3,575 in Room, Board and Transportation Charges to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since this work program includes a budgetary transfer that balances against other work programs. **Work Program #C29449**

Refer to motion for approval under Agenda Item G.

- 117. Department of Corrections - Tonopah Conservation Camp - FY 2014 -** Addition of \$40,459 in Budgetary Transfers and transfer of \$653 from the Equipment category to the Utilities category to fund a projected shortfall within the department for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Utilities category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29459**

Refer to motion for approval under Agenda Item G.

- 118. Department of Corrections - Inmate Welfare Account - FY 2015 -** Addition of \$50,094 in Transfer from Offenders Store funds to support ongoing Residential Substance Abuse Treatment (RSAT) program activities. Requires Interim Finance approval since the amount added to the Transfer to Correctional Programs category exceeds 10 percent of the legislatively approved amount for that category. **RELATES TO ITEM G.81. Work Program #C29511**

Refer to motion for approval under Agenda Item G.

- 119. Department of Corrections - Prison Industry - FY 2014** - Transfer of \$72,669 from the Personnel Services category to the Lovelock Correctional Center (LCC) Garment Factory category to continue to meet the demand for program production. Requires Interim Finance approval since the amount transferred to the LCC Garment Factory category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29135**

Refer to motion for approval under Agenda Item G.

- 120. Department of Corrections - Prison Industry - FY 2014** - Transfer of \$49,671 from the Personnel Services category to the Northern Nevada Correctional Center (NNCC) Mattress Factory category to continue mattress production and inmate payroll. Requires Interim Finance approval since the amount transferred to the NNCC Mattress Factory category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29245**

Refer to motion for approval under Agenda Item G.

- 121. Department of Motor Vehicles - REAL ID - FY 2015** - Addition of \$247,429 in federal U.S. Department of Homeland Security (DHS), FY 2011 Driver's License Security Grant Program funds to balance forward authority to continue to assist Nevada in meeting state and federal laws and DHS regulations. Requires Interim Finance approval since the amount added to the FY 2011 Driver's License Security Grant category exceeds \$75,000. **Work Program #C29468**

Refer to motion for approval under Agenda Item G.

- 122. Department of Motor Vehicles - Administrative Services - FY 2015** - Addition of ~~\$476,499~~ **\$558,749** in Reimbursements to cover projected costs for the issuance and tracking of temporary placards issued by sellers or long-term lessors of vehicles. Requires Interim Finance approval since the amount added to the Dealer Placards category exceeds \$75,000. **Work Program #C29366. REVISED 5-20-14.**

Refer to motion for approval under Agenda Item G.

- 123. Department of Motor Vehicles - Central Services - FY 2015** - Addition of \$109,020 in funds transferred from the Administration of Off Highway Vehicle (OHV) Titling and Registration Trust Account for the continuation of two DMV technician positions to administer the OHV program. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **Work Program #C29416**

Refer to motion for approval under Agenda Item G.

124. Department of Motor Vehicles - Field Services - FY 2015 - Addition of \$478,078 in federal U.S. Department of Transportation, Motor Carrier Safety Administration - FY 2013 Commercial Driver's License (CDL) Program Implementation grant funds to balance forward remaining authority and continue to ensure compliance with federal requirements and enhance CDL program activities. Requires Interim Finance approval since the amount added to the FY 2013 CDL Program Improvement Grant category exceeds \$75,000. **Work Program #C29348**

Refer to motion for approval under Agenda Item G.

Chairwoman Smith announced that Agenda Items D-125 and G-128 would be heard together.

125. Department of Public Safety - Forfeitures - Law Enforcement - FY 2015 - Transfer of \$280,789 from the Reserve category to the Nevada Highway Patrol (NHP) Mobile Data Computers category to implement the NHP Mobile Data Computer program to advance the existing accident and citation system to a modern platform. Requires Interim Finance approval since the amount transferred to the NHP Mobile Data Computers category exceeds \$75,000. **RELATES TO ITEM G.128. Work Program #C28837**

128. Department of Public Safety - Highway Patrol - FY 2015 - Addition of \$1,700,000 in Highway Safety Improvement Program grant funds transferred from the Nevada Department of Transportation to implement the Nevada Highway Patrol's Mobile Data Computer program to advance the existing accident and citation system to a modern platform. Requires Interim Finance approval since the amount added to the Mobile Data Computers category exceeds \$75,000. **RELATES TO ITEM G.125. Work Program #C28838**

Brian Sanchez, Assistant Chief, Nevada Highway Patrol Division, Department of Public Safety, introduced Major John O'Roarke and Lieutenant Charles Powell. Assistant Chief Sanchez said the purpose of Agenda Items G-125 and G-128 was to implement the Mobile Data Computer (MDC) program, which would increase efficiency of Highway Patrol operations and enhance the functional capabilities of officers in the field and assistance to the dispatch centers. He asked Major O'Roarke to explain the MDC program.

Major John O'Roarke, Deputy Chief, Northern Command, Division of Parole and Probation (formerly a captain with the Nevada Highway Patrol Division), Department of Public Safety, explained that Agenda Item 125 was a request to transfer \$280,789 from the Forfeiture account to start a small rollout, approximately 35 units statewide, of the mobile data computer system. He said the request was being made in fiscal year (FY) 2015 because the Division had learned that it took time to work out the bugs in a new application. He recalled that the Brazos Technology (mobile ticket writer) system was implemented on a large deployment scale, and there was over a year of severe problems with the application before it became a functional system. A small-scale

rollout would provide the opportunity to identify the problems and have users of the 35 units trained to help troopers with the larger rollout in FYs 2016, 2017, and 2018.

Major O'Roarke explained that the Nevada Department of Transportation (NDOT) had offered to provide half of the funding for the program, \$1,700,000, which would need to be expended by the end of FY 2017. He said the earlier the project was started, the easier it would be to use the funds from NDOT to move implementation of the project forward more quickly. If the project was not rolled out until FY 2016, it might not be possible to use all of the NDOT funding,

Major O'Roarke said the Division had communicated with its stakeholders throughout the process, and NDOT and the Division of Enterprise Information Technology Services (EITS) were willing to participate. A possible vendor had been identified for the mobile data-computing piece.

Assemblywoman Carlton recalled discussion during the 2013 Legislative Session about replacing some mobile writers. It appeared that the plan had been upgraded, and she was concerned that the unit cost of \$1,000 for a mobile writer had increased to \$8,000 for another device.

Major O'Roarke explained that the Spillman product purchased in 2010 for the entire Department of Public Safety was a platform used in the dispatch centers and the current records management system within DPS, and it was also utilized by other entities across the state. The second piece of the Spillman program was the MDC, which would tie in communications with dispatch and the officers in the field, and officers would have more efficiencies in completing accident reports, citations, and arrests in the field. Instead of returning to the office to complete the reports, the officers would be able to spend more time on the road.

Major O'Roarke clarified that the MDC was not the same device. The current device being used was a handheld device used only for citations and accident data. The new device would perform those functions and tie the troopers into the dispatch center to allow the dispatch centers to know their location through the Global Positioning System (GPS). Efficiencies would also be increased in the dispatch centers for communicating with officers in their vehicles.

Assemblywoman Carlton said her biggest concern was that the request was above and beyond what was discussed during the 2013 Legislative Session. She recalled that the finance committees had supported the request for replacement equipment, but the current request involved a new and different request. She said the legislative subcommittees and finance committees should consider major changes during the legislative session to give all of the members the opportunity to have a full discussion. She would prefer to wait until the 2015 Legislative Session so that everyone could be involved in the decision.

Major O’Roarke said he understood Assemblywoman Carlton’s concerns. He reiterated that the project was being requested at this time to allow an early smaller trial rollout. He said the rollout could be delayed until 2016, but not all of the NDOT funding might be available. He noted that the proposed system was being used across the country and it was a program that would not fail. Nevada’s Highway Patrol was one of the few in the country that did not have a MDC system in their vehicles, and the state was far behind in technology for troopers. Major O’Roarke pointed out that the system would not only affect the service of the troopers: it would affect every aspect of public safety.

Assemblywoman Carlton asked whether the vehicles were currently equipped with computers.

Major O’Roarke replied they were not. The agency had approximately 50 computers in some vehicles, but they were not connected to the network. They were commercial units and used for the commercial enforcement section only.

Assemblyman Sprinkle said that he was amazed that the Highway Patrol did not have GPS in its vehicles, especially in the rural communities, and he believed that safety would be greatly enhanced. He questioned the timing and the funding in the future and whether sources other than the Highway Fund had been researched to fund the system after FY 2017. There was the potential of losing the ability to build and improve infrastructure throughout the state with Highway funds.

Major O’Roarke replied that additional funding methods beyond FY 2018 had not been explored. Beginning in FY 2020, program costs were estimated at \$232,261 annually for wireless connection and \$8,228 for each MDC to be replaced on a five-year schedule. He said that the Division would be willing to pursue grant funding to support future costs.

Chairwoman Smith shared members’ concerns for the Highway Fund and urged the Division to pursue other funding sources.

Senator Settelmeyer surmised that one benefit of the system would be the potential to reduce overtime because reports could be completed in the field. He asked whether the conductivity of the system in the rural areas would improve over the old system.

Major O’Roarke said the current plan was to equip the rural counties last because efficiencies would be increased in the urban areas where the majority of the radio traffic and incidents occurred. The platform would not be as robust in the rural areas, and it was anticipated that by 2018 the infrastructure would be better for connectivity in the rural areas. He said the Division had been in close contact with potential providers, and he was confident that connectivity in the rural areas would be greatly increased within the next two years.

Assemblyman Oscarson said that there had been significant improvement in connectivity in the rural areas with the expansion of fiber for a large Nevada Hospital

Association project, as well as others. He suggested that as the technology became available in the rural areas, the Division should reevaluate its priorities, because the officers in the rural areas needed help.

Major O'Roarke said that he had worked in the Elko, Reno, and Las Vegas regions, and Assemblyman Oscarson was correct: the rural law enforcement officers relied upon each other for everything because the resources were so much smaller than in the urban areas. He said the plan to roll out the system in the rural areas later rather than sooner was to ensure that the best possible product would be available.

Assemblyman Eisen asked whether the 35 devices would be located across the state and how improvement in service would be measured.

Major O'Roarke replied that the 35 units would be deployed in the Reno, Carson, and Las Vegas areas. The Division's research and planning unit had been tasked with monitoring the project. He noted that a lot of work had already been done on the project, including researching possible vendors and troubleshooting potential problems.

Assemblyman Eisen was concerned with being able to quantify the improvements in service with the provision of the devices. He asked whether data would be available to make informed future decisions about expanding the program and whether improvement in service could be demonstrated with only 35 units.

Major O'Roarke replied that improvements would be difficult to measure with only 35 units. The full benefits would not be measurable until after total implementation of the system, including in the rural areas, in 2018. He noted that currently there were 460 sworn officers on the road.

Chairwoman Smith asked what would happen if the request was not approved, and she questioned whether the impact would be significant since only 35 units were involved. She noted that the Committee was concerned about the funding plan going forward.

Major O'Roarke replied the 35 units would provide the opportunity to test the system and fix problems in a small rollout compared to a large rollout. As an example, if 150 units were rolled out at one time, there would be that many more problems and no resources to solve them. He said that 35 units would be a manageable number to resolve problems before the larger rollouts.

Referring to Assemblyman Eisen's question concerning empirical data coming from the data connection, Lieutenant Charles Powell said that different vendors were being considered, AT&T and Verizon, to pursue gathering data to locate the dead spots throughout the state. He said there were problems and there were dead spots, and attempts were being made to identify the problems, their future prognosis, and how to work around them.

Senator Goicoechea observed that approximately \$2 million would be expended for 35 units, and he asked for further information on how the funds would be used.

Major O’Roarke replied that if the work programs were approved, every dollar spent by the Division would be matched by the Nevada Department of Transportation through fiscal years 2016 and 2017. If \$280,000 was spent in fiscal year 2015, NDOT would contribute \$280,000.

Senator Goicoechea affirmed that \$280,000 would be used to put the units on the ground as a pilot to detect and solve problems.

Major O’Roarke reiterated that the \$280,000 would be matched by the NDOT, and thus approximately \$560,000 would be used to get the units up and running. He said that NDOT would match the funding in fiscal years 2016, 2017, and possibly 2018.

Senator Goicoechea pointed out that he represented the rural counties, and he understood the reasons to start a test program. He was supportive of the request.

Senator Ford requested that additional time be allowed to consider the request and that the vote be delayed until the end of the meeting. Chairwoman Smith agreed to do so if there were no objections, and she announced that a vote would be taken later in the meeting.

Later in the meeting (at approximately 3:20 p.m.), Chairwoman Smith asked the Committee for additional questions or direction concerning the Nevada Highway Patrol’s requests in Agenda Items G-125 and G-128.

Assemblywoman Carlton said she wanted to put the equipment into the officers’ hands, but she believed it should be done during the 2015 Legislative Session. She realized that the equipment should have been provided much sooner, and she wished that the problem had been discussed during the 2013 Session. The project would be long-term until fiscal years 2018-2019 and would ultimately cost millions of dollars, without having full legislative subcommittee hearings. She had not thought about the rural problems until they were mentioned at this meeting, but there had not been time to thoroughly vet and understand the request. She was also concerned with expending a large amount of Highway funds when the Highway Fund dollars were so important.

Assemblywoman Carlton added that she realized the proposal involved a safety issue, but her concern was with the process and the necessity to have the full Legislature involved in the decision.

Senator Goicoechea asked how many troopers were currently on the road.

Assistant Chief Sanchez replied there were approximately 460 troopers in the field.

Senator Goicoechea said the state had a history of sometimes spending money in the wrong places, but he noted that the request was for less than a 10 percent pilot project to ensure that the program would be up and running. He was concerned about waiting to go through the full legislative process to approve 400 or more of the units without conducting a pilot. He believed everything should be done to help the troopers in the field, especially those in single stations.

Major O’Roarke reiterated that the mobile data system was the second piece of the Spillman product purchased in 2010. The mobile data computing solution was a vital piece of the entire Spillman records management system. The system currently being used through Spillman was only half-complete because the mobile data computing was required to tie everything done in the field back into the records management system. The system would make everyone more efficient: the officers would be on the road longer, and the dispatchers would have more time to answer phone calls and focus on their jobs. He added that operations of law enforcement agencies throughout the state would also be more efficient.

If the request for \$560,000 was approved, Senator Goicoechea asked whether the Division would have the units in place and be able to come to the 2015 Session to report on how they were working.

Major O’Roarke replied implementation would be nearly done if not complete by the 2015 Session. The Division had determined which model to move forward with, and although the pilot would provide a very small snapshot, information would absolutely be available for the 2015 Legislature.

Major O’Roarke pointed out that once the mobile units were provided on the road, it would take the troopers some time to get used to a different type of policing they had never done, which involved the digital world. The troopers would become more efficient once they completed the learning curve, and once the mobile data computers were fully implemented, the entire Department would be more efficient.

Senator Goicoechea remarked that \$560,000 was a lot of money, but it would enhance the capability of the Highway Patrol. He understood Assemblywoman Carlton’s concerns, and he was in a quandary.

Senator Settlemeyer asked whether the system was the same as that currently used by most of the counties, and whether the increased efficiencies would have the potential of reducing cost overruns for overtime and possibly delay hiring of new positions.

Major O’Roarke replied that Senator Settlemeyer was correct. The officers would be on the road longer and would not have to return to the office to prepare reports. Adding the mobile data piece to the Spillman product would result in a complete records management system, which currently did not exist. He added that many law enforcement agencies throughout the state currently used the Spillman system.

Chairwoman Smith said that Committee members understood the logic of the proposal, which was to provide more efficiency and safety to the officers. The Committee's concerns were with the process and the fact that the proposal was not discussed during a regular legislative session. She encouraged the Division to explore all other funding sources, because it would be difficult to continue to pay for the project from the Highway Fund. She asked when the current federal funding would expire.

Assistant Chief Sanchez clarified that the funding to be used to start the project was not from the Highway Fund, but the Division would pursue all options for future funding.

Assemblyman Bobzien said that he applauded the Division for working with the Division of Enterprise Information Technology Services. The Committee had faith that the system was a good one on the edge of technology. He agreed that the proposal should have been discussed during the 2013 Session, and he looked forward to the discussion in 2015. He also shared the concerns about the Highway Fund, but he would move to approve the request.

Chairwoman Smith called for public comment and there was none.

ASSEMBLYMAN BOBZIEN MOVED TO APPROVE AGENDA
ITEMS G-125 AND G-128.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Carlton voted no.
Assemblywoman Kirkpatrick was not present for the vote.)

- 126. Department of Public Safety - Highway Patrol - FY 2014** - Transfer of \$60,905 from the Operating category, \$47,190 from the Uniforms and Specialty Equipment category, \$126,947 from the Aircraft category, \$100,000 from the Radio Communications category, and \$350,000 from the Department of Public Safety General Services Cost Allocation category to the Personnel Services category to fund expenditures through the end of the fiscal year. Requires Interim Finance approval since the amount transferred to the Personnel Services category exceeds \$75,000. **Work Program #C28740**

Refer to motion for approval under Agenda Item G.

- 127. Department of Public Safety - Highway Patrol - FY 2014** - Addition of \$194,385 in federal Joining Forces grant funds transferred from the Office of Traffic Safety account to participate in statewide, multi-jurisdictional traffic enforcement activities focused on reducing fatalities and serious injury crashes in Nevada. Requires Interim Finance approval since the amount added to the Joining Forces Grant category exceeds \$75,000. **Work Program #C29231**

Refer to motion for approval under Agenda Item G.

- 128. Department of Public Safety - Highway Patrol - FY 2015** - Addition of \$1,700,000 in Highway Safety Improvement Program grant funds transferred from the Nevada Department of Transportation to implement the Nevada Highway Patrol's Mobile Data Computer program to advance the existing accident and citation system to a modern platform. Requires Interim Finance approval since the amount added to the Mobile Data Computers category exceeds \$75,000. **RELATES TO ITEM G.125. Work Program #C28838**

Refer to testimony and motion for approval under Agenda Item G-125.

- 129. Department of Public Safety - Parole and Probation - FY 2014** - Transfer of \$47,500 from the In-State Travel category to the Client Drug Test category, \$7,100 from the In-State Travel category to the Psychosexual Evaluations category, and \$8,800 from the In-State Travel category to the Forensic Lab Contracts category to fund projected expenditures for the remainder of the state fiscal year. Requires Interim Finance approval since the cumulative change to the In-State Travel category exceeds \$75,000. **Work Program #C29344**

Refer to motion for approval under Agenda Item G.

Chairwoman Smith announced that Agenda Item D-130 and Informational Item T.9.a. would be heard together.

- 130. Department of Public Safety - Parole and Probation - FY 2015** - Addition of \$918,494 in County Reimbursements to provide sufficient authority to conduct the Pre-Sentence Investigation function. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **Work Program #C28992**

T. INFORMATIONAL ITEMS

9. DEPARTMENT OF PUBLIC SAFETY

- a. Parole and Probation – Quarterly report on the usage of administrative banks to manage offenders for the period ending March 31, 2014 (letter of intent, 2013 Legislature).

James Wright, Director, Department of Public Safety, stated that Major Kim Madris was present to answer questions concerning Agenda Item G-130.

Mr. Wright recalled that in February 2014, the Department of Public Safety had appeared before the Committee with a critical item of concern dealing with the backlog of presentence investigations (PSIs). At that time, the Department had submitted an action plan that was supported by the Committee. Mr. Wright reported that the plan was going well, and great strides had been made in dealing with the PSI backlog. He explained that Agenda Item G-130 was a request for authority to continue the action

plan approved in February, and he asked Major Kim Madris to provide an update on the plan.

Major Kim Madris, Deputy Chief, Southern Command, Division of Parole and Probation, Department of Public Safety, testified that as of the current date, there were 505 PSIs to be assigned, and so far in the month of June, only 3 requests for continuances had been requested by the Division, in contrast to September 2013 when there were 302 requests.

Major Madris said that by employing the new PSI writers and moving forward with the plan, the Division had been successful in reducing the backlog and the number of continuances requested.

Assemblywoman Carlton congratulated the Division staff for their hard work, and she was glad to hear that the Division had been able to meet the 14-day requirement for completion of PSI reports as required in Assembly Bill (A.B.) 423 (2013 Session). She realized that meeting the 21-day deadline by October 1, 2014, as required in A.B. 423, would be difficult, and she asked whether the Division thought it could be accomplished and what resources would be required in anticipation of the 2015 Legislative Session.

Mr. Wright replied that the 14-day requirement took effect on March 1, 2014, and the 21-day requirement was to be implemented by October 1, 2014. He was concerned that the 21-day requirement could not be met, and he was sure that additional resources would be needed to meet the requirement in this fiscal year or the deadline would have to be readdressed in the 2015 Session. He suggested that a compromise of the time period, in consideration of what the Division would be able to achieve, would be appropriate. He pointed out that, realistically, a PSI report submitted 21 days before a court hearing was not likely to be read until the morning of the hearing.

Mr. Wright said that the Division would make every effort to meet the 21-day requirement, but as more resources were directed toward the problem, discussions should be held concerning what deadlines could be met. He noted that the recently hired PSI writers required training time, and they were approaching full-speed work productivity. However, he was certain that the 21-day requirement would have to be readdressed to a more reasonable timeline.

Chairwoman Smith noted that the testimony and discussion had addressed Committee members' questions on Informational Item T.9.a. She asked for public comment and hearing none, she called for a motion.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA
ITEM G-130.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 131. Department of Public Safety - Emergency Management Division - FY 2015 -** Addition of \$750,000 in federal U.S. Department of Commerce - State and Local Implementation Grant Program (SLIGP) funds transferred from the Nevada Department of Public Safety - Emergency Management Assistance Grant account to balance forward partial authority from State Fiscal Year 2014 to State Fiscal Year 2015 to support costs associated with planning and assessment activities for the nationwide interoperable Public Safety Broadband Network. Requires Interim Finance approval since the amount added to the SLIGP category exceeds \$75,000. **RELATES TO ITEM G.133. Work Program #C29126**

Refer to motion for approval under Agenda Item G.

- 132. Department of Public Safety - Emergency Management Division - FY 2015 -** Addition of \$73,294 in federal U.S. Department of Homeland Security Grant Program (HSGP) funds transferred from the Emergency Management Assistance Grant account to partially balance forward funds to support costs associated with improving emergency response and reducing the threat of terrorism. Requires Interim Finance approval since the amount added to the HSGP Training category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29277**

Refer to motion for approval under Agenda Item G.

- 133. Department of Public Safety - Emergency Management Assistance Grants - FY 2015 -** Addition of \$1,736,333 in federal U.S. Department of Commerce - State and Local Implementation Grant Program (SLIGP) funds to partially balance forward funds from Fiscal Year 2014 to Fiscal Year 2015 for planning and assessment activities for the nationwide interoperable public safety broadband network. Requires Interim Finance approval since the amount added to the SLIGP category exceeds \$75,000. **RELATES TO ITEM G.131. Work Program #C29190**

Refer to motion for approval under Agenda Item G.

- 134. Department of Public Safety - Criminal History Repository - FY 2014 -** Addition of \$308,500 in Fingerprint Fees and \$2,500 in Civil Name Check Fees to fund projected shortfalls for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Federal Bureau of Investigation Fingerprint category exceeds \$75,000. **Work Program #C29337**

Refer to motion for approval under Agenda Item G.

- 135. Department of Public Safety - Criminal History Repository - FY 2015 -** Addition of \$1,589,049 in one-shot funds balanced forward from the previous year and \$149,573 in Criminal Justice Assistance grant funds transferred from the

Department of Public Safety - Office of Criminal Justice Assistance account to continue work on the criminal history modernization project. Requires Interim Finance approval since the amount added to the Modernization Project category exceeds \$75,000. **Work Program #C29372**

Refer to motion for approval under Agenda Item G.

- 136. Department of Public Safety - Criminal History Repository - FY 2015** - Transfer of \$441,732 from the Reserve category to the Personnel Services category and transfer of \$412,846 from the Reserve category to the Disposition Backfill Project category to fund ten new positions, ten contracted positions, and associated costs to support the entry of dispositions into the State and Federal Bureau of Investigation systems. Requires Interim Finance approval since the amount added to the Disposition Backfill Project category exceeds \$75,000. **Work Program #C28958**

Julie Butler, Administrator, General Services Division, Department of Public Safety, explained that the purpose of the work program in Agenda Item G-136 was to seek approval to hire 10 full-time-equivalent (FTE) permanent staff and 10 FTE contracted temporary staff to data-enter over 800,000 court dispositions into the Statewide Criminal History Repository system.

James Wright, Director, Department of Public Safety, stated that the backlog was a critical issue for the Department that needed to be addressed. The background checks and criminal history information for which the Repository was responsible had caused a workload that needed to be addressed, and the work program in Agenda Item G-136 involved a plan to resolve the problem, which was critical. With the current limited staff, it could take years to address the backlog in criminal information that needed to be entered into the Repository. He pointed out that the information was critical to every law enforcement entity across the state. Mr. Wright thanked the Committee for the help and support it had provided to the Department in the past.

Ms. Butler explained the background of the request and the steps being taken to prevent the problem in the future:

The Repository has known for a very long time that its records are incomplete. Repository staff has been trying to address the issue of missing dispositions via its interactions with the Nevada Criminal Justice Information Sharing Advisory Committee for several years now.

In 2011, I made a presentation to the advisory committee indicating that the Repository's records are inaccurate, incomplete, and untimely. At that meeting, I requested the Committee's support for legislative changes and funding to address this issue. However, given the state's fiscal situation at that time, support was not forthcoming.

Fast forward to the fall of 2013, those of you from northern Nevada may recall several news stories about an off-duty Reno Police Department officer that sold a firearm to a mentally ill man under the guardianship of his parents. The man's parents inquired how their son could legally obtain a firearm. Would a background check have prevented this? The answer is somewhat more complicated. Background checks are not required for private-party firearm sales. However, even if this individual had gone to a retail store to purchase this firearm, the background check might not have made a difference. The reason is the under-reporting of mental health adjudication forms by Nevada courts to the Criminal History Repository for entry into the F.B.I.'s National Instant Criminal Background System (NICS). That story prompted the Chief Justice of the Nevada Supreme Court to direct all Nevada courts to review their mental health adjudications and other reporting requirements and to make sure that they were in compliance with statutes.

At the same time, Repository staff started outreaching to Nevada criminal justice agencies as a result of funding we received under various federal grants. The purpose of the outreach was to let agencies know of their duty to report any criminal history records that they create or produce to the Repository and the impacts that the under-reporting creates. The combined results of the courts' self-audits and the Repository outreach efforts have led to the discovery of over 800,000 court dispositions that were never reported to the Repository. Some of these dispositions are over 20 years old. Additionally, it was discovered that of the 78 courts in Nevada, only 26, or one-third, were consistently reporting dispositions to the Repository. That number has now increased to approximately 57, or two-thirds of the courts reporting.

Now that the Repository is aware of these dispositions and has them in its possession, we have an obligation to get them entered into criminal history. The last thing we want is for something tragic to happen, like a shooting because a firearm ended up in the wrong hands or perhaps a child is harmed because someone got a job that shouldn't have, because a disposition is sitting in a stack waiting to be entered.

Due to the age of these dispositions, they did not contain the data elements necessary to electronically match them to the original arrest events. Consequently, Repository staff will have to manually research these dispositions one by one to match them to their original arrest events. This is incredibly time consuming, but it is necessary to ensure an accurate criminal history record.

To address this enormous backfill, the Repository is seeking authorization to transfer \$854,578 from reserves to hire 10 FTE permanent staff and 10 contracted staff, with associated operating and equipment expenses to

data enter into criminal history. With 20 FTEs, the Repository estimates it will take approximately four years to clear the backfill.

The Repository has also applied for a federal grant to hire 10 additional contracted temporary staff for disposition backfill efforts, for a total of 30 FTEs to address this backfill. We won't know until later this summer whether or not our grant application will be approved by the Bureau of Justice Statistics. If it is approved, we will have to return again to this body for authorization to accept the reward, which would likely be in November. With 30 FTE addressing the data entry, the Repository estimates clearing the backfill in fiscal year 2017.

The 10 FTE permanent staff will be needed to keep up with the projected volume of disposition reporting once 100 percent of the courts are reporting, as well as to meet other statutory mandates such as the data entry of domestic violence temporary protection orders into the statewide protection order registry, processing of modifications to criminal arrest and disposition records at the request of Nevada criminal justice agencies, keeping up with court-ordered criminal history record seals, and keeping Nevada criminal history records in synch with the F.B.I. criminal history records.

As far as future steps going forward, my staff will continue their outreach efforts to educate Nevada criminal justice agencies on their reporting obligations and the information that is required by the Repository. The NCJIS Advisory Committee will be meeting again in July to consider adopting recommendations to improve disposition reporting to the Repository. Finally, the DPS Director has the authority to adopt regulations to specify who is required to report what and by when to the Repository, and we intend to do so. The Repository feels that by clearly specifying the expectations, reporting will improve in the future.

Chairwoman Smith said that she was surprised at the extent of the problem, which affected everyone's daily lives. She recalled discussion of arrest and DNA (deoxyribonucleic acid) testing legislation and the complications of an automatic expungement being a problem because of dispositions, which she now understood.

Assemblywoman Carlton asked how many of the dispositions dated back 20 years.

Ms. Butler replied that the dispositions were all old, which was the problem. She explained that when a person was booked into jail, a unique transaction number was assigned to his or her fingerprints that identified that particular individual and arrest event. The Repository was conducting outreach to ensure that the unique tracking number followed the individual's charges through prosecution and on to the courts to avoid the one-to-one matching problem. She said that, unfortunately, many of the old dispositions predated the era of automated fingerprint processing being the norm and

there was not a tracking mechanism. The Repository staff had to manually research the records and find the associated fingerprints to match the transaction number.

Assemblywoman Carlton asked whether the 10 new state positions would be located at the Repository in Carson City.

Ms. Butler said yes, those positions and the contracted temporary positions would all be located in Carson City. There would be no positions in southern Nevada. She said there was a small number of staff located in Las Vegas, but the central operations were located in Carson City.

Assemblyman Frierson asked whether a certain number of positions would be designated for mental health.

Ms. Butler replied mental health was one of the many aspects of the work to be done, and specific positions were not dedicated to mental health adjudications. She said those cases were handled by the Brady Unit, which consisted of about 12 FTE positions that data-entered the forms as they were received. She noted there were staffing needs in all of the units, and additional staff might be required in the Brady Unit in the future.

Assemblyman Frierson asked why 10 full-time additional positions would be required if the majority of the records were old. He questioned whether new positions would be necessary once the backlog was addressed.

Ms. Butler replied that the Repository had seen increases in all of its activities, including court-ordered sealing of records, synchronizing criminal history between the state and F.B.I., and processing records challenges. She said the staff had been supplemented with temporary hires for several years. However, it was anticipated that 100 percent of the courts would eventually be reporting, and she did not think that the records could stay current without new full-time staff.

Assemblyman Frierson recalled that concerns had been expressed over changes made by the Legislature to the mechanism for sealing records that had caused delays. He said the Legislature's intention was to make the process faster, but it seemed that the opposite had occurred. He asked whether any staff were dedicated to sealing records.

Ms. Butler replied that four full-time positions processed the records sealing, but they also spent a percentage of their time on dispositions, correcting records, and other activities. She said there were no staff members dedicated to records sealing, which was part of the reason she was asking for additional staff. She noted that once the backlog was addressed, the new staff would perform a multitude of other functions. She was optimistic that the new staff would help to avoid the delays.

Assemblyman Sprinkle said that he assumed that the temporary positions would no longer be needed after the backlog was eliminated in 2017. He noted that 100 percent of the courts were anticipated to be reporting in the future, and he asked whether that could potentially create a backlog and require more full-time positions.

Ms. Butler said Assemblyman Sprinkle was correct. The goal was to have every court report information on criminal charges to the Repository, and she felt that the request for 10 new positions was reasonable. However, she could not guarantee that more positions would not be requested in the future. She said staffing needs were continually analyzed, and attempts were made to be modest concerning requests for resources.

Chairwoman Smith noted that there were courts that had not yet submitted their dispositions, which would create an unknown volume of additional work.

Ms. Butler said that was correct, and she added that dispositions should be submitted from three sources: law enforcement, prosecution, and the courts, but in many cases, they would not be submitted. She pointed out that when an individual was charged but ultimately released, a disposition should be submitted. If the prosecution decided to drop charges, a disposition should be submitted dismissing the charges, and the courts should submit a disposition after the final determination of a case. Ms. Butler said it was possible that the backlog could exceed 800,000.

There were no further questions from the Committee. Chairwoman Smith asked for public comment.

Brett Kandt, speaking on behalf of Attorney General Catherine Cortez Masto, expressed the Attorney General's (AG's) support for the request. He noted that for years, Nevada had led the nation in incidents of women killed by men, and most often they were killed by someone with whom they had a relationship. When the AG's Office conducted a domestic violence fatality review to determine the history of that relationship and where the system could have made a difference, invariably it was found that there were numerous prior arrests for domestic violence by that perpetrator. However, if the disposition of those arrests did not make it into the system, an individual who conducted a domestic violence homicide could be freed rather than serve a felony prison sentence. Mr. Kandt said if the information had been submitted to the Repository, the individual would have been in prison and the victim might still be alive.

Chairwoman Smith thanked Mr. Kandt for his testimony. Hearing no further requests for public comment, she called for a motion.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE AGENDA
ITEM G-136.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Hardy was not present for the vote.)

- 137. Department of Public Safety - Criminal History Repository - FY 2015** - Addition of \$291,969 in funds transferred from the Department of Health and Human Services - Public Behavioral Health (PBH) to fund three new positions, two existing positions, and associated costs to provide support to the PBH determination process for the Nevada Automated Background Check System established pursuant to S.B. 502 (2013 Legislature). Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$75,000. **RELATES TO ITEM G.52. Work Program #C28959**

Refer to testimony and motion for approval under Agenda Item G-52.

- 138. Department of Public Safety - Traffic Safety - FY 2014** - Addition of \$94,828 in federal Traffic Safety grant funds, \$129,060 in federal Occupant Protection Incentive grant funds, and \$10,930 in federal Traffic Records Incentive grant funds and deletion of \$147,919 in federal Alcohol Incentive grant funds and \$35,180 in federal Motorcycle Incentive grant funds to align state budget authority with grant authority. Requires Interim Finance approval since the amount deducted from the 410 - Incentive Grant Funds category exceeds \$75,000. **Work Program #C28943**

Refer to motion for approval under Agenda Item G.

- 139. Department of Public Safety - Traffic Safety - FY 2015** - Addition of \$100,000 in federal Motorcycle Incentive grant funds and \$1,000,000 in National Highway Transportation Safety Administration grant funds transferred from the Nevada Department of Transportation (NDOT) to continue highway safety programs. Requires Interim Finance approval since the amount added to the NDOT Flex Funds category exceeds \$75,000. **Work Program #C29363**

Refer to motion for approval under Agenda Item G.

- 140. Department of Public Safety - Highway Safety Plan and Administration - FY 2015** - Addition of \$2,298,223 in federal Highway Administration grant funds transferred from the Nevada Department of Transportation (NDOT) and \$100,000 in federal Office of Traffic Safety - Motorcycle Awareness grant funds transferred from the Traffic Safety account to balance forward authority to continue supporting various highway safety programs. Requires Interim Finance approval since the amount added to the NDOT Flex Funds category exceeds \$75,000. **Work Program #C29371**

Refer to motion for approval under Agenda Item G.

- 141. Department of Conservation and Natural Resources - State Historic Preservation Office - FY 2014** - Transfer of \$28,000 from the Personnel Services category to the Cultural Resources Information category to pay for programming that is needed on the Nevada Cultural Resource Inventory System. This programming will be done by staff from the Division of Water Resources and Nevada Division of Environmental Protection. Requires Interim Finance approval since the cumulative change to the Cultural Resources Information category exceeds \$75,000. **Work Program #C28899**

Refer to motion for approval under Agenda Item G.

- 142. Department of Conservation and Natural Resources - State Historic Preservation Office - FY 2015** - Addition of \$8,400 in Contract Services Charges and transfer of \$20,365 from the Operating category to the Personnel Services category and \$4,230 from the Cultural Resource Information category to the Personnel Services category to fund the addition of a new Historic Preservation Specialist II position. Requires Interim Finance approval since this work program includes a new grant funded position. **Work Program #C28918**

Refer to motion for approval under Agenda Item G.

- 143. Department of Conservation and Natural Resources - Administration - FY 2014** - Transfer of \$146,250 from the Reserve category to the Sagebrush Ecosystem Team category to cover the salary cost for three team members in accordance with the legislatively approved budget and funding agreement for the team. Requires Interim Finance approval since the amount transferred to the Sagebrush Ecosystem Team category exceeds \$75,000. **Work Program #C29542**

Refer to motion for approval under Agenda Item G.

- 144. Department of Conservation and Natural Resources - Forestry - FY 2015** - Addition of \$156,389 in U.S. Forest Service (USFS) State Fire Assistance - National Fire Plan (SFA-NFP) Community Protection on Priority Landscapes (CPPL) grant funds to support the agency's ongoing hazardous fuels reduction projects. These are projects that are covered by a community wildfire protection plan and ranked as the highest priority areas in the State Forest Resources Assessment document. Requires Interim Finance approval since the amount added to the USFS SFA-NFP CPPL category exceeds \$75,000. **Work Program #C28826**

Refer to motion for approval under Agenda Item G.

- 145. Department of Conservation and Natural Resources - Forestry - FY 2015** - Addition of \$52,800 in federal U.S. Bureau of Land Management (BLM) Southern Nevada Public Land Management Act (SNPLMA) grant funds to support the

agency's fuels reduction project work designed to improve public safety in the Lake Tahoe Nevada State Park and reduce the risks of wildfire in the region. Requires Interim Finance approval since the amount added to the U.S. BLM SNPLMA Grant category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C28945**

Refer to motion for approval under Agenda Item G.

- 146. Department of Conservation and Natural Resources - Forestry - FY 2015 -** Addition of \$73,657 in federal Department of Energy and Environmental Protection Agency grant funds transferred from the Nevada Division of Environmental Protection (NDEP) to support the agency's effort to stabilize stream-banks and adjacent meadows along the South Fork of the Humboldt River to improve the quality of water entering and leaving the reservoir. Additionally, the funding will be used to upgrade Forestry's communication system to enhance the monitoring, data sharing, incident command and dispatch for emergency responses throughout the state including areas abutting the Nevada National Security Site. Requires Interim Finance approval since the amount added to the NDEP South Fork Agreement category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C28947**

Refer to motion for approval under Agenda Item G.

- 147. Department of Conservation and Natural Resources - Forestry - FY 2015 -** Addition of \$172,101 in federal U.S. Forest Service (USFS), Insects and Diseases Project grant funds to support the agency's efforts to inform and educate the public of the potential destruction that insects and diseases can have on Nevada's forests. Funding is also used to treat the infestation of the Western Bark Beetle throughout the State of Nevada. Requires Interim Finance approval since the amount added to the USFS Insects and Diseases Grant category exceeds \$75,000. **Work Program #C28963**

Refer to motion for approval under Agenda Item G.

- 148. Department of Conservation and Natural Resources - Forestry - FY 2015 -** Addition of \$929,540 in federal U.S. Forest Service Hazardous Fuels Reduction grant funds to develop and maintain efficient and effective fire protection services through the Cooperative Fire Program of the State of Nevada. Grant funds are used for fire suppression activities and for the assessment, planning and implementation of fuels treatment projects to create defensible space and improve forest health. Requires Interim Finance approval since the amount added to the Fuels Reduction Grant category exceeds \$75,000. **Work Program #C28971**

Refer to motion for approval under Agenda Item G.

149. Department of Conservation and Natural Resources - Forestry - FY 2015 -
Addition of \$320,975 in federal U.S. Forest Service (USFS) Consolidated Payment Grant (CPG) 2010 funds, \$1,444,655 in federal USFS CPG 2011 funds, \$1,414,799 in federal USFS CPG 2012 funds, and \$2,980,542 in federal USFS CPG 2013 funds to allow for the continued and uninterrupted support of the agency's hazardous fuels reduction and other forest health projects. Requires Interim Finance approval since the amount added to the CPG 2013 category exceeds \$75,000. **Work Program #C29109**

Chairwoman Smith noted that Assemblyman Sprinkle had requested testimony on Agenda Item G-149.

Pete Anderson, State Forester-Fire Warden, Nevada Division of Forestry, Department of Conservation and Natural Resources, explained that the work program in Agenda Item G-149 requested authority to move Consolidated Payment Grant (CPG) funds from the U.S. Forest Service into fiscal year (FY) 2015. The grants provided base funding for program operations and a variety of on-the-ground fuels treatment projects, forest health projects, and repair and enhancement work.

Assemblyman Sprinkle said his question concerned several of the items related to fire wildland fuel reduction programs. He served on another legislative committee that had been discussing payments to organizations and individuals who had performed fuel reduction work and, for several different reasons, they had not received payment. He asked whether it would be possible to use grant funds to pay what was owed to entities and individuals that had already completed the work.

Mr. Anderson replied that each individual Consolidated Payment Grant was based on a request to the U.S. Forest Service and went through a process that tied funds to specific projects. There was no opportunity to redirect the CPG funds because they were being used to maintain ongoing programs.

Assemblyman Sprinkle asked for an update on the wildland fire dangers in the state this year.

Mr. Anderson said the fire season ahead was more complex and threatening than he had seen in a very long time. Three years of drought, followed by minimal snowfall, had resulted in severe drought in the northwest corner of Nevada, the Sierras, and most of California. Coupled with that was the fact that the fuels had dried significantly because of lack of snowfall.

Mr. Anderson said even the larger 1,000-hour fuels were quite dry. The fire behavior of the recent Hunter Falls fire west of Reno was indicative of the lack of moisture in the larger fuels. He said the northeast corner of the state, Elko, Eastern Humboldt, and Eastern Eureka Counties, was facing more traditional conditions and would probably not see serious fire danger until later in the summer, but there were restrictions in the western and southern parts of the state.

Mr. Anderson said there was fine fuel growth across the state. There had been several ignitions, but the local resources had done a great job of keeping the fires small. He said lightning ignitions were the largest concern because of multiple ignitions and limited resources.

Senator Goicoechea said the Legislative Public Lands Committee was in Elko the previous week and the fine fuels were obvious. He said the threat might be 30 days away, but there would be major fires. He asked whether the new strike teams were equipped and in place.

Mr. Anderson replied that the state, inter-agency wise, was more prepared than it had ever been. Between the work that had been done with the Sage Grouse habitat and Sagebrush Ecosystem Team, federal agencies were attempting in various ways to improve initial attack capabilities. The northern Rockies were very green this year, and he did not think there would be the same competition for resources nationally as in the past.

Mr. Anderson said that in the 2015 Legislative Session, the Division would attempt to get rangeland fire protection associations organized and be given authority so that the initial attack could be further improved, particularly in the remote parts of the state.

Chairwoman Smith had seen a news article about the Western Governors Association calling on Governors to provide joint funding for the wildfire season.

Mr. Anderson said the discussion was central around the fire borrowing issue, because in past years both federal agencies, the Bureau of Land Management and the U.S. Forest Service, had an established budget for fire suppression, and when it was exceeded, rather than treat it as an emergency, all other programs were swept to cover the costs of the fire season. There was a national effort underway to treat catastrophic wildfires similar to a tornado or hurricane and other natural disasters, which would help take pressure off the fuels prevention projects. Mr. Anderson said the number of fires and expenses were increasing every year.

Chairwoman Smith asked for public comment on Agenda Item G-149 and hearing none, she called for a motion.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE AGENDA
ITEM G-149.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick was not
present for the vote.)

- 150. Department of Conservation and Natural Resources - Forestry - FY 2015** - Addition of \$57,266 in federal U.S. Fish and Wildlife Service (USFWS) Vulnerability Models grant funds to support the agency's efforts in identifying both species and landscape level vulnerabilities to climate change in the Great Basin. Data collected by this effort will provide baseline data from which to develop conservation strategies to increase the resiliency of the most vulnerable species and habitats in the basin. Requires Interim Finance approval since the cumulative amount added to the USFWS Vulnerability Models Grant category exceeds 10 percent of the legislatively approved amount for that category. **Work Program #C29471**

Refer to motion for approval under Agenda Item G.

- 151. Department of Conservation and Natural Resources - Forestry - Forest Fire Suppression - FY 2014** - Addition of \$929,330 in Prior Year Refund revenue to provide sufficient authority for fire suppression services for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Fire Suppression Costs category exceeds \$75,000. **Work Program #C29386**

Refer to motion for approval under Agenda Item G.

- 152. Department of Wildlife - Operations - FY 2014** - Addition of \$129,714 in Hunt Application Fees transferred from the Wildlife Fund account to fund the costs of administration and maintenance for the department's Application Hunt System. Requires Interim Finance approval since the amount added to the Application Hunt System category exceeds \$75,000. **Work Program #C29395**

Refer to motion for approval under Agenda Item G.

- 153. Department of Wildlife - Operations - FY 2014** - Addition of \$88,296 in Sportsmen Revenue transferred from the Wildlife Fund account to fund a projected shortfall in utility costs through the end of the fiscal year. Requires Interim Finance Approval since the amount added to the Utilities category exceeds \$75,000. **Work Program #C29478**

Refer to motion for approval under Agenda Item G.

- 154. Department of Wildlife - Operations - FY 2015** - Addition of \$644,373 in U.S. Fish and Wildlife Service Sport Fish Restoration Boating Access grant funds and \$22,063 in Boating Revenue transferred from the Wildlife Fund account to transfer the department's Boating Access Program from the Law Enforcement Division to the Operations Division. Requires Interim Finance approval since the amount added to the Boating Access Improvement category exceeds \$75,000. **RELATES TO ITEM G.156. Work Program #C29200**

Refer to motion for approval under Agenda Item G.

- 155. Department of Wildlife - Operations - FY 2015** - Addition of \$25,492 in federal Coast Guard grant funds, \$10,913 in Boating Revenue transferred from the Wildlife Trust account, and \$39,583 in Motor Boat Fuel Tax Assessments transferred from the Wildlife Trust account to move revenue and expenditure authority from the Law Enforcement Division to the Operations Division where the management of the collection of boating registration and titling occurs. Requires Interim Finance approval since the amount added to the Boating Registration and Titling category exceeds \$75,000. **RELATES TO ITEM G.157. Work Program #C29208**

Refer to motion for approval under Agenda Item G.

- 156. Department of Wildlife - Law Enforcement - FY 2015** - Deletion of \$644,373 in federal U.S. Fish and Wildlife Service Sport Fish Restoration Boating Access grant funds and \$22,063 in Boating Revenue transferred from the Wildlife Fund account to transfer the department's Boating Access Program from the Law Enforcement Division to the Operations Division. Requires Interim Finance approval since the amount deducted from the Boating Access Improvement category exceeds \$75,000. **RELATES TO ITEM G.154. Work Program #C29201**

Refer to motion for approval under Agenda Item G.

- 157. Department of Wildlife - Law Enforcement - FY 2015** - Deletion of \$25,492 in federal Coast Guard grant funds, \$10,913 in Boating Revenue transferred from the Wildlife Trust account and \$39,583 in Motor Boat Fuel Tax Assessments transferred from the Wildlife Trust account to move revenue and expenditure authority from the Law Enforcement Division to the Operations Division where the management of the collection of boating registration and titling occurs. Requires Interim Finance approval since the amount deducted from the Boating Registration and Titling category exceeds \$75,000. **RELATES TO ITEM G.155. Work Program #C29207**

Refer to motion for approval under Agenda Item G.

- 158. Department of Wildlife - Game Management - FY 2015** - Addition of \$38,584 in federal U.S. Fish and Wildlife Service (USFWS) Wildlife Restoration grant funds, \$7,214 in federal USFWS Sport Fish Restoration grant funds, \$6,110 in federal USFWS State Wildlife grant funds, and \$18,556 in Sportsmen Revenue transferred from the Wildlife Fund account to fund a Wildlife Staff Specialist and associated costs transferred from the Habitat Division to the Game Division. Requires Interim Finance approval since the cumulative amount added to the Personnel Services category exceeds \$75,000. **Work Program #C29213**

Refer to motion for approval under Agenda Item G.

- 159. Department of Wildlife - Game Management - FY 2015** - Addition of \$177,976 in Elk Damage Fees transferred from the Wildlife Fund account to fund projects to mitigate property damage on private land caused by elk. Requires Interim Finance approval since the amount added to the Elk Damage category exceeds \$75,000. **Work Program #C29250**

Refer to motion for approval under Agenda Item G.

- 160. Public Employees Benefits Program - Active Employees Group Insurance - FY 2014** - Addition of \$2,775,000 in Receipts from Active Employees Insurance Premiums and transfer of \$2,138,042 from the Reserve category to the Active Employee Group Insurance category to accept legislatively approved subsidies from state agencies and meet agency obligations through the end of the fiscal year. Requires Interim Finance approval since the amount added to the Active Employees Group Insurance category exceeds \$75,000. **Work Program #C29350**

Refer to motion for approval under Agenda Item G.

- 161. Silver State Health Insurance Exchange - Administration - FY 2015** - Addition of \$148,655 in federal Level Two Support Establishment of State-Operated Health Insurance Exchanges grant funds to provide funding to the Consumer Health Assistance (GovCHA) budget account to assist consumers with health insurance exchange related issues. Requires Interim Finance approval since the amount added to the Transfer to GovCHA category exceeds \$75,000. **RELATES TO ITEM G.33. Work Program #C29627**

Refer to motion for approval under Agenda Item G.

- 162. Silver State Health Insurance Exchange - Administration - FY 2014** - Addition of \$181,099 in federal Support Establishment of State-Operated Health Insurance Exchanges grant funds to allow for continued legal assistance from the Attorney General's Office and advocate and consumer assistance through the Consumer Health Assistance Office (GovCHA). Requires Interim Finance approval since the amount added to the Transfer to GovCHA category exceeds \$75,000. **Work Program #C29640**

Refer to motion for approval under Agenda Item G.

- 163. Department of Agriculture - Nutrition Education Programs - FY 2014** - Addition of \$390,526 in federal U.S. Department of Agriculture - Fresh Fruits and Vegetables Program grant funds to complete Fiscal Year 2014 reimbursements to school districts for providing free fresh fruit and vegetables to elementary school children. Requires Interim Finance approval since the amount added to the Fresh Fruits and Vegetables category exceeds \$75,000. **Work Program #C29737. RECEIVED AFTER SUBMITTAL DEADLINE 6-3-14.**

Refer to motion for approval under Agenda Item G.

Chairwoman Smith announced that Agenda Items G-164, G-165, G-166, G-167, and G-168 would be heard together.

- 164. Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2015** - Addition of \$255,500 in Healthy Nevada Funds transferred from the Nevada Treasurer's Office to expand the number of community triage center beds in Southern Nevada for individuals with co-occurring disorders. Requires Interim Finance approval since the amount added to the Community Triage Center category exceeds \$75,000. **Work Program #C29524. RECEIVED AFTER SUBMITTAL DEADLINE 6-5-14.**

Refer to testimony and motion for approval under Agenda Item G-168.

- 165. Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2015** - Addition of \$750,000 in Healthy Nevada Funds transferred from the Nevada Treasurer's Office to support housing needs for up to 50 clients from the Mental Health Court in Southern Nevada. Requires Interim Finance approval since the amount added to the Clark County Mental Health Court category exceeds \$75,000. **Work Program #C29525. RECEIVED AFTER SUBMITTAL DEADLINE 6-5-14.**

Refer to testimony and motion for approval under Agenda Item G-168.

- 166. Department of Health and Human Services - Child and Family Services - Southern Nevada Child and Adolescent Services - FY 2015** - Addition of \$1,686,579 in Healthy Nevada Funds transferred from the Nevada Treasurer's Office and deletion of \$370,038 in Tobacco Settlement Income to support a mobile crisis unit to reduce unnecessary psychiatric hospitalizations and placement disruptions of children and youth, and to reduce the need for youth to go to emergency rooms or detention centers to have their mental and behavioral needs addressed. Requires Interim Finance approval since the amount added to the Fund for a Healthy Nevada category exceeds \$75,000. **Work Program #C29539. RECEIVED AFTER SUBMITTAL DEADLINE 6-5-14.**

Refer to testimony and motion for approval under Agenda Item G-168.

- 167. Department of Health and Human Services - Child and Family Services - Northern Nevada Child and Adolescent Services - FY 2015** - Addition of \$760,198 in Healthy Nevada Funds transferred from the Nevada Treasurer's Office and deletion of \$124,999 in Tobacco Settlement Income to support a mobile crisis unit to reduce unnecessary psychiatric hospitalizations and placement disruptions of children and youth, and to reduce the need for youth to go to emergency rooms or detention centers to have their mental and behavioral needs addressed. Requires Interim Finance approval since the amount added to the Fund for a Healthy Nevada category exceeds \$75,000. **Work Program #C29540. RECEIVED AFTER SUBMITTAL DEADLINE 6-5-14.**

Refer to testimony and motion for approval under Agenda Item G-168.

168. Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2015 - Addition of \$459,513 in Healthy Nevada Funds transferred from the Nevada Treasurer's Office to support one Mobile Outreach Safety Team for eight hours per day seven days a week in Southern Nevada to reduce the impact of mental health emergencies on hospital emergency rooms and respond to crises at the street level by providing triage to law enforcement, hospital emergency personnel and community agencies to divert individuals to immediate outpatient mental health services. Requires Interim Finance approval since the amount added to the Professional Services category exceeds \$75,000. **Work Program #C29545. RECEIVED AFTER SUBMITTAL DEADLINE 6-5-14.**

Mike Willden, Chief of Staff, Office of the Governor, (formerly the Director of the Department of Health and Human Resources), said that he would represent the Department (DHHS) since the new director had assumed the position only a few days before. He wanted to provide the Committee with the history of the reasons for the five work program requests: Agenda Items G-164, G-165, G-166, G-167, and G-168.

Mr. Willden recalled that the bussing event at the Rawson-Neal Hospital had occurred during the 2013 Legislative Session, and DHHS had spent much time on the problem over the past 15 months. During the 2013 Session, the Legislature approved several initiatives to help improve mental health services, such as the home visiting programs in the northern and southern parts of the state, the new assisted outpatient treatment program in the south, 10 additional beds for the Lake's Crossing Center in the north, housing supports for correctional facilities' reentry north and south, and creation of a contingency fund of about \$4 million. He said the contingency fund consisted of \$3 million from the Legislature and \$1 million from National Tobacco Settlement funds, and the Department had accessed the fund to implement about 20 recommendations from the Dvoskin/Appelbaum review of the Southern Nevada Adult Mental Health Services (SNAMHS) campus and facilities. The recommendations had been implemented in various stages and were ongoing.

Mr. Willden said that by Executive Order, the Governor had created the Behavioral Health and Wellness Council, and Chairwoman Smith, Assemblywoman Kirkpatrick, Assemblyman Hickey, and Senator Roberson served on the Council. The Council had been meeting for about six months and had made 16 recommendations to continue to improve the state's mental health system. He said the Council and the DHHS Division of Public and Behavioral Health wanted to prioritize the recommendations from those that could be implemented as quickly as possible, those that could be held and discussed during the 2015 Legislative Session, and those that would be dealt with beyond that time, such as governance of mental health. Mr. Willden summarized the 16 recommendations ([Exhibit D](#), pages D-6 – D-23).

1. Address inappropriate transports to the emergency room (Agenda Item G-166).

2. Address super users (intensive case management) through use of the mental health court (Agenda Item G-165).
3. Additional community triage beds (Agenda Item G-164).
4. Review policies on Emergency Medical Technician involvement in patient transports.
5. More psychiatric beds. 21 beds had been opened in Building 3A on the SNAMHS campus, which was running full. Medicaid funds had been used to incentivize hospitals to create more acute hospital psychiatric beds and freestanding psych beds.
6. Medicaid's Institutes for Mental Disease (IMD) exclusion was a big state/federal issue that would take time.
7. School-based mental health professionals required more discussion and funding in the 2015 Session.
8. Children's Mobile Crisis Teams (Agenda Items G-166 and G-167).
9. Recommendations for licensing for regional treatment centers.
10. Recommendations to change statutes concerning the Legal 2000 commitment process (pending bill draft request for the 2015 Session).
11. Run an anti-stigma campaign – requires long-term funding.
12. Workforce recommendations – mid-term and long-term.
13. Tele-health and Tele-psychiatry programs – working group had been formed.
14. Enhance peer services, which was currently Medicare allowable and was being worked on within the Department.
15. Strengthen discharge planning – first priority for the last 15 months.
16. Improve Medicaid's involvement in the populations in correctional facilities and jails, including two initiatives: one for inmates to receive Medicaid if they were released for longer than 24 months, which had been implemented; and the second was to enable suspension of inmates' Medicaid eligibility when they were out of the facilities temporarily and reinstatement of eligibility when they returned.

Mr. Willden said the Department wanted to move quickly in the immediate, mid-term, and long-term on the five following recommendations:

1. Agenda Item G-164 – Community Triage Center. Currently WestCare Nevada, Inc. in Las Vegas was contracted to provide 36 beds; want to expand to 50 beds, which should be accomplished within two weeks.
2. Mental Health Court. The Department had historically funded the Clark County Mental Health Court at approximately \$1.4 million per year, and actual expenditures the last three years were about \$1.1 million. The funding amount was adjusted to \$650,000 during the state budget crisis, and full funding needed to be reinstated.
3. Mobile Crisis Team for Kids. Establish one in the north and one in the south.
4. Try to stem inappropriate transfers to the emergency rooms.
5. Work more closely with law enforcement in Clark County through outreach safety teams.

Chairwoman Smith thanked Mr. Willden for the overview. She added that the goal of the Council was to break the recommendations into segments so that immediate urgent needs could be handled by the Interim Finance Committee, and the long-term needs could be incorporated into the Governor's 2015-2017 biennial budget.

Mr. Willden explained that the Governor's Executive Order required the Council to provide two reports on recommendations per year: one on May 31 and one at the end of the calendar year. The May report ([Exhibit D](#)) included the 16 recommendations, and the Department expedited the necessary work programs to submit to the Committee at this meeting.

Mr. Willden said that the recommendations would be funded with National Tobacco Settlement dollars. A spreadsheet of Tobacco Settlement Fund FY 2015 legislatively approved and revised expenditures was included in the Committee's meeting packet ([Exhibit B](#), volume III, page 229), and a copy is attached to these minutes as [Exhibit E](#). He explained that in FY 2014, the Legislature had approved a number of DHHS programs in which to spend Tobacco Settlement funds, such as Senior Rx, Senior Independent Living, Assisted Living, Tobacco Cessation, several health and wellness projects, Disability Services, and Disability Rx. The legislatively approved expenditures for FY 2014 totaled approximately \$29.6 million.

Mr. Willden explained that underspending had occurred in Senior Rx and Health Access funding, the Children's Mental Health Project, Assisted Outpatient Treatment, the Home Visiting Program, and the Lake's Crossing additional beds. The amount of budgeted Tobacco Settlement Fund dollars available from underspending was approximately \$2.8 million in FY 2014, and at least \$1.5 million was expected to be underspent in Senior Rx in FY 2015, for a total of about \$4.4 million. The five work programs being considered totaled approximately \$3.4 million, and \$730,812 was transferred to SAPTA in Agenda Item E.

Mr. Willden said that he had often been questioned about the sustainability of the Tobacco Settlement dollars going forward. He explained that for FY 2014, the budget was projected to balance forward about \$40 million to FY 2015. If the current requests were approved, approximately \$42.8 million would be balanced forward to FY 2015. In FY 2015, the current budgeted balance forward amount was about \$34 million, but with the SAPTA project and the current work program requests, the amount would be revised to slightly under \$33 million. The 2015-2017 biennium would start with a \$33 million balance forward, and all of the projects previously approved and the projects being requested would be funded through FY 2016. In FY 2017, the Fund would be short by about \$5 million, but there were several dynamics that would need to be worked out in the budget process. Mr. Willden explained that there were three significant areas in which Tobacco Settlement funds would possibly not be needed in FY 2017:

1. Applied Behavioral Analysis Programming for autistic children and families with an autistic child. Historically, Medicaid had not paid for those services, but the states had been notified that they could submit a state plan and have Medicaid pay for autism services. About \$4.7 million per year in National Tobacco Settlement funds was currently being spent on autism that may be freed up with Medicaid assuming payment for the services.
2. It was anticipated that the additional beds at the Lake's Crossing Center might not be as expensive as originally budgeted.
3. Less Health Access funds might be required because two years of the Affordable Care rollout would have passed.

Mr. Willden believed that the Tobacco Settlement funds would be sustainable going forward in 2017, along with any other priorities recommended by the Governor and the Legislature. He encouraged the Committee's support for the five work programs.

Chairwoman Smith affirmed that the 14 WestCare beds were used for detoxification and follow-up after the patients were released.

Mr. Willden clarified that the beds were for detox and low-level mental health services, and the typical stay was 72 hours. Upon their release, hopefully the patients would be linked back into the community sober or, if they received low-level mental health services, they would become engaged with DHHS Community Mental Health Services.

Chairwoman Smith asked what was provided to the patients upon checkout to assist them in receiving services to avoid readmittance.

Richard Whitley, Administrator, Division of Public and Behavioral Health, Department of Health and Human Services, replied that WestCare was obligated to provide appropriate discharge planning; the linkage was formal and was working well with the

existing services at Southern Nevada Adult Mental Health Services and Northern Nevada Adult Mental Health Services.

Chairwoman Smith asked the status of the local matching funds normally received for Community Triage Center placements..

Mr. Willden replied that Community Triage Center (CTC) beds had historically been funded two-thirds by the hospitals and local governments and one-third by the state, either with cash or in-kind services. He said the purpose of the request in Agenda Item G-164 was for the state to be prepared to provide one-third of the funding. Discussions were ongoing with the Nevada Hospital Association, which was working to acquire funds from the hospitals, and he was not sure where the local governments were on their one-third portion. He noted that if the hospitals or local governments did not contribute, the state's one-third match would not be triggered.

Chairwoman Smith affirmed that if the Committee approved item G-164 to provide the state's portion, the other two entities would need to provide their portions.

Chairwoman Smith asked for public comment.

Daniel Musgrove, testifying from Las Vegas on behalf of WestCare Nevada and the Valley Health System of Hospitals, said that the Valley Health System was committed to providing part of the one-third share from the hospitals, and he and Mr. Willden, Mr. Whitley, and Dr. Tracey Green were working with the other hospital partners.

Mr. Musgrove recalled that when the request came before the Legislature in the early 2000s, it was for a 50-bed facility, and WestCare had that capability. Back in 2008 and 2009 when the poor economy hit local governments, WestCare was requested to reduce funding, which meant a loss of 14 beds. Through the efforts of the Governor's Behavioral Health and Wellness Council, Director Willden, and DHHS staff, he said everyone in the community believed that more than 50 beds were needed to address the mental health crisis. WestCare acted as a sobering center, but provided mental health services as well. The goal was to get the patient out of crisis and work with either the outpatient facilities provided by the state or other community partners.

Mr. Musgrove said that WestCare Nevada and the Valley Health System of Hospitals were very supportive of the expansion to a 50-bed detoxification center.

Speaking as a private citizen, Mr. Musgrove said that he was the Vice Chair of the Clark County Children's Mental Health Consortium (CCCMHC), and he introduced Janelle Kraft Pearce, Chair of CCCMHC, and Charlene Frost, a parent of children with mental and behavioral health needs. He said the Mobile Crisis Team for Youth and Children had been one of the most important items supported by the Consortium for a number of years. Approval of Agenda Item G-166 would provide expansion of the limited program in southern Nevada and a limited program in Washoe County, which was absolutely needed.

Mr. Musgrove said that the CCCMHC considered the program to be one of the most important the state could provide for children and youth with mental health crisis needs. The Consortium was very supportive of the request and urged approval by the Committee. He added that all of the items brought forth by DHHS were a key part of the whole system of care needed statewide to deal with all individuals in crisis, and the CCCMHC applauded the Governor and his staff for bringing the requests before the Legislature.

Janelle Kraft Pearce, Chairman of the Clark County Children's Mental Health Consortium and Consortium representative of the Las Vegas Metropolitan Police Department, testified that the Consortium was grateful that the requests had been put forward, and it would be money well spent. She said about 2,500 kids accessed emergency rooms in Clark County each year, and the Mobile Crisis Team had been able to divert several hundred children from hospitalization and obtain services for them. The current team would soon be overwhelmed, and the second crisis team was sorely needed.

Charlene Frost, mother of two children with mental and behavioral health care needs and a statewide family network coordinator for Nevada PEP (Parents Educating Parents), said that Nevada PEP had been working with the Division of Child and Family Services on a mini-mobile crisis unit in Clark County since January 2014. Family support had been provided to 45 families, which had made a huge difference for them.

Ms. Frost said that parents of children with needs had experienced waits for beds in hospitals and emergency rooms (ER) for days. Parents had been figuratively handcuffed to the hospital or ER waiting for beds to become available or for their child to be discharged with no further care and no idea of where to go. She said the program not only provided childcare in the home with the family, it also provided follow-up services as the child transitioned out of mobile crisis into traditional services. She thanked the Committee for its consideration.

Assemblyman Eisen said that he appreciated the work programs being brought forward. There were a number of groups simultaneously trying to work on various aspects of the mental health crisis in the state. It was important to recognize that the many entities that had come together were developing the same kinds of recommendations, which was encouraging to him because it was evidence that the state was taking the right first steps. There was a lot to be done, and it would take a long time to resolve the problems. He said that it was important to move forward and continue conversation and planning about the next steps to resolve the difficult situation. The inclusion of added funding for the mobile crisis unit for children was essential.

Assemblyman Eisen said that he personally knew of patients who were trapped in an emergency department for days or weeks because there were no services. Aside from building options on the backend where patients could be sent after assessment, the opportunity to intervene earlier in the process and prevent tragic crises from occurring in the first place was an important piece of the puzzle.

Assemblyman Sprinkle said that he had done some work in Arizona with response units similar to the mobile crisis units (MCU), which were extremely successful, and he was in favor of the program. He noted that the staffing plan included eight new psychiatrist positions, and since it was difficult for the state to hire licensed psychiatrists, he asked for an explanation of the MCU staffing, caseload growth, and anticipated outcomes in the future.

Tracey Green, M.D., Chief Medical Officer, Division of Public and Behavioral Health, DHHS, replied that the current recommendation for the mobile outreach teams for adults was to hire five licensed clinical social workers, a half-time psychologist, and a half-time clinical supervisor. The psychiatry staff would be used as a referral, but the current request did not include any psychiatrist positions.

Kelly Wooldridge, Deputy Administrator for Children's Mental Health, Division of Child and Family Services, DHHS, said that the children's mobile crisis units would respond with mental health counselors and a team of psychiatric caseworkers. The work program included a request for funding contract psychiatric services within the communities.

Assemblyman Sprinkle asked what caseload increases were anticipated and whether more positions would be required if the program was successful, which he believed it would be. He again questioned how the outcomes would be measured.

Ms. Wooldridge replied that the current request was expected to meet the need for the children's mobile crisis units in Clark County because a mini-mobile crisis unit was funded by Tobacco Settlement funds in 2013. She said that data from the Center for Health Information Analysis, University of Nevada, Las Vegas, indicated that in 2012, 6,251 youth went to an emergency department for a behavior health crisis. The request for 19 positions in southern Nevada should be able to serve all of the hospitals in the Las Vegas Valley, as well as the schools and law enforcement.

Ms. Wooldridge noted that the request also included eight positions to establish a children's mobile crisis unit in northern Nevada, which would initially not operate 24/7 (24 hours a day, 7 days a week). At some point in the future, a request might be necessary for additional services in the north.

In regard to the mobile crisis outreach in Las Vegas, Dr. Green explained that the challenge was greater from the adult perspective. The request was for a single team 7 days a week, 8 hours a day. The current mobile crisis team was seeing an average of approximately 20 individuals in emergency rooms each day. She said that the Division was working with the Metropolitan Police Department in Clark County to determine what the effective model for the mobile crisis team should be. In the north, the City of Reno Police Department was used to intervene early, and mobile crisis team members and community responders rode with the officers. Dr. Green said it was probably not going to be appropriate for the mobile outreach team to just be a ride-along service, but would instead provide a clinical response when an officer engaged with an individual in crisis.

Dr. Green said that the current team in the north could see between 20 and 30 individuals in a single shift, which may or may not be adequate. The program in the north would have to be expanded in the future, and eventually services would be focused on regions with a high number of Legal 2000s and expanded from there.

Assemblywoman Kirkpatrick said the request was a small component of what could be done to make a difference. She served on the Governor's Behavioral Health and Wellness Council and had learned that there was a great need for services, the amount of which could not be measured until services were expanded. Clients that currently used some of the services had said that the services were the most efficient for them to get help in a timely manner to ensure that they could become productive. She said that today's actions would be a small piece of what must be done, and her goal was to have hard data available for the 2015 Legislature to be able to help people sooner rather than later. She had gained an appreciation for the amount of need, especially among young people, and she applauded the entire concept and thanked the DHHS staff for their input to the Council. She noted that the Council would continue to meet at least once every quarter to move forward with future planning.

Assemblyman Grady said he also applauded the Division and Council's efforts. He recognized the need in Washoe and Clark Counties, and he asked about the need in the rural counties.

Mr. Whitley explained that the need and strategies were different in the rural areas. He said that the increase in the reimbursement for psychiatric hospital stays had opened up some opportunities with the Northeastern Nevada Regional Hospital in Elko and Carson-Tahoe Hospital in Carson City to serve clients in the rural areas who were in need of psychiatric hospitalization. The Division was currently working with the hospitals in Carson City and Elko to provide mental health services closer to home for those in need of services.

Mr. Whitley said the efforts in Carson City and Elko would also involve discharge planning and increased stability after discharge. He recalled that a request was submitted to the Interim Finance Committee in April 2014 for the Rural Mental Health Program for permission to keep additional dollars that were achieved through reimbursement from Medicaid. The Committee had approved the request, which would allow for expansion of case management services in the rurals. He noted that law enforcement was an intervention point in the rural areas, and coordinated efforts currently involved discharge planning from the jail and case management in the community. Mr. Whitley said that all of the services were in place in the rurals and continuing to expand, but he noted that every rural community's needs were different, including the capacity with law enforcement and healthcare providers. He had met with all of the health and human service directors in the rural counties and had followed up with them individually in an attempt to provide appropriate services for each community.

Assemblyman Grady thanked Mr. Whitley and said that the assistance was greatly appreciated.

Assemblyman Oscarson said that he applauded the Governor's efforts with this critical issue. He agreed that the rural counties were struggling to provide services. One of the significant problems in the rurals was the time it took to provide services to the Legal 2000s. The hospitals had been working toward expanding services on their own, and there was a cohesive relationship with the state. He understood that the state had limited resources, but he appreciated the efforts to provide services in the rural areas.

Chairwoman Smith said that more discussion was necessary concerning Legal 2000s, and the problems would be difficult to solve. She added that many legislators had lamented in the past that the state had not been investing in mental health. Some of the reasons related to policy, but money was required to provide facilities and staff. Many challenges were ahead, including lack of mental health professionals and aging facilities. Some progress was being made, and she appreciated everyone's efforts and sacrifices.

Chairwoman Smith asked for public comment on Agenda Items G-164, G-165, G-166, G-167, and G-168.

Irene Navis, Plans and Operations Coordinator, Clark County Office of Emergency Management Homeland Security, testified that she was also a member of the Southern Nevada Health Care Preparedness Coalition, which had granted permission for her to testify that the Coalition had agreed to take on the problem as one of its objectives and to work to leverage resources and work together to help support the 16 recommendations of the Governor's Council.

A.J. Delap, speaking on behalf of the Las Vegas Metropolitan Police Department, said that the Department supported Dr. Green's efforts and work toward how to best implement the Mobile Outreach Safety Team (MOST) program. The crisis intervention team (CIT) was interested as well, and resources were being positioned to assist.

Chairwoman Smith thanked the speakers for their testimony. Hearing no further requests to testify, she called for a motion.

ASSEMBLYMAN FRIERSON MOVED TO APPROVE AGENDA
ITEMS G-164, G-165, G-166, G-167, AND G-168.

SENATOR KIECKHEFER SECONDED THE MOTION.

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

Chairwoman Smith announced that Agenda Items G-169, G-170, G-171, G-172, G-173, G-174, and G-175 would be heard together.

- 169. Department of Health and Human Services-Welfare and Supportive Services - Administration - FY 2015** - Addition of \$2,029,169 in Budgetary Transfer, addition of \$20,200,984 in federal Title XIX funds, and \$454,878 in Transfer from Child Support Enforcement Program funds to implement required changes associated with transition from the Silver State Health Insurance Exchange Business Operating System solution to the federal Supported State Based Marketplace infrastructure. Requires Interim Finance approval since the amount added to HCR Eligibility Engine category exceeds \$75,000 and pursuant to Assembly Bill 507, Section 45 of the 2013 Legislative Session. **RELATES TO ITEMS G.170,171,172,173,174, and 175. Work Program #C29746. RECEIVED AFTER SUBMITTAL DEADLINE 6-5-14.**

Refer to testimony and motion for approval under Agenda Item G-175.

- 170. Department of Health and Human Services-Welfare and Supportive Services - Field Services - FY 2014** - Transfer of \$1,350,000 in General Fund Appropriation from FY 2015 to implement required changes associated with the transition from the Silver State Health Insurance Exchange Business Operating System solution to the federal Supported State Based Marketplace infrastructure. Requires Interim Finance approval, pursuant to Assembly Bill 507, Section 34 of the 2013 Legislative Session. **RELATES TO ITEMS G.169,171,172,173, and 175. Work Program #C29748. RECEIVED AFTER SUBMITTAL DEADLINE 6-5-14.**

Refer to testimony and motion for approval under Agenda Item G-175.

- 171. Department of Health and Human Services-Welfare and Supportive Services - Field Services - FY 2015** - Transfer of \$1,350,000 in General Fund Appropriation to FY 2014 to implement required changes associated with the transition from the Silver State Health Insurance Exchange Business Operating System solution to the federal Supported State Based Marketplace infrastructure. Requires Interim Finance approval, pursuant to Assembly Bill 507, Section 34 of the 2013 Legislative Session. **RELATES TO ITEMS G.169,170,172,173, and 175. Work Program #C29749. RECEIVED AFTER SUBMITTAL DEADLINE 6-5-14.**

Refer to testimony and motion for approval under Agenda Item G-175.

- 172. Department of Health and Human Services-Welfare and Supportive Services - Field Services - FY 2015** - Deletion of \$2,029,169 in Budgetary Transfer to implement required changes associated with the transition from the Silver State Health Insurance Exchange Business Operating System solution to the federal Supported State Based Marketplace infrastructure. Requires Interim Finance approval pursuant to Assembly Bill 507, Section 45 of the 2013 Legislative Session. **RELATES TO ITEMS G.169,170,171,173, and 175. Work Program #C29750. RECEIVED AFTER SUBMITTAL DEADLINE 6-5-14.**

Refer to testimony and motion for approval under Agenda Item G-175.

- 173. Department of Health and Human Services-Welfare and Supportive Services - Administration - FY 2014** - Addition of \$2,881,100 in federal Title XIX funds to implement required changes associated with the transition from the Silver State Health Insurance Exchange Business Operating System solution to the federal Supported State Based Marketplace infrastructure. Requires Interim Finance approval since the amount added to HCR Eligibility category exceeds \$75,000. **RELATES TO ITEMS G.169,170,171,172, and 175. Work Program #C29755. RECEIVED AFTER SUBMITTAL DEADLINE 6-5-14.**

Refer to testimony and motion for approval under Agenda Item G-175.

- 174. Department of Health and Human Services - Health Care Financing and Policy - Administration - FY 2015** - Addition of \$20,310,030 in federal Title XIX funds to implement required changes associated with the transition from the Silver State Health Insurance Exchange Business Operating System solution to the federal Supported State Based Marketplace infrastructure. Requires Interim Finance approval since the amount added to Payment to State Agencies category exceeds \$75,000. **RELATES TO ITEMS G.169. Work Program #C29758. RECEIVED AFTER SUBMITTAL DEADLINE 6-5-14.**

Refer to testimony and motion for approval under Agenda Item G-175.

- 175. Department of Health and Human Services-Welfare and Supportive Services - Child Support Enforcement Program - FY 2015** - Transfer of \$454,878 from the Reserves category to the Transfer to Other Welfare and Supportive Services Budget Account category to transition from the Silver State Health Insurance Exchange Business Operating System solution to the federal Supported State Based Marketplace infrastructure. Requires Interim Finance approval since the amount transferred to the Transfer to other Welfare and Supportive Services Budget Account category exceeds \$75,000. **RELATES TO ITEMS G.169,170,171,172, and 173. Work Program #C29742. RECEIVED AFTER SUBMITTAL DEADLINE 6-5-14.**

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, noted that adjustments were required to Agenda Items G-169, G-172, and G-174, in consideration of cost reductions to the proposal that was before the Committee:

- Item G-169: Budgetary transfer line item was decreased from \$2,029,169 to \$1,948,682; Title XIX funds were decreased from \$20,200,984 to \$19,429,408; and category 50, HCR Eligibility Engine, expenditures were decreased from \$22,685,031 to \$21,832,968.
- Item G-172: Budgetary transfer dollar amounts in the revenue and category 01, Personnel Services, were changed from \$2,029,169 to \$1,948,682.

- Item G-174: Title XIX receipts – the increase in the Health Care Financing and Policy Administration work program in revenue and expenditure category decreased from \$20,310,030 to \$19,538,454.

Michael McMahan, Administrator, Division of Welfare and Supportive Services (DWSS), Department of Health and Human Services (DHHS), recalled that during budget hearings in the 2013 Legislative Session, there was discussion about the implementation of the National Affordable Care Act (ACA). Three primary agencies were involved in the implementation of the ACA, all with different technological systems:

- Division of Health Care Financing and Policy (Medicaid): Medicaid Management Information System (MMIS).
- Division of Welfare and Supportive Services: Nevada Operations Multi-Automated Data Systems (NOMADS), Access Nevada, and Application Modernization and Productivity Services (AMPS). In addition, DWSS was charged with developing and implementing an eligibility engine as part of the ACA process.
- Silver State Health Exchange-Nevada Health Link (Exchange): Responsible for developing and implementing a business operating system for the ACA.

Mr. McMahan said that the various systems were integrated into one in October 2013. As part of that linkage, the business operating system served as the access point for everyone to be able to access healthcare information and coverage. On May 20, 2014, the Silver State Health Exchange Board met and cast a vote of no confidence for the Exchange's vendor and made the decision to connect with the federal host for Healthcare.gov. and create a new interface called the Supported State-Based Marketplace (SSBM).

Mr. McMahan said the business operating system would essentially be decoupled and cast off, and another connection would be established with the SSBM to allow the Exchange system to continue and to allow people to shop for health insurance programs and access healthcare services. He said that the three primary tasks to be accomplished were to:

- Establish an integration with the Supported State-Based Marketplace to be able to communicate, accept, and transfer Medicaid and Children's Health Insurance Program (CHIP) applications.
- Create a second access point, which was an operating system within DWSS called Access Nevada. Access Nevada would have to be modified to incorporate the single-streamline application, and the call center would need to be upgraded to handle online applications.

- Decouple the integration rules associated with the business operating system from that network.

Mr. McMahon said that while the new connection was being established, the Division was moving forward with the following concurrent sets of processes:

- Continue support for the Nevada Health Link, which was currently in place, to provide eligibility verification to the Health Link for any of the applicants that had qualifying life events.
- Continue support for Nevada Health Link to allow Medicaid and CHIP applications to come in from Nevada Health Link, through which all of the electronic applications were funneled.
- Make connection to Healthcare.gov or the Supported State-Based Marketplace to create a link to provide the ability to perform account transfers and create a new security assessment because it was a new linkage within the system that needed to be secure.
- Modify Access Nevada, AMPS, NOMADS, and the eligibility engine. There were many “wires” connecting the various pieces that needed to be disconnected and rerouted.

Mr. McMahon said the last item would probably take place at the end of the year or beginning of 2015 and would involve the actual unlinking of the business operating system from the network as a whole.

Mr. McMahon said the timeline to complete the project was incredibly tight, with only 90 days to complete the development phase of the project, followed by in-house testing and dynamic testing, which would take about a month. Between October and the first part of November 2014, staff retraining would be conducted to handle the processes and procedures that would need to be addressed. He said that the system needed to be live and fully functional by November 15, 2014.

Mr. McMahon said the project would expand the existing service model and provide customers with more options to access healthcare information and healthcare coverage. The project cost was \$28.3 million, and the Division had the ability to access CMS (Centers for Medicare and Medicaid Services) 90-10 percent funding for the development and implementation portion of the project. He explained that approval of the current work programs would allow the Division to access General Funds to provide the required state match to make the project a reality.

Chairwoman Smith asked what would happen to the project if the Exchange Board moved to adopt a different exchange system in the future.

Steve Fisher, Interim Director, Silver State Health Insurance Exchange, replied that the Board had voted to 1) cease the Exchange's relationship with Xerox, 2) move to the Supported State-Based Marketplace, and 3) go through the procurement process to determine the cost and viability of transferring a system from another state into the State of Nevada for the following open-enrollment period. He said that the cost and viability of the last option would not be known until the end of the procurement process.

Mike Willden, Chief of Staff, Office of the Governor (formerly the Director of the Department of Health and Human Services), said he wanted the record to be clear because everyone was concerned about ongoing costs. Plan Year 2014 was the Xerox Nevada Health Link model, and the request was to unlink from that model in Plan Year 2015 and to couple with the Supported State-Based Marketplace at a \$28 million price tag. If the request for proposal (RFP) came back and the Silver State Health Insurance Exchange Board voted to uncouple and recouple again, another request to the Interim Finance Committee for a \$28 million project would be necessary.

Mr. Willden said that the Governor's Office and the Department of Health and Human Services were concerned with the risk involved in coupling and recoupling with other systems. He pointed out that the state's share of \$28 million was 10 percent, and fortunately, the current work program requests included savings and reserves from the end of FY 2014, which might not be the case in the future. He said it might not make sense to uncouple the state's system in Plan Year 2015.

Chairwoman Smith noted that she was not only concerned about state dollars, but also federal dollars, which were taxpayer dollars as well. Even though the state had received and expended the original federal allocation to get the Silver State Health Insurance Exchange up and running, she asked whether additional federal dollars could be accessed to implement another program.

Mr. Willden replied absolutely. He explained that there were two different streaming funds from CMS, and the Silver State Health Insurance Exchange received 100 percent of its funds through one CMS source, and funding for the eligibility engine and Medicaid rebuild, which was 90-10 percent funding, would come from the other CMS source. He was sure that CMS would have questions if the state were to implement a third system. Mr. Willden said the Department's goal was to get it right for Plan Year 2015 and, in his opinion, careful analysis of the experience in Plan Year 2014 would be required.

Chairwoman Smith asked whether the negotiations between the Exchange and Xerox could be discussed. Mr. Willden said he would prefer not to discuss those issues.

Mr. Fisher replied that the Exchange was currently in negotiations with Xerox to wind down that project and contract. He was not at liberty to discuss any details.

Senator Kieckhefer noted that \$450,000 would be paid to Public Consulting Group (PCG) for independent validation and verification of the transition. He asked whether PCG was involved in the original creation of the Exchange.

Mr. Willden replied that in any large information technology project, an IV&V (independent validation and verification) contractor was required. The PCG was the IV&V contractor for the welfare eligibility engine build and also for the Xerox business operations system (BOS). The \$450,000 was primarily for the welfare eligibility build, and the Board of Examiners recently approved the extension of the PCG contract for nine months, subject to available funding. The PCG would continue to be the Welfare Division's IV&V contractor.

Senator Kieckhefer asked whether PCG had fulfilled its contractual obligations for the Exchange, considering that the Exchange was not operable.

Mr. Willden replied that PCG had done a good job for the Welfare Division, and he believed it had done a good job for the Exchange as well.

Mr. Fisher agreed that PCG had done a good job for the Silver State Exchange. It was a validation and verification organization that provided risk analysis and validation of the work being done. The PCG reports pointed out risks and areas of concern, and in his opinion, they were doing a good job validating things that were not going well.

Senator Kieckhefer surmised that the PCG reports had pointed out the shortcomings, but the Exchange did not heed the warnings.

Assemblyman Sprinkle asked whether constituents would be confused on where to go to enroll in a health plan in the future.

Mr. Willden said work was being done on messaging, and he hoped that there would not be too much confusion. He noted that applicants who had purchased plans in Plan Year 2014 would have to go to the federally supported exchange in Plan Year 2015, and that information would be disseminated. He added that the change should be seamless for Medicaid recipients.

Mr. Willden said there would be up to three call centers in operation for a period of time. A current call center for the Silver State Exchange was being managed by Xerox, the federal government had a call center for Healthcare.gov, and the Welfare Division was required by law to have a 24/7 application call line. The goal was to transition the 37,000 enrollees in Plan Year 2014 to Plan Year 2015, and more enrollments would be completed through an improved and less-frustrating process.

Assemblyman Sprinkle asked how the insurance companies would be affected.

Mr. Willden said that DHHS made the decision to do premium aggregation for Plan Year 2015, which meant that the carriers would do the billing. In Plan Year 2014, the

state had been billing for, collecting, and transferring the premiums to the insurance companies, which had resulted in a huge level of frustration.

Assemblyman Kirner noted that enrollment for Plan Year 2014 had been less than anticipated, and there may be another surge of applications during open enrollment beginning November 15, 2014. He asked whether the Exchange would be prepared to handle a large enrollment surge.

Mr. Fisher replied that individuals would be going to the Healthcare.gov website to enroll in a qualified health plan (QHP). From a performance perspective, the website had been working well, and he did not anticipate any problems for Nevada residents to enroll. He noted that other states with much larger populations were not having any enrollment problems.

Referring to Senator Kieckhefer's comment about PCG's reports, Chairwoman Smith said that she understood reports posted online indicated that PCG definitely had concerns early on about the Silver State Health Exchange site.

Mr. Willden replied PCG had indicated concerns as recently reported in the media, and the PCG monthly reports had been posted to the Exchange website. There were two sets of documents for the public to view on the development of the Silver State Health Insurance Exchange or the eligibility engine. He noted that PCG had clearly identified red flags throughout the project, but the difficulty had been solving the problems raised by the red flags.

Chairwoman Smith affirmed that Xerox would still be involved with the call center.

Mr. Fisher replied yes, because there were 37,000 residents enrolled in a health insurance plan. The insureds needed a mechanism to make changes to their qualifying health plan, and the current Xerox operating system had to remain operable through December 31, 2014.

Mr. Willden clarified that Xerox would be involved during Plan Year 2014 only. Xerox would not be engaged in Plan Year 2015.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, noted corrections to items Agenda Items G-170 and G-171, which involved a transfer of General Funds of \$1,350,000 each year. Item G-170 currently reflected a transfer from FY 2015, which should read to FY 2015, and item G-171 currently reflected a transfer to FY 2014, which should read from FY 2014. He noted that the backup documents were correct: only the wording was incorrect.

Chairwoman Smith asked for public comment and hearing none, she called for a motion.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEMS G-169, G-170, G-171, G-172, G-173, G-174, AND G-175, AS REVISED.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick was not present for the vote.)

Position Changes

Agency	Agency/ Account Number	Position Number	Present Class Title, Class Code, Grade and Salary	Proposed Class Title, Class Code, Grade and Salary
Office of the Attorney General Medicaid Fraud Control Unit	030/1037	0321	Health Care Coordinator III, Nurse, Code 12.333, Grade 37, Step 01, Employee/Employer Paid Retirement \$49,694.40	Compliance/Audit Investigator II, Code 11.365, Grade 33, Step 01, Employee/Employer Paid Retirement \$41,906.16
Department of Administration – Nevada State Library and Archives	332/2895	0003	Administrative Aide, Code 02.221, Grade 21, Step 01, Employee/Employer Paid Retirement \$25,912.08	Library Technician I, Code 04.122, Grade 27, Step 01, Employee/Employer Paid Retirement \$32,677.20
Department of Education	300/2720	0002	Accounting Assistant III, Code 02.301, Grade 27, Step 01, Employee/Employer Paid Retirement \$32,677.20	Program Officer I, Code 07.643, Grade 31, Step 01, Employee/Employer Paid Retirement \$38,523.60
Department of Health & Human Services – Welfare & Supportive Svcs	407/3233	4047	Administrative Assistant I, Code 02.213, Grade 23, Step 01, Employee/Employer Paid Retirement \$27,895.68	Program Officer I, Code 07.649, Grade 31, Step 01, Employee/Employer Paid Retirement \$38,523.60
Department of Veterans Services	240/2561	025312A	Certified Nursing Assistant (49%), Code 10.369, Grade 22, Step 01, Employee/Employer Paid Retirement \$13,147.09	Administrative Assistant I (49%), Code 02.213, Grade 23, Step 01, Employee/Employer Paid Retirement \$13,668.38

Refer to motion for approval under Agenda Item G.

- H. ECONOMIC FORUM – Report required pursuant to NRS 353.228(1)(f) regarding the Economic Forum meeting conducted on June 3, 2014, on the status of actual State General Fund revenue collections compared to the current forecast, current economic conditions, and factors that may impact future economic conditions and State General Fund revenue collections.

Ken Wiles, Chairman, Economic Forum, testifying from Las Vegas, read the following summary report on the June 3, 2014, Economic Forum meeting ([Exhibit F](#)):

Pursuant to Assembly Bill (A.B.) 332 from the 2011 Legislative Session, the Economic Forum held its required interim meeting on June 3, 2014. The provisions of A.B. 332 required the Chair of the Economic Forum to provide a report of this meeting to the Interim Finance Committee.

At the June meeting, the Forum received a presentation about the current status and outlook for employment and general economic activity. The Forum also received presentations on Medicaid enrollment and the purchase of healthcare plans through the State Exchange to continue to monitor the potential impact of the Affordable Care Act on the state, especially with regard to the insurance premium tax.

The presentation on how the net proceeds of minerals tax worked under current statute was also provided to the Forum. The importance of this item is already well known and will be discussed later in this presentation.

Perhaps the most important provision under A.B. 332 is the requirement for the Forum to review the status of current and actual fiscal year-to-date collections compared to the Economic Forum's latest General Fund revenue forecast. Unfortunately, the updated results have changed significantly from the report provided to the IFC two months ago in April. At the June 3 meeting, the Economic Forum was provided a preliminary report based on actual collections through the end of May.

A final report of actual collections through May was completed by staff earlier this week and has been provided to you as a handout entitled, "Fiscal Year 2014 General Fund Status Report – June 2014 Update" ([Exhibit F](#)). We would like to focus on the results presented in Table 2 of the handout. The information in this handout reflects actual collections from 9 to 11 months for the monthly revenue sources and through the third quarter for the quarterly revenue sources and represents approximately 78 percent of total fiscal year collections. The number of months or quarters for which actual collection information is available is displayed in parenthesis to the right of each individual revenue source listed in the table.

As you can see at the bottom of Table 2 of the handout, actual fiscal year-to-date total General Fund revenue collections through the end of May are approximately \$47 million, or 1.9 percent, below the estimated fiscal year-to-date forecast, which compares to being approximately \$2.9 million, or .1 percent, above forecast based on actual collections through the end of April.

We will address the specific reason for the shortfall in a moment, but we would like to take a little more time to discuss the different revenue sources than we have during previous reports to the IFC to provide a little bit better perspective on the status of actual General Fund revenue collections in relation to the forecast, as well as the accuracy of the individual component forecast.

- Actual state sales tax collections are approximately \$5.1 million, or .7 percent, below forecast.
- Actual gaming percentage fee taxes are approximately \$11.4 million, or 1.8 percent, below forecast.
- Actual insurance premium tax collections are approximately \$7.6 million, or 4.0 percent, above forecast.
- Actual Modified Business Tax collections are approximately \$2.6 million, or .9 percent, above forecast.
- Actual Live Entertainment Tax (LET) collections from gaming establishments are approximately \$14.2 million, or 14.1 percent, above forecast.
- Actual Real Property Transfer Tax collections are approximately \$7.7 million, or 21.1 percent, above forecast.

Therefore, actual fiscal year-to-date collections for the state's six major General Fund revenue sources, which account for approximately 80 percent of total General Fund revenues, are approximately \$15.5 million, or .8 percent, above forecast.

We will not individually discuss each of the nine revenue sources under the select non-major General Fund revenue section in Table 2. We would like to point out that actual collections are currently above the forecast for each of those nine components, except for two. Actual fiscal year-to-date collections for all nine aggregated select revenue sources are approximately \$9.1 million, or 2.7 percent, above forecast. These nine revenue sources account for about 14.2 percent of total General Fund revenues.

Thus, these 15 revenue sources, shown individually in Table 2, that account for more than 90 percent of total General Fund revenues, are approximately \$24.6 million, or 1.1 percent, above forecast. As you can see in Table 2, however, the All Other General Fund Revenue category is approximately \$71.7 million, or 35.2 percent, below forecast for fiscal year to date. This All Other General Fund Revenue category consists of

79 revenue sources that comprise less than 10 percent of the total General Fund.

One of these revenue sources, Net Proceeds of Minerals Tax, is \$74.4 million below the forecast of \$95.7 million for fiscal year 2014 because only \$21.3 million in actual collections has been deposited fiscal year to date. Net Proceeds of Minerals is a revenue source for which the actual tax payments are made late in the fiscal year by the mining companies. The \$21.3 million represents the actual amount distributed to the General Fund through May. The final amount deposited in the General Fund will likely change by the end of the fiscal year, but is not anticipated to be by a significant amount.

General Fund revenues from all sources, except for the Net Proceeds of Minerals Tax, are \$27.3 million, or 1.1 percent, above forecast, as noted earlier, which reduces the \$74.4 million negative impact from the Net Proceeds Tax to a net negative impact of \$47 million for the total General Fund. There are still one to three months for monthly revenue sources and the fourth quarter for the quarterly revenue sources of actual collections to be reported for fiscal year 2014. However, based on current trends, the additional actual collections that remain to be reported will most certainly not overcome the negative impact from the Net Proceeds of Minerals Tax shortfall.

We will of course continue to monitor actual collections through the end of the fiscal year. So at this point, I would like to pause for questions concerning the information presented this far.

Chairwoman Smith asked whether Committee members had questions on the information presented, and there were none.

Continuing, Mr. Wiles said that all material presented to the Economic Forum at the June 2014 meeting was available on the Economic Forum's page on the Legislative Counsel Bureau's website. Assembly Bill 332 also required that the report presented to the IFC be placed on the Legislative Counsel Bureau's website and that requirement had been fulfilled. He said that Fiscal Analysis Division staff would continue to update the tables each month, provide them to the members of the Economic Forum, and place them on the Forum's page on the Legislative Counsel Bureau's website.

Mr. Wiles said that he would be working with Fiscal staff over the next few months to schedule the meetings for this fall, during which the Forum would prepare the General Fund revenue forecast for fiscal years 2015, 2016, and 2017, which the Governor was required to use to prepare The Executive Budget for the 2015-2017 biennium. The forecast must be approved by the Forum on or before December 3, 2014. He said that it was important to remember that the Forum was required to prepare these

forecasts under current statutes, which would include the sunset provisions approved during the 2013 Legislative Session.

Mr. Wiles thanked the Committee for the opportunity to present the information on behalf of the Economic Forum, and he offered to answer questions.

Chairwoman Smith asked for questions from Committee members.

Senator Goicoechea observed that it appeared that the percentages that were below the Forum's forecast were attributed to the Net Proceeds of Minerals Tax, and he asked whether he was correct.

Mr. Wiles replied that the actual amounts of all other revenue forecasts aggregated together were slightly above the forecasts, but the Proceeds of Minerals Tax was well below the Forum's forecast.

Senator Goicoechea noted that as long as the price of gold was currently at \$1,200 and the projections were based on \$1,400 to \$1,600, there would be a continued decline.

Mr. Wiles replied that the information received by the Forum indicated that the two primary drivers for the revenue shortfalls that the mining industry experienced were lower gold prices, which were approximately 20 percent to 25 percent below the highs of the previous year, and increased costs of production.

Senator Goicoechea remarked that the Economic Forum was doing well except for the mining industry revenues.

Chairwoman Smith congratulated the Economic Forum because the forecasts had been nearly accurate in comparison to previous years.

Assemblyman Hickey asked whether the \$21.3 million collected took into account the credits, or prepayments, from mining,

Russell Guindon, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, replied yes, the \$21.3 million that had been deposited to the General Fund for the Net Proceeds of Minerals Tax represented the estimated payment being made for current calendar year 2014 mining activity, plus the true-up of the estimate for calendar year 2013 and the actual for 2013. Any overpayments for calendar year 2013 would be netted against the estimate for the current calendar year.

Mr. Wiles noted that overpayments based on expectations for 2014 were made, which was the primary reason that this year's actual collections were lower.

Mr. Guindon explained that the estimated payment paid in calendar year 2013 was too high, and thus there were negative amounts for the true-up that were applied to the estimated payment for calendar year 2014. Also, the estimate for calendar year 2014,

as Senator Goicoechea pointed out, was lower than anticipated when making estimates in the 2013 Legislative Session because it was assumed that gold would be at \$1,500 an ounce, and it was now down to \$1,200 to \$1,300 an ounce. The combination of the estimate for the current calendar year being lower than what was thought and the preceding calendar year being higher than what was thought resulted in a double negative, which generated credits.

Mr. Wiles added that it was his personal opinion that one of the challenges was the prepayments made in the prior fiscal year and the subsequent true-up. The challenge was obtaining additional information during the intervening period to know whether the mining industry was achieving or falling short of its estimates. He did not know what the solution was, but it was a challenge that the Forum and staff would continue to face in intervening years because of the lack of information until actual collections were known at the end of the fiscal year.

Mr. Wiles said that ultimately, the results were the results and the fact that gold prices had dropped could not be changed, and the Forum had no control over whether the costs for the mining industry increased. However, intermediate updates of information on prepayments or other adjustments would be helpful and would allow not only the state, but also all local governments, to adjust their estimates based on forecasts as opposed to waiting until the end of the year when the actual taxes were realized.

Mr. Guindon said that Mr. Wiles' remarks were discussed at the June 3 Forum meeting. He added that members of the Nevada Mining Association and mining industry had contacted Fiscal staff since the June Forum meeting and were willing to discuss ways the mining industry could provide information for use in preparing forecasts.

Senator Kieckhefer noted that it was also complicated to work on a fiscal year versus a calendar year. He asked what the projected General Fund collections from Net Proceeds of Minerals would be for FYs 2014 and 2015.

Mr. Guindon replied that currently \$21.3 million had been deposited, but the fiscal year would not officially close until September 19, 2014. The forecast approved by the Technical Advisory Committee and brought forward to the Economic Forum for its approval during the 2013 Legislative Session was \$101 million.

Senator Kieckhefer asked whether a reduction similar to FY 2014 was likely to be seen in FY 2015 unless there were dramatic changes within the industry.

Mr. Guindon explained that if gold prices remained down and expenses continued to rise through the end of calendar year 2014, the estimate for calendar year 2015 would be lower than currently projected. He said there were concerns that the current estimate for Net Proceeds of Minerals was too high, but he could not anticipate future estimates until after the close of FY 2014. The Economic Forum would be preparing a revised forecast for FY 2015, as well as for 2016 and 2017, in fall 2014.

Chairwoman Smith asked for further questions and there were none. She said the state was obviously facing a shortfall, and the Committee would look forward to working with the new Budget Director, Julia Teska, and Governor's Chief of Staff, Mike Willden, in the coming months concerning possible solutions. She noted that the prepayments caused additional pressure on the budget and the Legislature, which was a budget issue to be addressed in the future.

She thanked Mr. Wiles and Mr. Guindon for their presentations.

- I. DEPARTMENT OF ADMINISTRATION – STATE PUBLIC WORKS DIVISION –
 1. Request to modify the scope of CIP Project 13-P07, Advance Planning through Bid Documents for a 96 Bed Northern Nevada State Veterans Home, to increase the project design from a 96,000 square foot facility to a 113,500 square foot facility, pursuant to NRS 341.145(1)(f). **WITHDRAWN 5-30-14.**
 2. Request to modify the scope of CIP Project 13-C08, Renovate first floor of Building No. 3 – Southern Nevada Adult Mental Health Services, to address additional security items, to receive and expend an additional \$285,000, and to transfer authorized money in the total amount of \$285,000 to fund the scope change, pursuant to Assembly Bill 505, Section 34 (2013 Session) from the following CIP projects:
 - a. 13-M20, Replace HVAC System, Multipurpose Room – Caliente Youth Center (\$135,000).
 - b. 13-M32, HVAC System Replacement, Buildings 1307, 1308, 1309 and 1310 – Desert Regional Center (\$150,000).

Gus Nuñez, Administrator, Public Works Division, Department of Administration, explained that Agenda Item I.2. was a request for change in scope and transfer of funds from Projects 13-M20 and 13-M32 to Project 13-C08, Renovate first floor of Building No. 3 at the Southern Nevada Adult Mental Health Services (SNAMHS) facility. He recalled that at its August 2013 meeting, the Committee had approved a request to expand the scope of Project 13-C08 to include the first and second floors of Building No. 3. Mr. Nuñez said that \$285,000 in additional funds was needed for the project to enhance the security system that was planned at SNAMHS.

Mr. Nuñez said additional requests had been received from the Department of Health and Human Services, which would be included in the 2015-2017 Capital Improvement Program (CIP).

Chairwoman Smith asked how the changes would affect the completion date for the SNAMHS project.

Mr. Nuñez replied the anticipated completion date would be in late summer or early fall 2015. The original schedule was to complete the project in August 2015, but the expansion in scope could potentially cause a two-month delay.

Chairwoman Smith asked what additional DHHS projects were planned in the 2015-2017 CIP.

Mr. Nuñez replied the list of projects had been provided to the Committee's Fiscal staff and it was extensive. The areas of concern involved patient intake and examination room configuration, other security issues, dining, staff break areas, nurse's stations, and heating and ventilation. The estimated cost for construction and furniture, fixtures, and equipment would total approximately \$2 million.

Chairwoman Smith said the Committee had been concerned about forensic mental health services and the positive impact the project would have on them. She asked whether the delay would cause concern.

Chelsea Szklany, Administrator, Southern Nevada Adult Mental Health Services, replied that the decision had been made to focus on the security of the facility, and the 2015 CIP would refocus on the 16 civil beds to enhance the forensic beds so they could come online as soon as the facility opened, which was projected to be late summer or early fall.

Mr. Nuñez clarified that when the project was completed, the entire hospital should be able to open. A small portion of one of the wings might not be totally complete.

3. Request to modify the scope of CIP Project 11-S09, Statewide Building Official Projects, to increase the project authority to receive and expend an additional \$180,000 in agency funds to complete additional building permits for state agencies, pursuant to NRS 341.145(1)(f).

Evan Dale, Administrator, Division of Administrative Services, Department of Administration, explained that Agenda Item I.3. was a request to increase the authority for Project 11-S09 by \$180,000. This project received and managed permit money related to projects that came forward outside the Capital Improvement Program, so it was difficult to predict how many there would be. He said that in this particular case, there was a need to increase the authority to match the work that was coming in.

Chairwoman Smith asked for public comment on Agenda Items I.2. and I.3. and hearing none, she called for a motion.

ASSEMBLYMAN EISEN MOVED TO APPROVE AGENDA
ITEMS I.2 and I.3.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and
Senator Kieckhefer were not present for the vote.)

4. CIP Project Exception Report provided pursuant to NRS 341.100(8)(g).

The CIP Project Exception Report was for the Committee's information and no testimony or action was required.

J. STATEMENT OF CONTINGENCY ACCOUNT BALANCE.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported the balances in the Interim Finance Committee Contingency Account as shown on the Contingency Account balance statement on pages 327-331 of volume III of the meeting packet (copy attached as [Exhibit G](#)), which reflected the following balances for fiscal year (FY) 2014 as of June 19, 2014:

Unrestricted General Fund Balance	\$8,027,872.83
Unrestricted Highway Fund Balance	\$1,623,143.35
Restricted General Fund Balance	\$6,336,897.00

Mr. Krmpotic said the current requests from the Unrestricted General Fund balance totaled \$1,747,289, and if the requests were approved, the balance would be \$6,280,583.83. The current request from the Department of Motor Vehicles for an allocation from the Unrestricted Highway Fund balance totaled \$140,256.00, and if approved, the Unrestricted Highway Fund balance would be \$1,482,887.35.

Mr. Krmpotic said that there were two current requests from the Restricted General Fund portion of the Contingency Account:

- Allocation of e-merchant services consultant funds that were set aside in the 2011 Legislative Session: \$25,000 from the Highway Fund and \$75,000 from the General Fund (Agenda Items M and N).
- Allocation of \$1,896,897 to the Division of Public and Behavioral Health for facility improvements, staffing, furnishings, equipment and operating expenditures at Southern Nevada Adult Mental Health Services inpatient facilities to enhance in-patient services (Agenda Item O).

Approval of the two requests would result in a balance of \$4,340,000 in Restricted General Funds.

K. REQUESTS FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO NRS 353.268.

1. Judicial Branch – Judicial Retirement System State Share – Request for an allocation of \$24,241 to fund a projected shortfall in unfunded actuarial accrued liability payments in Fiscal Year 2015.

Robin Sweet, State Court Administrator, Nevada Supreme Court, explained that the request from the Contingency Account for \$24,241 was to fund a projected shortfall in unfunded actuarial accrued liability payments.

Chairwoman Smith asked for questions from the Committee and there were none. She asked for public comment and hearing none, she called for a motion.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA
ITEM K.1.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Kirner voted no. Assemblywoman Kirkpatrick and Senator Kieckhefer were not present for the vote.)

2. Judicial Branch – State Judicial Elected Officials – Request for an allocation of \$110,000 to fund the state's share of Medicare tax withholding owed for Fiscal Year 2014.

Chairwoman Smith asked Ms. Sweet to update the Committee on the efforts to collect the monies owed from employees and retirees.

Robin Sweet, State Court Administrator, Nevada Supreme Court, explained the request for \$110,000 from the Contingency Account was to fund the unbudgeted Medicare costs. According to Central Payroll, all of the current and recently retired judges who owed money had either paid the amounts in full or had negotiated repayment options.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA
ITEM K.2.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and Senator Kieckhefer were not present for the vote.)

3. Judicial Discipline Commission – Request for an allocation of \$29,527 for an operating shortfall due to unanticipated operating expenses.

Chairwoman Smith noted that amount had been amended from \$29,527 to \$22,227.

Janet Jacobsen, Paralegal and Management Analyst, Commission on Judicial Discipline, explained that the Executive Director was not able to attend because of a death in his family.

Ms. Jacobsen said that the request from the Contingency Account was for payment of projected shortfalls in contract legal expenses and legal costs. The Commission had two exceedingly complex cases in recent months, and a large portion of its budget had been expended.

Assemblyman Sprinkle asked whether the Commission could recuperate costs if the decision were to be made in the Commission's favor.

Ms. Jacobsen replied that currently costs could not be recuperated, but the Commission was pursuing legislation to provide reimbursement for cases that were won.

Assemblywoman Carlton recalled that the Commission had requested allocation of funds from the Contingency Account at the April 10, 2014, meeting, and the Committee had asked the agency to pursue salary savings to cover the shortage and return to the Committee if necessary. The Commission had pursued other options and had now returned with the request. She believed the Committee had taken the correct action at the April meeting and that the request should now be approved.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA
ITEM K.3., AS AMENDED, IN THE AMOUNT OF \$22,227.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and
Senator Kieckhefer were not present for the vote.)

Chairwoman Smith announced that Agenda Item K.4. and Agenda Item P would be heard together.

4. Department of Taxation – Request for an allocation of ~~\$86,066~~ **\$24,779** to implement the excise tax imposed by Section 24.4 of Senate Bill 374 (2013 Session) relating to the sale of medical marijuana, edible marijuana products and marijuana-infused products in Fiscal Year 2015. **RELATES TO ITEM P. REVISED 5-21-14.**

- P. DEPARTMENT OF TAXATION – Request for an extension of the reversion date of the Contingency Account allocation approved August 29, 2013, to implement the excise tax imposed on the sale of medical marijuana, edible marijuana products and marijuana-infused products. **RELATES TO ITEM K.4.**

Rick Gimlin, Administrative Services Officer, Department of Taxation, explained that the Department was requesting \$24,779 from the Contingency Account to continue funding for a Tax Examiner 2 position that was approved earlier in the fiscal year and to complete some programming needs.

Mr. Gimlin said that Agenda Item P requested an extension in the reversion date of the \$520,412 Contingency Account allocation approved by the Committee on August 29, 2013. The intent was to use remaining funds from the FY 2014 Contingency Account allocation and request additional funds needed for FY 2015 to continue funding the medical marijuana excise tax program.

Senator Goicoechea wanted to confirm that the \$520,412 had been booked.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the request in Agenda Item K.4. was for \$24,779, and the total cost estimated by the Department of Taxation was \$86,066, funded in part with the new allocation. There was a balance remaining of the \$520,412 allocation approved by the Committee in FY 2014 that could be used to fund FY 2015 costs. He said that Agenda Item P merely extended the reversion date to the end of FY 2015 to allow the Department to use those funds.

Chairwoman Smith asked when the Department anticipated testing and completion of the Unified Tax System (UTS) modification.

Mr. Gimlin replied that it was his understanding that the system would be available on July 1, 2014.

Chairwoman Smith asked for public comment and hearing none, she called for a motion.

SENATOR PARKS MOVED TO APPROVE AGENDA ITEM K.4.
AND AGENDA ITEM P.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and
Senator Kieckhefer were not present for the vote.)

5. Department of Tourism and Cultural Affairs – Division of Museums and History – Request for allocations to fund projected shortfalls in utilities for the following:
 - a. Nevada Historical Society – \$1,898
 - b. Nevada State Museum, Carson City – \$4,071

Peter Barton, Administrator, Division of Museums and History, Department of Tourism and Cultural Affairs, explained that Agenda Item K.5. included two requests for allocations from the Contingency Account to cover shortfalls in utilities at two of the seven museums: the Nevada Historical Society in Reno for \$1,898, and the Nevada State Museum in Carson City for \$4,071.

Mr. Barton recalled that as of July 1, 2013, service at the state museums was returned to five and six days, and in some cases seven days, a week. The increased utility costs were taken into account when preparing the biennial budgets, but the estimates were short in these two instances.

Mr. Barton added that the shortage was larger at the Nevada State Museum in Carson City because a new glass structure that connected the historic Mint Building with the north building came online during the height of the recession when the Museum was open four days a week, and the impact on the overall utility budget was unknown when preparing the 2013-2015 biennial budget.

Chairwoman Smith asked for questions from the Committee and there were none. She asked for public comment and hearing none, she called for a motion.

SENATOR GOICOECHEA MOVED TO APPROVE AGENDA ITEM K.5.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and Senator Kieckhefer were not present for the vote.)

6. Department of Tourism and Cultural Affairs – Division of Museums and History – Nevada State Museum, Las Vegas – Request for an allocation of \$53,172 to fund a shortfall in Fiscal Year 2014 admission charge revenue.

Peter Barton, Administrator, Division of Museums and History, Department of Tourism and Cultural Affairs, testified that Agenda Item K.6. was a request from the Contingency Account in the amount of \$53,172 for the Nevada State Museum in Las Vegas to cover an admission charge shortfall. He recalled that the Museum was operated in tandem with the Las Vegas Valley Water District through the Las Vegas Springs Preserve, whereby the Preserve sold the admission tickets and the state received a portion of the revenue.

Mr. Barton explained that in June 2010, the Museum entered into an interlocal cooperative agreement with the Water District specifying the terms of the operation. The agreement was further revised in 2011 for a two-year term, which expired June 30, 2013, and further spelled out the revenue share and responsibilities of both parties. The Division had been aggressively working with the Water District to try to revise the operating agreement, but that was not yet completed.

Mr. Barton said the Contingency Account should be a short-term solution, and once an agreement was in place, the Water District had indicated that the revenue would be shared for fiscal year (FY) 2014. Because the agreement had expired, the Water District currently had no vehicle with which to transfer the revenue. The Division would be meeting with the Water District the following week, and once the agreement was

executed and the revenue was transferred, the funds would be refunded to the Contingency Account.

Assemblyman Eisen said that he understood the previous agreement provided that the Museum would receive 10 percent of the admission revenue, with a minimum of \$53,172. He noted that the revenue would obviously be lower, and he asked whether an amount was projected.

Mr. Barton believed it would be about \$46,000 the first year and slightly less the second year.

Assemblyman Oscarson said that the problem was basically a contractual dispute, and he asked what would happen if it was not resolved.

Mr. Barton said the Division would explore selling its own Museum admission tickets at the site and changing the nature of the partnership. Currently, the Las Vegas Valley Water District, in addition to the cash transfer, provided some staff and marketing support. The experience would be valued, and instead of a ticket costing \$1.00 per adult, the cost might be increased to \$7.00 or \$8.00, and the revenue would be used to fund any positions that were presently being filled by the Water District. The Museum would also do its own marketing and advertising.

Chairwoman Smith asked how long the negotiations would be allowed to continue. Mr. Barton replied that he thought he would know by the following week if an agreement could be reached.

Chairwoman Smith asked for public comment and hearing none, she called for a motion.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA
ITEM K.6.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and
Senator Kieckhefer were not present for the vote.)

7. Department of Corrections – Request for allocations totaling ~~\$1,804,293~~
\$1,199,601 to fund projected shortfalls in salaries for the following:

REVISED 6-2-14.

- a. ~~Corrections Administration – \$88,985~~ **\$0**
- b. ~~Correctional Programs – \$269,709~~ **\$329,932**
- c. ~~Southern Nevada Correctional Center – \$2,669~~ **\$2,623**
- d. ~~Warm Springs Correctional Center – \$6,318~~ **\$0**
- e. ~~Northern Nevada Correctional Center – \$280,162~~ **\$146,144**
- f. ~~Northern Nevada Restitution Center – \$28,809~~ **\$19,585**

- g. Ely State Prison – ~~\$666,355~~ **\$493,819**
- h. Carlin Conservation Camp – ~~\$25,104~~ **\$12,666**
- i. Tonopah Conservation Camp – ~~\$24,772~~ **\$20,889**
- j. ~~Lovelock Correctional Center~~ – ~~\$8,415~~ **\$0**
- k. ~~Florence McClure Women's Correctional Center~~ – ~~\$55,337~~ **\$0**
- l. High Desert State Prison – ~~\$347,658~~ **\$173,943**

Scott Sisco, Deputy Director, Fiscal and Support Services, Department of Corrections, explained that Agenda Item K.7. included eight IFC Contingency Account requests totaling \$1,199,601. The requests were primarily the result of unrealized vacancy savings built into the budget. He said that the state used vacancy savings estimates in the budgeting process to avoid tying up funds because history showed that a certain level of vacancies had always occurred. While it was a good and necessary budgeting tool that worked most of the time, on a few occasions such as this, it did not work, and funding was needed to pay estimated salaries through the end of fiscal year (FY) 2014.

Assemblyman Sprinkle asked why overtime was not budgeted in the Department's regular budget.

Mr. Sisco replied that it was his understanding that the Department of Corrections had historically reverted money from salaries, so the philosophy was that overtime was not budgeted. However, the calculations used to estimate vacancy savings for FY 2014 were incorrect, and combined with overtime expenses, a shortage occurred.

Chairwoman Smith asked what the vacancy rates were anticipated to be going forward.

Mr. Sisco replied that the vacancy rates were currently on track, with the exception of Ely State Prison, where a human resources position had been vacant for nearly two months. Overall, the Department was doing better than it had in previous years.

Chairwoman Smith noted that one of the reasons Contingency Account funds were required was because of the reduction in the federal State Criminal Alien Assistant Program (SCAAP) grant. She asked whether the reduction was expected to continue in FY 2015.

Mr. Sisco explained that the SCAAP grant paid for illegal aliens incarcerated in the state. The grant funds had decreased from \$3.1 million in 2007 to \$1.8 million in FY 2014, and the amount was anticipated to be about the same in FY 2015. The application had just been submitted to the federal government, and the dollar amount would not be known for several months.

Chairwoman Smith asked how the amount for terminal leave compared to past years and how it was affecting the Department's delivery of services.

Mr. Sisco said that at the time the Contingency Account request was prepared, approximately 215 employees had retired and were paid their terminal leave. He noted that Ely was a problem area because of the difficult housing situation, competition with the mines, and salary issues. The Department was conducting monthly academies and calling applicants in other parts of the state notifying them of vacancies in Ely. In addition, monthly management academies were being held at both ends of the state to prepare for the transition of the next generation of leadership in the Department.

Chairwoman Smith asked Mr. Sisco to provide the Committee's Fiscal staff with information on how many of the employees who had left were retirees and how many had left for other reasons. She was curious about the reasons for employee turnover throughout the state.

Chairwoman Smith asked for questions from the Committee and there were none. She asked for public comment and hearing none, she called for a motion.

ASSEMBLYMAN HICKEY MOVED TO APPROVE AGENDA
ITEM K.7.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and
Senator Kieckhefer were not present for the vote.)

8. State Department of Conservation and Natural Resources – Division of Water Resources – Request for an allocation of \$250,000 to replenish the Account for the Channel Clearance, Maintenance, Restoration, Surveying and Monumenting Program NRS 532.230(3). **WITHDRAWN 6-2-14.**
9. Department of Administration – Board of Examiners – Request for an allocation of \$300,000 to replenish the Reserve for Statutory Contingency Account (NRS 353.264). **RECEIVED AFTER SUBMITTAL DEADLINE 6-2-14.**

Stephanie Day, Deputy Director, Budget and Planning Division, Department of Administration, explained that the Department of Administration was requesting a \$300,000 allocation from the Contingency Account to replenish the Reserve for Statutory Contingency Account to cover anticipated expenditures until the 2015 Legislative Session.

Ms. Day explained that the Statutory Contingency Account was used for several different purposes. The largest expenditures were normally the Attorney General's special counsel, public defender post-conviction relief, and terminal leave payments for departing or retiring state employees. Currently, there was \$450,000 in pending terminal leave payments to be paid.

Chairwoman Smith asked whether Ms. Day anticipated any additional expenses through December.

Ms. Day replied that the Statutory Contingency Account was difficult to predict. It was never known if the Attorney General's Office was going to need to hire special counsel. The Budget Division did the best it could to project future need for Contingency Account funds, and \$300,000 was the best projection at the present time.

Chairwoman Smith asked whether part of the terminal leave payments just approved for the Department of Corrections would be paid from the Statutory Contingency Account.

Ms. Day replied that nearly \$450,000 would be paid from the Statutory Contingency Account on behalf of the Department of Corrections for terminal leave payments.

Chairwoman Smith asked for questions from Committee members and there were none. She then asked for public comment and hearing none, she called for a motion.

ASSEMBLYMAN HICKEY MOVED TO APPROVE AGENDA
ITEM K.9.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and
Senator Kieckhefer were not present for the vote.)

- L. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (HIGHWAY FUND) PURSUANT TO NRS 353.268 – Department of Motor Vehicles – Division of Motor Vehicle Information Technology – Request for an allocation of \$140,256 to contract with a project manager to write the request for proposal (RFP) for the Department's System Modernization project in Fiscal Year 2015.

Troy Dillard, Director, Department of Motor Vehicles, read the following testimony:

The Department is requesting authority to hire a consultant and subject matter expert to facilitate the process of developing an RFP to modernize its information technology systems. The request is from the Highway Contingency Account in the amount of \$140,256.

The Department processes 8.4 million transactions per year and experiences a six percent volume increase annually. We also collect and distribute \$1.1 billion in revenue each year, distributing those funds to both county and state accounts. With each passing year, the Department falls farther and farther behind in the ability to maintain IT systems and resources with current customer expectations.

Presently the Department is using technology that was deployed in 1999 and is no longer capable of meeting the demands of DMV business in the modern age. The current system is a COBOL mainframe application with multiple third-party software configurations connected to provide the required services. Since the current system's deployment, the state population has expanded in excess of 30 percent.

Technology advances have multiplied untold percentages, legislative mandates and federal regulatory changes have not ceased, and customer expectations have changed significantly. These conditions have exposed the deficiencies within the current system's capabilities and design. In addition, the ever-increasing and approaching impossible challenge of finding properly trained and schooled programming staff to work in archaic systems and languages has not only contributed to an estimated seven-year backlog, but is impacting the Department's ability to maintain current service levels. Because of disparate systems currently used by the Department, the risk is significant of having no viable way of bringing up all the systems required to meet current business service-level agreements in the case of a catastrophic failure.

The days of distributing over \$1 billion annually through spreadsheets and manual processes needs to cease. The focus of this project would be to modernize to a flexible, integrated, and consolidated platform with the ability to remain current in future technologies. The goal of the initiative is to provide required services quicker and more efficiently, manage customer wait times, increase product delivery speed, and reduce programming backlogs. Ultimately, the system will be a modernized information technology platform that is easy to configure and maintain, provide the necessary tools to test, monitor, troubleshoot, manage, and extend. The modernized solution will provide enhanced security, disaster recovery, and fail-over capabilities. Did I mention our ability to keep up with legislative changes and mandates?

The investment to be made in such a system is significant. At the low end, the estimates are \$40 million. Comparatively, the system that was deployed between 1996 and 1999 consumed \$40 million. The deployment of the system in 1999 was a substantial failure, and consultants were hired after the fact. In addition, the deployment became the focus of several research papers on how not to administer a big-bang deployment of an information technology solution.

With such an investment at stake, the Department wants to ensure the RFP receives the attention it needs to eliminate post-contract issues and disputes. We believe the investment and a subject matter expert is a course of action that makes prudent sense and will save both money and time over the term of the project, as well as into the future.

I would note that at the end of the last legislative session, Madam Speaker had asked me to bring forward a plan to address our technological issues and shortcomings. I am here today to do that

Chairwoman Smith said that she recalled many conversations during the 2013 Legislative Session about the technological needs and backlog at the Department of Motor Vehicles, including implementation of bills passed in previous sessions. She asked whether \$140,000 would be paid to only write the request for proposal.

Mr. Dillard replied that the last several RFPs issued had resulted in contractual issues on the backend, and the consultant would assist DMV staff in writing the RFP to ensure that similar problems did not reoccur. The consultant contract was estimated to be for six months to work with staff to gather information for the RFP, and during the 2015 Session, the Department would present a bill that would identify the actual program itself.

Chairwoman Smith affirmed that \$140,000 would be spent on a consultant for six months, whose only job would be to write the RFP.

Mr. Dillard replied that she was correct: the consultant would write the RFP in conjunction with DMV staff.

Chairwoman Smith asked whether the system would include a more advanced application to interface with the public.

Mr. Dillard replied that one of the focuses of moving to a more modern platform was to be able to be more flexible, as well as to prevent the necessity of asking for another multi-million dollar upgrade to the system. He said the goal was to make the system configurable so that it could be maintained and continue to adapt to changing technologies, which was not feasible when the initial system was deployed in 1996 through 1999.

Chairwoman Smith said she disliked spending \$140,000 for a six-month contract consultant to write an RFP, but she now understood why it was necessary.

Assemblyman Hardy agreed with Chairwoman Smith's comment, but he assumed that the consultant would work with DMV staff to analyze the system to ensure that the most efficient system would be specified in the RFP.

Mr. Dillard replied that Assemblyman Hardy was correct: part of the RFP process involved gathering of the requirements. All of the requirements had to be specified so that the deliverables in the RFP would meet the current business processes and/or those efficiencies that could be gained through that process.

Chairwoman Smith reiterated that she understood, but she had a difficult time approving a contract of this size when state employees were still required to take furloughs.

Assemblyman Bobzien remarked that the current platform had an amazingly long history and he was excited about the new system.

Assemblyman Kirner asked whether the consultant would be involved in analyzing the responses to the RFP.

Mr. Dillard replied that was not in the initial design, but it was feasible that if the project moved forward after receiving the responses, the same consultant might be involved with project management of the solution at a later point. The Department had not considered whether the consultant should sit in on the evaluation process; that would have to be discussed with the State Purchasing Division.

Assemblyman Hambrick asked whether the consultant could possibly be a vendor.

Mr. Dillard said that would be a direct conflict of interest. The Department had held multiple meetings with various vendors who were interested, one of which was common and well known to the State of Nevada.

Chairwoman Smith noted that a majority of the project funds were anticipated to come from the Highway Fund.

Mr. Dillard said the Highway Fund was the leading source of funds, but the Department was still pursuing other methods of funding.

Chairwoman Smith asked for public comment and hearing none, she called for a motion.

SENATOR SETTELMAYER MOVED TO APPROVE AGENDA
ITEM L.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and
Senator Kieckhefer were not present for the vote.)

Chairwoman Smith announced that Agenda Items M and N would be heard together.

- M. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT PURSUANT TO SENATE BILL 450 (2011 SESSION), AS AMENDED BY ASSEMBLY BILL 507, SECTION 72 (2013 SESSION) – TREASURER'S OFFICE – Request for a restricted allocation of \$25,000 from the Highway Fund to fund an E-payment and Merchant Services consultant.

- N. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT PURSUANT TO SENATE BILL 481 (2011 SESSION), AS AMENDED BY ASSEMBLY BILL 507, SECTION 73 (2013 SESSION) – TREASURER’S OFFICE – Request for a restricted allocation of \$75,000 from the General Fund to fund an E-payment and Merchant Services consultant.

Tara Hagan, Senior Deputy State Treasurer, Office of the State Treasurer, recalled that the Treasurer’s Office had become responsible for the oversight and management of the state’s merchant services contract in July 2013. Over the past year, the Office had been working with agencies and contacting other states regarding merchant services. When the request was initially made, the Office had planned to hire a consultant to prepare and process the entire request for proposal (RFP) for \$100,000. However, the RFP would now be drafted in-house and the consultant would be paid \$20,000 to assist the Office through the process.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, noted that the initial total request was for \$100,000. Agenda Item M was a request for \$25,000 from the Highway Fund and Item N was a request for \$75,000 from the General Fund. He said Fiscal staff had not been told that the request had been revised.

Vincent “Budd” Milazzo, Deputy Treasurer for Cash Management, Office of the State Treasurer, explained that the initial approval by the 2011 Legislature was for \$100,000. When the first work program was prepared in May, the Office was not sure of the scope of the consultant’s work. The contract had just been signed for \$20,000. He apologized for not submitting revised requests for \$5,000 from the Highway Fund and \$15,000 from the General Fund.

Mr. Krmpotic said that based on the allocation approved by the 2011 Legislature, the request in Agenda Item M should be revised from \$25,000 to \$5,000 from the Highway Fund, and the General Fund in Agenda Item N should be reduced from \$75,000 to \$15,000.

ASSEMBLYMAN EISEN MOVED TO APPROVE AGENDA ITEM M IN THE REVISED AMOUNT OF \$5,000 and ITEM N IN THE REVISED AMOUNT OF \$15,000.

SENATOR GOICOECHEA SECONDED THE MOTION
THE MOTION CARRIED. (Assemblywoman Kirkpatrick and Senator Kieckhefer were not present for the vote.)

- O. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT PURSUANT TO ASSEMBLY BILL 507, SECTION 52 (2013 LEGISLATURE) – DEPARTMENT OF HEALTH AND HUMAN SERVICES – DIVISION OF PUBLIC AND BEHAVIORAL HEALTH – SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES – Request for an allocation of \$1,896,897 for

necessary facility improvements, staffing, furnishings, equipment and operating expenditures at Southern Nevada Adult Mental Health Services in-patient facilities to enhance in-patient services and reduce the backlog of mental health patients in local emergency rooms in Fiscal Year 2015.

Mike Willden, Chief of Staff, Office of the Governor (formerly Director of the Department of Health and Human Services), explained that in the 2013 Legislative Session, a \$4 million Reserve – \$3 million from the Interim Finance Contingency Account and \$1 million from Tobacco Settlement funds – was set aside to aid the Division of Public and Behavioral Health in implementing numerous recommendations in the Dvoskin/Appelbaum report recommendations for Southern Nevada Adult Mental Health Services (SNAMHS). He said the request in Agenda Item O was for an allocation of \$1,896,897 in Reserve funds for fiscal year (FY) 2015. The funds would be used for activities approved by the 2013 Legislature: home visiting, assisted outpatient treatment, mental health court, and others.

Chairwoman Smith explained that Contingency Account funds were set aside during the Legislative Session for the purposes requested. She asked for questions from the Committee and there were none.

Chairwoman Smith asked for public comment and hearing none, she called for a motion.

SENATOR KIECKHEFER MOVED TO APPROVE AGENDA
ITEM O.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- P. DEPARTMENT OF TAXATION – Request for an extension of the reversion date of the Contingency Account allocation approved August 29, 2013, to implement the excise tax imposed on the sale of medical marijuana, edible marijuana products and marijuana-infused products. **RELATES TO ITEM K.4.**

Refer to testimony and motion for approval under Agenda Item K.4.

- Q. OFFICE OF THE GOVERNOR – NEVADA STATE OFFICE OF ENERGY – Request for approval to commit \$3,942,745 for expenditure from the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans, pursuant to NRS 701.585(3).

Brita Tryggvi, Deputy Director, Nevada State Office of Energy, Office of the Governor, read the following testimony:

Today we are requesting your approval to commit money from the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans Program. The applicants are the Truckee-Carson Irrigation District and the City of Las Vegas. The Truckee-Carson Irrigation District operates the Newlands Irrigation Project, and the purpose of this request is to obtain a construction loan for a hydroelectric project in Fallon. This is the second phase of a project of which the IFC approved the first phase of funding at your February meeting. The project has not begun construction because the Truckee-Carson Irrigation District is working with the Bureau of Reclamation to resolve some issues related to the National Environmental Policy Act.

The City of Las Vegas projects are solar installations at existing facilities. The City has partnered with Bombard Electric to construct these facilities. We realize that the loan amounts requested by all of these projects exceed the amount of funds currently available, and the reason is that we would like to create a list of eligible projects that could be loaned funds as the funds become available.

In conclusion, I would just like to reiterate that we are requesting your approval to commit the money so that these projects can move forward.

Chairwoman Smith asked if the projects listed in the request were in priority order. Ms. Tryggvi replied they were not. The City of Las Vegas had four projects, three of which were identical and the fourth was smaller. She said the Office of Energy would let the City decide which projects to move forward, and a portion of the funds would be held for the Truckee-Carson Irrigation District in the event that the issues with the Bureau of Reclamation could be resolved.

Assemblyman Grady asked whether the Truckee-Carson Irrigation District project was on a short timeframe and reimbursement would be made after construction.

Ms. Tryggvi explained that the Renewable Energy Fund would be reimbursed through the Irrigation District's NV Energy rebate, but the project needed to be started and moved quickly because the NV Energy rebate would expire at the end of the year.

Assemblyman Grady affirmed that most of the costs would be repaid by the NV Energy project funding, and Ms. Tryggvi replied that they would.

Chairwoman Smith asked for public comment and hearing none, she called for a motion.

ASSEMBLYMAN HARDY MOVED TO APPROVE AGENDA
ITEM Q.

SENATOR SETTELMAYER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and Senator Kieckhefer were not present for the vote.)

- R. PURSUANT TO SENATE BILL 407, SECTION 16.3 (2013 SESSION) – DEPARTMENT OF EDUCATION – Report on the results of the validation study of the statewide performance evaluation system for teachers and school level administrators and determination by the Department of Education of whether all school districts are prepared to implement the statewide performance evaluation system for the 2014-15 school year.

Dale Erquiaga, Superintendent of Public Instruction, Department of Education, recalled that the 2011 Legislature created a process by which Nevada would design a uniform system of evaluation for classroom teachers and school-level administrators in the state. The Teachers and Leaders Council (TLC) was created, and in 2013, upon recommendation from the Teachers and Leaders Council and some significant work by members of the Interim Finance Committee, adjustments were made to the *Nevada Revised Statutes* (NRS) providing for the evaluation system, which was known as the Nevada Educator Performance Framework (NEPF).

Mr. Erquiaga explained that one of the provisions approved by the 2013 Legislature was a means by which the evaluation system could be delayed if the system or the school districts were not ready to fully implement a uniform system. A trigger was provided in the NRS, and he was requesting, as a representative of the Department of Education, to “pull the trigger.” The system had been created as a result of a statewide validation study, but there were outstanding issues because many changes were made to Nevada’s educational statutes beginning in 2009, substantively in 2011, and again in 2013. Implementation of the changes was very difficult, particularly in the case of the evaluation system.

Mr. Erquiaga said he wanted to recognize the work of the Teachers and Leaders Council, which had met over the past three years and done amazing work. The evaluation system the Council designed, which had been approved by the State Board of Education and placed in regulation, was outstanding. The system included observable standards and indicators for educator effectiveness, as well as provisions to use student data.

Mr. Erquiaga explained that part of the reason for the request to delay the system related to training and professional development, which were difficult. The standards and indicators were numerous and diverse, and in some ways, they were new. The training scheme was put in place, but while absolutely appropriate, it was not yet complete. If educators were familiar with the standards and indicators, they understood them, accepted them, and could work with them. If they were not trained, there would be problems.

Continuing, Mr. Erquiaga said that the other side of the framework was the student data, which was much more difficult. Nevada law required that 50 percent of the evaluation must immediately be based on student outcomes. Nearly all of the other states that had entered into the arena had started with a delayed implementation using data for purposes of informal professional development.

In addition to the challenges, Mr. Erquiaga pointed out that Nevada was operating under a waiver from the Elementary and Secondary Education Act, granted by U.S. Secretary of Education Arne Duncan, which also placed requirements on how the NEPF would be used, when it must be effective, what the professional development must look like, and how it related to the Nevada Academic Content Standards or College and Career Readiness Standards. The change to those standards, for which testing would begin in 2015, also complicated the use of data.

Mr. Erquiaga said that he was in an unusual and difficult situation, and he did not wish to disparage his predecessors or make excuses. He wanted to provide the Committee with the background and reasons the system was currently where it was. He recognized that some Committee members would be frustrated that the process was not further along, and he shared that frustration, but it was an extremely complicated system being designed, and his instruction from the Governor and the State Board of Education was to “get it right.”

Mr. Erquiaga said he knew of four lawsuits related to performance evaluation systems, which could not be prevented, but he believed the Department was heading in the right direction.

Mr. Erquiaga explained that he was in attendance to present the validation study as well as information from the school districts on their state of readiness, and report that the Department and the Teachers and Leaders Council were not ready to implement the NEPF. The Committee had the authority under Senate Bill (S.B.) 407 (2013 Session) to make a determination that the system was not ready for implementation in school year 2014-2015 and could delay its implementation for one year.

Chairwoman Smith noted that she sponsored the bills from the 2011 and 2013 Legislative Sessions, and no one was more anxious to implement a new system of teacher evaluation than she was. She wanted to ensure that the system would work for both the individuals being evaluated and the people who were affected by the evaluation. She said it was obvious that Nevada was not alone in the situation, and it was not for lack of trying. A safeguard was built into the system because of the struggles and dilemmas that the Teachers and Leaders Council faced.

Mr. Erquiaga said that the Legislature had also wisely provided for a transition year. If the Committee made the determination that the system should be delayed, during the transitional year, the 17 districts must create new evaluation systems and must, at the determination of the local school board, include student outcomes and data, which was a key piece of moving forward. He believed the Legislature had been right to provide

the trigger to delay implementation, as well as provide a means for the Department to exercise good project management and transition planning by moving the districts to a parallel system of evaluation during the interim, rather than leave the status quo in place.

Mr. Erquiaga noted that approval of the request would allow the Department to return in August to request the release of an additional \$936,000 for continued training, which was a critical component of the evaluation system.

Chairwoman Smith noted that the current validation study only involved some of the districts, and she asked what was planned for the second validation study and how it would be funded.

Mr. Erquiaga explained that the contract and validation study were done before S.B. 407 was finalized. A close read of the law would indicate that the validation study should have included 17 districts in the first year and it did not: it started with 12, one dropped out, and it finished with 11. The process was not as robust as desired, and going forward, his direction had been to include all 17 districts. The initial contract allowed for a two-year validation study, as was contemplated, and that funding was not available at that time.

Chairwoman Smith noted that performance evaluation was currently one of the most important aspects of education, and she encouraged members to ask questions or voice concerns.

Senator Woodhouse said that Mr. Erquiaga and others had spoken to the Legislative Committee on Education during the interim, and she was aware of a number of the issues, some of which were training, professional development, and data. However, she did not hear the problem of technology mentioned, and it was her understanding that none of the school districts had the technology available to roll out the system.

Mr. Erquiaga replied that Senator Woodhouse was correct. The school districts had a hodgepodge of data systems, including that within the Department. The Department had the responsibility to not only provide student growth data in a format the districts could use, but also to assist in the rostering of teachers to their individual students in a three-year rolling average. It was contemplated that the Department would assist in the development of an application or portable data program that could be utilized at the district level, and that work was not complete. He said that as it became known what the system would be in its final form, the school districts would need to align their human resource systems. There were 17 different systems that did not converse with the System of Accountability and Information in Nevada (SAIN) at the Department of Education.

Assemblywoman Diaz asked whether anything else was discovered during the validation study besides the four points mentioned: professional development, student data, potential lawsuits, and missing technology.

Stanley Rabinowitz, Principal Investigator of the validation study conducted by WestEd, testified from Las Vegas that the only other issue that had not been raised concerned a number of business rules about group membership, which still needed to be developed, along with several infrastructure issues.

Assemblywoman Diaz said she appreciated that the Department and the Council recognized the fact that the state was pushing too fast and too hard, and she was relieved to hear that more time would be allowed. There was a great level of tension and anxiety among the teachers and administrators on how they were going to deal with the multiple issues.

Assemblywoman Diaz noted that part of the reform was being applied. Probationary teachers now had to be probationary for three years rather than just one year. She assured Committee members that administrators were doing their jobs and ensuring that ineffective teachers were not given satisfactory evaluations and were either leaving or terminated after their first year of service. She said that rather than be concerned that the performance evaluation system was not moving fast, it would be better to assure that the new system would ultimately be in everyone's best interest.

Mr. Erquiaga said that he appreciated Assemblywoman Diaz's comments. The K-12 system was moving forward with reforms according to legislative intent: probationary period, changes in the Nevada Academic Content standards – English, math, science, and a number of others to follow – and emphasis on college and career readiness for students. He noted that he was not an educator, but he superintended a system of monies and resources, and as the person at the helm of the system, the system was changing direction, and the changes were becoming obvious among teachers and administrators.

Chairwoman Smith clarified that the delay would not prohibit a school district from moving forward, and she asked school district representatives to comment on their experiences.

Christine McNeal, Chief of Staff, Washoe County School District, testified that Washoe County School District supported the request for the delay of the Nevada Education Performance Framework (NEPF) and Superintendent Erquiaga's request as well. Although the District had made significant progress in moving to a fair and equitable system in alignment with the NEPF, there remained a great deal of work to be done through the state's validation study and the District's validation study to require that student achievement data must be used for the system to be legally defensible.

Ms. McNeal said that the Washoe County School District would also continue to work with the Department of Education on the implementation of its current system and alignment to the NEPF through an application process, which would be developed with the NDE and TLC.

Ms. McNeal explained that the Washoe County School District was a recipient of two federal teacher incentive fund grants totaling \$35 million and must remain in compliance with those grant programs. The District would continue to work with state and federal agencies to make sure that occurred, including the use of a four-tier system to evaluate teacher effectiveness. The District had been working very closely with its teachers and principals associations in the development of a comprehensive, qualitative, rubric designed and researched-based framework, which would incorporate both family engagement and teachers using data student data to make informed instructional decisions.

Ms. McNeal reiterated that the Washoe County School District fully supported the delay, and she offered to answer questions from the Committee.

Assemblyman Kirner said he had attended several Washoe County School District Board meetings over the last several months. Having spent four years of his personal life studying the concept of performance appraisal for his dissertation, he would heartily encourage the District to delay implementation of the system for another year.

Pam Salazar, Chairman of the Teachers and Leaders Council (TLC), testified from Las Vegas that she could also speak as a person who had conducted several trainings for the Regional Professional Development Program (RPDP), especially for administrators. She said the Teachers and Leaders Council was very committed to the NEPF and absolutely believed it could be a reform for Nevada children. As the system moved forward and it was determined what measures best reflected student outcomes and performance that could be tied to a teacher's performance in a final rating, the conversation would continue over the next year as other states progressed and moved forward.

Ms. Salazar said that many school districts within the state continued to look at the NEPF standards, the educational practice side, as standards that would help to accomplish 21st Century college and career readiness for students. She said the TLC had been engaged in a number of trainings around the state over the past year, and the RPDPs had risen to the task of developing materials, working in conjunction with the Center for Research on Evaluation, Standards, and Student Teaching (CRESST) at the University of California, Los Angeles, and engaging in conversation about how the standards of practice could make a difference for students. Ms. Salazar said that work would continue on the validation study with additional schools through the next year and, at the same time, shifts in practice would be seen in schools that would make a difference, which was the intended purpose of A.B. 222 and S.B. 407.

Chairwoman Smith asked for public comment.

Marjorie Connor, Southern Nevada Regional Development and Professional Development Program (RPDP), said that she was assigned to the instruction unit of the Clark County School District and worked directly with the staff that was implementing the evaluation system. She read the following statement from Dr. Mike Barton,

Chief Student Achievement Officer for Clark County School District, who regretted that he could not be present:

Clark County School District stands in support of the NDE delaying the full implementation of the NEPF. We are prepared in Clark County School District to move forward with the standards and indicators. As a matter of fact, not only are we prepared to do that, but we believe that is the right work to do at this time. Clark County has been working in concert with the RPDP to provide ongoing support, guidance, and training to administrators and teachers in applying the standards and indicators, and we will continue the heavy lift of completing the system and would welcome the delay to allow us to get it right. Thank you.

Hearing no further requests to testify, Chairwoman Smith called for a motion.

ASSEMBLYWOMAN DIAZ MOVED TO APPROVE AGENDA ITEM R.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Aizley, Hickey, and Kirkpatrick and Senator Kieckhefer were not present for the vote.)

- S. REQUEST FOR EXTENSION OF PERIOD WITHIN WHICH TO PROVIDE ADDITIONAL DOCUMENTATION REQUESTED BY THE BOARD OF EXAMINERS IN SUPPORT OF A REQUEST FOR A GRANT OR LOAN FROM THE DISASTER RELIEF ACCOUNT PURSUANT TO NRS 353.2755(2)–Department of Public Safety–Division of Emergency Management–For requests related to the Clark County Flood Recovery, September 11, 2012.

Chris Smith, Chief, Nevada Division of Emergency Management-Homeland Security, Department of Public Safety, explained that Agenda Item S was a request for an extension to finalize the submission of the application to the Disaster Relief Account for the flood events that occurred in Clark County in September 2012. The Division of Emergency Management had provided technical assistance to Clark County from the initial intent to apply throughout the rest of the process. Clark County was now nearing completion of its application, and the Division respectfully requested the extension.

Assemblywoman Carlton asked whether all of the work required on the three channels that flowed into the Las Vegas Wash and other damage were the reasons for the request for extension.

Irene Navis, Clark County Office of Emergency Management, replied that one of the complicating factors was the construction of all of the improvements in the area, and while it was not part of the application, one of the delays was caused by waiting to see if any of the work being done was eligible to include in the application. Because of the funding source being used, the work was not eligible. Similarly, the Clark County

Wetlands Park improvements were funded through Southern Nevada Public Lands Act funds, making those improvements and repairs ineligible as well. She said it had taken time to sort the information out, and unfortunately, the two most damaged areas were not eligible for reimbursement under the Disaster Relief Account.

Chairwoman Smith asked for public comment and hearing none, she called for a motion.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM S.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick and Senator Kieckhefer were not present for the vote.)

T. INFORMATIONAL ITEMS.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that the Committee had requested testimony on Informational Items 3.b., Department of Administration, Division of Enterprise Information Technology Services; Item 5, Department of Business and Industry, Home Retention Program; and Item 9.a., Department of Public Safety, Division of Parole and Probation.

Chairwoman Smith noted that the Informational Items were for the Committee's information only and no action would be required.

3. DEPARTMENT OF ADMINISTRATION

- b. Enterprise Information Technology Services Division – Mainframe upgrade. **RECEIVED AFTER SUBMITTAL DEADLINE, 6-2-14.**

Amy Davey, Deputy Administrator, Division of Enterprise Information Technology Services (EITS), Department of Administration, said that she would address the portion of the mainframe that supported the Division of Welfare and Supportive Services (DWSS), Department of Health and Human Services. She explained that DWSS ran its primary caseload system through the state's mainframe, and the Division had requested that EITS initiate an upgrade to the mainframe because of caseload increases and concern about mainframe capacity. She said that EITS had been working closely with DWSS and the State Budget Division to ensure that DWSS had the resources it needed to manage caseloads.

Assemblyman Bobzien said he appreciated that the caseloads had to be addressed, but he was more concerned about the banked capacity configuration. He realized that EITS would pay more to have the banked capacity available, but he asked why the expansion could not wait until it was needed rather than pay for it now.

Ms. Davey replied that the state mainframe was at capacity on a regular basis during DWSS peak times of caseload processing, and the upgrade was required to address peak capacity. The increased capacity levels would be adjusted as necessary based on the amount of system usage.

Jim Link, Mainframe Systems Manager, Division of Enterprise Information Technology Services, Department of Administration, added that the proposal that was submitted to EITS by IBM included a banked capacity to increase the speed and power of the mainframe. He did not know how much would be saved by adding the banked capacity at this time, but if there was no banked capacity, the mainframe would be at capacity within a year or two, at which time the option to add capacity would not be available and another mainframe upgrade would cost over \$1 million. He said the banked capacity was being obtained at a lower cost in anticipation of the DWSS increased workload related to the Affordable Care Act.

Assemblyman Bobzien said the Committee was not aware that savings would be realized by adding the banked capacity at this time.

Mr. Link added that he was not sure there would be any price savings: he assumed that there would be. He did not have the dollar figures with him.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that based on the information that Fiscal staff received from EITS, the banked capacity option would cost an additional \$200,000 a year. There was no firm projection to support the need for the banked capacity, which was why Fiscal staff had questioned the need for it at this time.

Ms. Davey said that she understood that EITS would have the ability to control the capacity in response to user need. The mainframe was currently at its maximum level, and DWSS had a need for additional capacity based on its caseload. She said that capacity would be purchased in a block, and the proposal was for an 18 percent increase in capacity. It was normal practice for EITS to control the amount of capacity based on the need of the customer. There were savings when the capacity was lowered, and EITS kept the mainframe running close to peak performance and peak capacity to avoid performance issues.

Assemblyman Bobzien said he was not questioning the need for additional capacity: he was concerned that the Committee did not have the dollar amounts to compare purchasing the capacity now and waiting to upgrade the mainframe again in the future.

Evan Dale, Administrator, Administrative Services Division, Department of Administration, said that with an equipment upgrade, there was a one-time charge to have technicians migrate the system to the new equipment, which would cost \$12,500. That charge could be avoided if the expanded capacity was purchased now.

Assemblyman Bobzien reiterated that he understood the process and need for the additional capacity, but the Committee did not have the dollar amounts to evaluate the need.

Chairwoman Smith noted that the item was informational and no action would be taken. She asked EITS staff to work with Fiscal Analysis Division staff to provide updated information at the next Committee meeting.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the item was informational, but the Committee would receive requests from EITS for ongoing funding for the system upgrade at the August meeting, which would require action. It would be in the best interest of the Division to provide the requested information at the next meeting.

Ms. Davey said the Division would provide the necessary information to the Committee at the next meeting.

Chairwoman Smith thanked EITS staff for their testimony.

5. DEPARTMENT OF BUSINESS AND INDUSTRY – Office of the Director – Home Retention Program – Quarterly report regarding the status of the program's implementation and the ongoing management and success of the program for the periods ending December 31, 2013, and March 31, 2014 (letter of intent, 2013 Legislature).

Bruce Breslow, Director, Department of Business and Industry, noted that the last quarterly report on the Home Retention Program was dated April 30, 2014. Since the last report, the Department had wired funds to the federal government, which was in the process of finally bringing mortgages and notes to the state. He asked Mr. Mirchandani to provide an update on the program.

Ashok Mirchandani, Deputy Director, Department of Business and Industry, explained that the objective of the Home Retention Program was home retention and neighborhood stabilization. In the current pool purchased by the state, about 83 percent were single-family homes in good or average condition. One-quarter of the mortgages were less than one year delinquent, but most of them were more than two or three years delinquent. He said that 77 percent of the homes were occupied by the owners.

Mr. Mirchandani said that in 2012, the number of loans that were delinquent in Nevada was close to 13 percent, and currently it was at 6.7 percent. In 2012, 64 percent of the homes in Nevada were underwater, and currently the number was 30 percent. The average home price in 2012 was \$134,000, and now it was \$199,000. There were still about 25,000 to 30,000 delinquent notes either in the foreclosure pipeline or behind on their mortgages.

Mr. Mirchandani said that the Department was in discussions with the Federal Housing Administration (FHA) to do more pool sales, and FHA had confirmed that it would do another sale in the fall of 2014. He was in Washington D.C. in May and met with the FHA, which was not willing to discuss sales. However, he had just received an email from FHA requesting a meeting with the entire team the following week to discuss a pool purchase.

Mr. Mirchandani explained that the reason for doing a pool purchase when the market was improving was to focus on neighborhood stabilization, because while the market was getting better, the 25,000 delinquent notes were a drag on recovery, construction, and returning to normalcy. When a home was foreclosed upon, the value of the neighborhood decreased. He said that the objective of the Home Retention Program had shifted from home retention to neighborhood stabilization.

Mr. Mirchandani added that the state's Home Retention Program had invested \$40 million and it currently had \$47.5 million: a \$7.5 million profit was realized after the first day. The program was designed so that all of the money would come back.

Mr. Breslow explained that the Department of Housing and Urban Development (HUD) was initially going to sell the state 600 notes. After several months and many meetings and contacts, HUD staff became more proactive and was willing to sell the 600 notes. By the time the details of those notes were gathered, the number was down to 458 notes. He said that the Department had three staff members whose job was to ensure that the state purchased what would be best for Nevada. In reviewing the 458 notes, it was discovered that a number of them had already been foreclosed upon by their homeowner's associations (HOAs). The question of whether a first mortgage was satisfied when an HOA foreclosed on a home in Nevada was a legal argument going to the Supreme Court. Some courts had ruled that an HOA foreclosure wiped out the owner of the first note, so the state did not want to buy the first notes until that matter was resolved. Mr. Breslow said that there were several homes in the pipeline to be foreclosed that the state did not want unless there was assurance that all of the liens were paid off. He said that HUD went back to its servicers, and the state was able to purchase approximately 268 current clean notes. Of that number, about half would be for home retention and half would fall into neighborhood stabilization.

Mr. Breslow said there were many homes sitting empty for long periods of time that had not been foreclosed upon. Some of the homes were occupied by people who elected to strategically default and wait for the institution to force them to make payments. He explained that part of the Home Retention Program was to reach out to those homeowners to discuss a new loan, holding their debt in abeyance pending their making payments long enough that the notes would become good and could be sold, or offering assistance to move out and give the state the deed or the right to foreclose. He noted that the state could also foreclose and offer the home to owner-occupants through the first-time homebuyer program, for which hundreds of people had qualified.

Mr. Breslow said that the Home Retention Program and Neighborhood Stabilization Program were both important to the state. The first purchase of notes had been made, the money had been wired, and the loans would be handled by a company called Wingspan, which would send out letters advising the homeowners that the state was the new lender. The Department staff would follow up with a golden envelope welcoming the homeowner to the Nevada Home Retention Program and informing them of opportunities and options. Housing counselors would follow up with phone calls.

Mr. Breslow added that the state would process another closing in approximately 30 days with 60 more notes, FHA planned to do another sale in the fall, and Fannie Mae wanted to discuss another sale of notes. The program had shifted, but there was still an opportunity for the Legislature to clarify some of the questions regarding HOA foreclosures, HOA issues, and situations making it easy for people to sit in their homes for two or three years without making payments, which had hindered the recovery of the housing market in the state.

Assemblyman Eisen remarked that the characterization that the program had shifted slightly was an understatement: it had shifted tremendously. He recalled that he was skeptical about the program during the 2013 Legislative Session, because it involved a \$49 million investment by the state and \$100 million grant from the federal government. The \$100 million was gone in the fall of 2013, and there was discussion about a \$50 million loan. The Home Retention Program had focused on homes underwater because of the dollar-for-dollar match from HUD. Now, several months later, the conversation was about neighborhood stabilization. He understood that about half of the homes were underwater, and it was not clear to him whether the homes that were not underwater were eligible for the HUD dollar-for-dollar match.

Assemblyman Eisen believed that the program was a dramatic change from what was approved by the 2013 Legislature. He asked how much of the \$49 million investment of mortgage settlement funds would be expended by the 2015 Legislative Session.

Mr. Breslow agreed that the program had changed, and he had testified earlier that the change would be forthcoming and a business plan was prepared on that basis. However, the Department did not know that HUD was not going to move forward and that the U.S. Treasury was going to change its mind and not let the state use Hardest Hit funds to purchase notes. He said that at that point, another source of funds was needed for the program. The State Housing Division had funds that could be used for housing programs and a \$51 million loan was granted from the Housing Division, collateralized against any notes purchased with those funds, to create \$100 million. In addition, U.S. Treasury money was going to be used to backfill, resulting in more than \$100 million into the program.

Mr. Breslow explained that the Housing Division funds had not been expended thus far; \$40 million in mortgage settlement dollars had been spent, but the program remained fluid specifically to address Nevada, which was only the second state that HUD had done a direct sale with. The Secretary of HUD issued a press release because he

wanted the state's program to be a model program for other states. However, there was a new director of HUD who had no knowledge of the state's program.

Mr. Breslow pointed out that the state had purchased homes at below-market value, approximately \$7 million less than they were worth, the market was improving, and if it continued to improve, the homes would be worth substantially more than \$7 million.

Mr. Mirchandani clarified that the U.S. Treasury said that the state could not use these dollars to pay for the notes unless there was proof of homeowner occupancy. The program was very fluid, and currently the possibilities included obtaining another pool of notes from FHA, Fannie Mae, Freddie Mac, or private investors that had been investing in Nevada over the last four years. He pointed out that at the onset of the program, 64 percent of the homes were underwater and today 30 percent were underwater; the market had shifted dramatically in the last 1-1/2 years.

Mr. Mirchandani said that there was still a need for the program and interest was being earned every month. Even after subtracting the costs of the program, he anticipated that the results would be positive for the state.

Mr. Breslow added that the \$49 million in mortgage settlement funds that were in notes would end up coming back to the program, hopefully more than the initial amount. He said that there were many strings attached to the mortgage settlement funds, but the goal was to provide program income to the General Fund with no strings attached: it was a rare opportunity to make money.

Mr. Breslow said he was nervous about the program and was watching it very closely because it was important for Nevada. The program would probably change, either through new laws, the U.S. Treasury, or HUD. If the funds were used to invest in neighborhoods and people, he believed that money would come back to benefit the state.

Assemblyman Eisen asked what the possible options were for the 2015 Legislative Session.

Mr. Breslow replied that he understood there would be proposals brought forward by the industry, and he would make proposals to help clarify some of the situations. One would be to clarify whether an HOA foreclosure in Nevada would give the HOA the entire house and wipe out the first mortgage. The current interpretation of Nevada law was on its way to the Supreme Court in a combined group of cases. Hopefully, the Court would rule one way or another, and the Legislature would have the opportunity to clarify the law.

Mr. Breslow said he would also propose to change the structure of the Real Estate Division and the makeup of the Common Interest Community Committee. The Committee was rift with conflicts and lawsuits; members accused each other of everything all the time and constantly sent emails to him and legislators. In the

proposed 2015-2017 biennial budget, the Department would recommend that all HOA functions be moved into the Real Estate Division. The Division could hear cases using its own investigators and administrative law judges, and homeowners could receive answers on a timely basis rather than wait for the committee to meet every quarter.

In addition, Mr. Breslow continued, there was a legal question going through the courts that the 2015 Legislature may be asked to address relating to the cost of collections. He received hundreds of letters from people who owed between \$900 and \$1,700 in back dues according to the HOA, and while the homeowner disputed the charges, \$30,000 in additional costs were added by collection agencies and the attorneys for the collection agencies. It would not be easy for the Legislature to clarify the situation because of the enormous amount of money involved in the HOA business.

Chairwoman Smith asked for further questions and there were none. She thanked Mr. Breslow and Mr. Mirchandani for their testimony.

She called for public comment and there was none; no action was required by the Committee.

U. PUBLIC COMMENT.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, recalled that the Committee had taken action on Agenda Item R concerning the validation study for the statewide performance evaluation system for teachers and administrators. *Nevada Revised Statutes* (NRS) required that the Committee make a determination whether the school districts were prepared to implement the Nevada Educator Performance Framework System, and he wanted to confirm that the Committee voted to approve the recommendation by the State Superintendent of Education, which was to delay the implementation of the system by one year.

Chairwoman Smith said that was her understanding of the motion. She asked whether any Committee members understood the motion differently, and there were no responses.

Mr. Krmpotic announced that the next meeting would be held on August 27, 2014, location to be determined.

Chairwoman Smith called for public comment and there was none.

V. ADJOURNMENT.

There being no further business to come before the Committee, Chairwoman Smith thanked everyone for their work and participation and adjourned the meeting at 5:28 p.m.

Senator Debbie Smith, Chairwoman
Interim Finance Committee

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

**EXHIBITS
INTERIM FINANCE COMMITTEE
June 19, 2014**

Exhibit	Witness/Agency	Description
A	*****	Agenda
B	*****	Meeting Packet
C	Fred Voltz, Private Citizen Carson City	Verbatim Testimony – Mining Tax Revenues and New Revenue Sources
D	Mike Willden, Chief of Staff Office of the Governor	Report of the Governor's Behavioral Health and Wellness Council
E	Mike Willden, Chief of Staff Office of the Governor	Spreadsheet – National Tobacco Settlement Funds
F	Ken Wiles, Chairman Nevada Economic Forum	Report to IFC on June 3, 2014, Economic Forum Meeting
G	Ken Wiles, Chairman Nevada Economic Forum	State General Fund Revenues as of June 17, 2014
H	Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division Legislative Counsel Bureau	Statement of IFC Contingency Account Balance as of June 19, 2014