

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eighty-second Session
May 17, 2023**

The Senate Committee on Finance was called to order by Chair Marilyn Dondero Loop at 8:13 a.m. on Wednesday, May 17, 2023, in Room 1214 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator Nicole J. Cannizzaro, Vice Chair
Senator Dallas Harris
Senator Dina Neal
Senator Rochelle T. Nguyen
Senator Pete Goicoechea
Senator Robin L. Titus

COMMITTEE MEMBERS ABSENT:

Senator Heidi Seevers Gansert (Excused)

STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Cathy Crocket, Chief Principal Deputy Fiscal Analyst
Paul Breen, Committee Assistant
Michelle Friedlander, Committee Secretary
Helen Wood, Committee Secretary

OTHERS PRESENT:

Cisco Aguilar, Secretary of State
Mark Wlaschin, Deputy Secretary of State, Elections, Office of the Secretary of State
Amy Stephenson, Director, Office of Finance, Office of the Governor

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Paul Moradkhan, Vegas Chamber
Jack Robb, Director, Nevada Department of Administration
Stacey Montooth, Executive Director, Nevada Indian Commission
Tony Manfredi, Executive Director, Nevada Arts Council, Nevada Department of
Tourism and Cultural Affairs
Marcie Ryba, Executive Director, Nevada Department of Indigent Defense
Services
Vinson Guthreau, Executive Director, Nevada Association of Counties
M.E. Kawchack, Chief Deputy Director, Nevada Department of Tourism
and Cultural Affairs
Myron Freedman, Administrator, Division of Museums and History, Nevada
Department of Tourism and Cultural Affairs
Dora Martinez, Disability Peer Action Coalition
James Settelmeyer, Director, Nevada Department of Conservation and
Natural Resources
Ryan Shane, Deputy Administrator, Division of Forestry, Nevada Department of
Conservation and Natural Resources
Jessica Hoban, Chief Financial Officer, Office of the Attorney General
Carrie Embree, Governor's Consumer Health Advocate, Office for Consumer
Health Assistance, Aging and Disability Services Division, Nevada
Department of Health and Human Services

CHAIR DONDERO LOOP:
We will begin with the Secretary of State.

CISCO AGUILAR (Secretary of State):
Senate Bill (S.B.) 478 makes a supplemental appropriation of \$426,376 to cover the Agency's shortfall related to credit card processing fees. We are moving away from the Agency-paid model for processing credit card fees and hopefully will not need to request any supplemental funds to cover shortfalls related to this issue in the future.

SENATE BILL 478: Makes a supplemental appropriation to the Office of the Secretary of State for an unanticipated shortfall related to credit card processing fees. (BDR S-1101)

CHAIR DONDERO LOOP:
Hearing no public comment, we will close the hearing on S.B. 478.

MR. AGUILAR:

Senate Bill 483 addresses regularly scheduled equipment replacement needs in Divisions across the Secretary of State's Office.

SENATE BILL 483: Makes appropriations to the Office of the Secretary of State for the purchase and replacement of computer hardware and associated software and certain equipment. (BDR S-1118)

Section 1 of S.B. 483 makes an appropriation of \$309,675 for the replacement of equipment including desktop and laptop computers, heavy-duty printers, networking, firewalls, and videoconferencing equipment. It includes equipment identified as no longer covered by the manufacturer's warranty. State guidelines were followed in identifying the items specified.

Section 2 makes an appropriation of \$28,297 for the replacement of mail opening and insertion equipment. Legacy equipment is out of warranty and no longer supported by the manufacturer.

Section 3 makes an appropriation of \$15,960 to purchase standing desks for some of our staff for ergonomic reasons.

Section 4 makes an appropriation of \$11,720 to replace phone headsets and associated equipment. These are needed due to regular attrition for staff whose job duties require answering phones throughout the workday.

CHAIR DONDERO LOOP:

Hearing no public comment, we will close the hearing on S.B. 483.

MR. AGUILAR:

Senate Bill 484 makes appropriations to address five areas of election administration that are sorely in need of resources.

SENATE BILL 484: Makes appropriations to and authorizes the expenditure of money by the Office of the Secretary of State for the costs of certain audits, voter education materials and outreach, signature verification services and certain systems. (BDR S-1120)

Section 1 of the bill makes an appropriation of \$40,000 to implement and support the conduct of risk-limiting audits. The requested funds will pay for

licensing and services for software to conduct a risk-limiting audit after every election conducted in Nevada.

Section 2 makes an appropriation of \$877,414 for the cost of materials for voter education and outreach. These funds will facilitate an enduring voter education and outreach campaign to connect voters across the State through a variety of media. I firmly believe education and outreach are the antidotes to the poison spread by misinformation and disinformation campaigns.

Section 3 makes an appropriation of \$90,000 to facilitate a contract for the signature verification process. These services get used by Nevada voters when the signature on their ballot envelope does not appear to match what is on their voter registration. It is a critical part of ensuring their votes are counted.

Section 4 makes an appropriation of \$228,000 to facilitate ballot tracking. Voters want to be able to locate their ballot in the mail stream. This appropriation will enable them to track their ballot like they track their pizza.

Section 5 makes an appropriation of \$25 million from the General Fund and \$5.5 million from the Help America Vote Act (HAVA) grant for the implementation of A.B. No. 422 of the 81st Legislative Session and the transition to a Statewide top-down voter registration database and election management system (VREMS). Alongside Project Orion, this is a huge priority for my administration.

The VREMS tool will benefit the public, election officials and everyone else who has an interest in elections across the State. It will be a remarkable improvement upon the status quo and is something I am personally excited about. This funding will ensure we can have this system in place for the primary election of June 2024. We will be able to work out any concerns in advance of the general election next November.

All eyes will be on Nevada. We must be ready, and we will do everything we can to ensure our elections run as smoothly as possible.

SENATOR NEAL:

The VREMS was not discussed in the Joint Committees. Can you provide more information on the ballot tracking software and how it works? What happens if

there is an Internet challenge, the vote is lost or you cannot identify it? I do not remember this information in your budget presentation.

MARK WLASCHIN (Deputy Secretary of State, Elections, Office of the Secretary of State):

It was part of the joint request process. We have identified this for the last few years. It was in place during the 2022 election cycle. The software used previously was BallotTraxs.

The VREMS uses everything from the intelligent BallotTrax system provided by the U.S. Post Office. Ultimately, from the time a ballot is created by the vendor and mailed, there are certain wickets the ballot goes through, and the barcodes are scanned. The VREMS sends the voter a notification via text message, email or phone informing them their ballot has been created and shipped. It then reports when the ballot was mailed back to and received by the clerk's office.

The VREMS will enable the voter to see where their vote is and if it may be hung up somewhere. It will enable the voter to make a call to the clerk or the election official to ask for more specifics about what is going on. It also does not rely on the voter having an effective Internet connection. It is more of a push mechanism to provide reassurance to the voters.

SENATOR NEAL:

In section 5 of S.B. 484, the \$25 million for HAVA election reform is a one-shot. Will \$25 million take care of the voter registration database, or will there be a second ask?

We are hearing many one-shots outside of the budget. I do not understand why we listened to everyone's presentations for weeks, even at night, to find out large amounts are excluded from the actual budget but instead are being run as one-shots.

MR. WLASCHIN:

The \$25 million for HAVA was listed in the Executive Budget as a one-shot appropriation because it is a one-shot appropriation. This is an opportunity for us to build the infrastructure we need in the State and the 17 counties. We have worked with them to develop the vision for this system. It includes everything everybody wants in the counties to make their jobs easier.

County Clerks used to spend a portion of their time on elections, but elections have grown. They have other responsibilities, and we need to factor in efficiencies for them to be able to do what we need them to do.

SENATOR NEAL:

It is my understanding this has not been heard and was not in the budget. I do not know where the discrepancy is. There would have been a conversation about HAVA and all these other things because we spent hours in Committee. This is not an attack on the Secretary of State.

SENATOR GOICOECHEA:

I see \$90,000 for the contract for signature verification. That would only pay for one person. Signature authorization is an issue across the State and \$90,000 for a signature verification project will not be enough. Will you roll some of the \$25 million to backfill and support the HAVA program?

MR. WLASCHIN:

This appropriation is not for signature verification. That happens separately. When we receive mail ballots where the signature on the envelope does not match what is in the voter registration, we have to rely on phone numbers, email addresses, or letters to contact the voter requesting they confirm their signature. People may not read their mail or see the notice until after the deadline.

This \$90,000 appropriation is for an additional service where voters could use their cell phones to cure their ballot. Ballot curing is a two-step process that involves notification and correction. The voter will be able to see they need to cure their ballot by providing the necessary information to the Clerk or registrar so they can make sure their vote is counted.

SENATOR GOICOECHEA:

I still think you are short a couple of zeroes; \$90,000 is not enough. It should be around \$9 million. I hope you stay focused on that. I think we are all nervous about making sure signatures are verifiable.

AMY STEPHENSON (Director, Office of Finance, Office of the Governor):

The excess fiscal year (FY) 2022-2023 funds are why there are one-time expenditures. We want to spend those funds in FY 2022-2023.

SENATOR NEAL:

What is the excess in FY 2022-2023 you are spending?

Ms. STEPHENSON:

The excess is approximately \$1 billion.

SENATOR NEAL:

Are you confident spending \$1 billion in FY 2022-2023 that these requests will not repeat themselves in FY 2023-2024?

Ms. STEPHENSON:

Yes. The requests are one-shot in nature and therefore are one-time requests.

SENATOR NEAL:

Why would you not place these larger numbers in the actual budget? That way it would show up as expenditures being calculated over the biennium instead of having a series of one-shots that represent \$1 billion.

Ms. STEPHENSON:

There are two different pots of money. There is one pot for one-time expenses and one for ongoing expenses. Ongoing expenses are put into the budget. We have one-shot appropriations because the Account to Stabilize the Operation of State Government, known as the Rainy Day fund, has an excess balance at the end of the fiscal year we must use. Per statute, we cannot have an ending fund balance over 5 percent.

In FY 2022-2023, we ended up with more money than anticipated due to the economic recovery. We use the one-shots to get down to the allowable Rainy Day ending fund balance.

SENATOR NEAL:

We use the one-shots to bring down the ending fund balance for FY 2022-2023, then we do \$1 billion in one-shots. Is that not the same? It may look like a lower balance on the sheet, but you are still spending or requesting \$1 billion in one-shots.

It is also not considering anything the Legislators are putting forward in their request. There is \$1 billion in one-shots. Is that all of the excess for FY 2022-2023?

Ms. STEPHENSON:
Yes.

SENATOR NEAL:
Was any consideration given to the Legislators' appropriation requests? There are 63 of us.

Ms. STEPHENSON:
This is the Governor's recommended portion of the one-shots.

SENATOR NEAL:
If there is disagreement in terms of wanting to spend \$1 billion on one side versus having the Legislators' respective appropriations taken care of, can the Legislators recommend spending out of the \$1 billion?

Ms. STEPHENSON:
Yes.

SENATOR NEAL:
It seems like a significant amount of money, and the Legislators have not had a chance to get their ask on the table.

Ms. STEPHENSON:
I would gladly work with Fiscal staff and you offline to go through how this process works.

WAYNE THORLEY (Senate Fiscal Analyst):
This is about fund balance management by the Office of the Governor, Office of Finance (GFO) from excess revenue collections beyond what was budgeted in FY 2022-2023 and a large fund balance transfer from the end of FY 2021-2022 to FY 2022-2023. There is more unrestricted General Fund money available in FY 2022-2023 than previously anticipated. If that money is not spent in FY 2022-2023, it would roll over into FY 2023-2024 at the start of the 2023-2025 biennium, which is the Executive Budget.

However, in rolling that money forward, a certain amount over 7 percent would go to the Rainy Day Fund because of a statutory trigger that exists in State law. Recommending one-time expenditures in FY 2022-2023 will bring the fund

balance below that trigger level, preventing money from going into the Rainy Day Fund so more can be spent.

Although these are FY 2022-2023 one-shot appropriations the Committee has heard over the last several days, the expenditures would take place in the 2023-2025 biennium but recorded on the fund balance in FY 2022-2023 to bring that fund balance down.

SENATOR NEAL:

Is the trigger statutory or was it created?

MR. THORLEY:

Nevada Revised Statutes (NRS) 353.288 creates the Rainy Day Fund. There are two statutory triggers regarding transfers to the Rainy Day Fund. The first is 1 percent of the total anticipated revenue for each fiscal year as projected by the Economic Forum; the second is 40 percent of the unrestricted balance of the State's General Fund exceeding 7 percent of General Fund operating appropriations.

For example, if you have an ending fund balance that is 10 percent of operating appropriations, 40 percent of the 3 percent excess goes into the Rainy Day Fund. The trigger is automatic and in statute.

CHAIR DONDERO LOOP:

How will the \$25 million for the HAVA project be spent?

MR. AGUILAR:

The original project initiative was based on the Eighty-first Legislature mandate for a top-down voter registration system. With that in mind, and understanding the needs of the State to run secure and fair elections, we went deeper into ensuring we provide the best technology to the Secretary of State's office and the 17 Clerks across the State.

MR. WLASCHIN:

While we have provided some information regarding the details of the \$25 million and how we anticipate spending it, ultimately, there is a cost for the commercial off-the-shelf product. We need staff and services to modify it to meet our statute requirements. We need additional independent verification and

validations to ensure the contract is adhered to by the State and the vendor providing the service.

The timeline relates more specifically to the June primary. We have a presidential preference primary in February. As we work toward the implementation of this program, we must make sure the presidential preference primary takes place smoothly and efficiently.

I plan to work with Senate staff, providing clarity and keeping members informed as we gain clarity beyond what we already have access to.

CHAIR DONDERO LOOP:

I recognize your office has fixed timelines which might be more flexible in another office. Are you assured the timeline will be met?

MR. AGUILAR:

Yes.

SENATOR TITUS:

In section 2 of S.B. 484, you are going to spend approximately \$877,000 for voter outreach and education. Will that be in place before the presidential primary? February 6 is right around the corner. Will it be initiated sooner than later?

MR. AGUILAR:

Yes. The concern with the presidential primary is that it is also a political primary. We have many nonpartisan voters who will receive a blank ballot or show up at a ballot polling location and find they are not able to vote. Same-day voter registration could put potential stress on our poll workers and our system. We need people to understand if they plan to participate in the primary process, they need to register with a political party.

SENATOR TITUS:

I think that is critical. That very scenario may be just around the corner. I hope you can initiate the process soon.

You also talked about your ballot tracking. Throughout this last election cycle, I had many constituents say they could not find their ballot. It may have been the signature was not cured. I am curious about this process. Will there be

a barcode on these mail ballots and instructions for the voter to scan the barcode to be able to follow their vote?

MR. WLASCHIN:

The voter's involvement will be more passive. The barcodes will be scanned at different steps in the process at the post office facilities and County Clerks and Voter Registrar Offices. Then the notification will be sent to the voter.

The big step for voters will be signing up for the service. It will be integrated into the VREMS. The overall goal is for an increased ability for voters to understand where their ballot is in the process, so they have a greater level of confidence their ballot is moving and sent to the appropriate election officials in a timely manner.

SENATOR TITUS:

When you reach out to those voters before the presidential primary, will you discuss the process of the new mail ballots? Voter education is key. I am not surprised about the top-down because we spoke about it with the prior Secretary of State. This is something we need to do to clean up voter registrations. Thank you for being aggressive. There are concerns from those I represent in my district and Statewide. I will be looking forward to seeing how this process works.

MR. AGUILAR:

This system also allows our Election Clerks to plan appropriately by knowing the number of outstanding ballots in the mail system being processed and when the ballots will arrive at their location. In the future, it will help them plan for capacity to be able to count ballots efficiently.

SENATOR TITUS:

At the end of the election cycle and the general election, we were concerned that our Clerks had no idea how many ballots were outstanding. Will this process allow for better staff planning to get ballots counted, make them aware of the number of outstanding ballots and do both in a timelier manner?

MR. AGUILAR:

Yes. It increases our ability to understand where ballots are at a given moment in real time. This also helps with the ballot curing process, allowing the voter to

participate in the process instead of having someone show up at their door saying they need to cure their ballot.

We talked to Clerks throughout the State to gather information from a systems perspective about needs and wants. We also talked to voters to understand what the issues are and their ability to have data to make real decisions on voting processes. We need to make sure we remain accessible to every voter no matter where they live in the State.

I understand this is a big investment, but it is necessary to continue to build upon the infrastructure of our election system. Nevada runs some of the most secure and fair elections. This will continue to propel us as an example and a model for the rest of the Country. We will continue to build voter confidence to have voter turnout increase across the State.

CHAIR DONDERO LOOP:

Hearing no public comment, we will close the hearing on S.B. 484.

MR. AGUILAR:

Senate Bill 485 requests appropriations for the business registration and filing system. Our current system, SilverFlume, is frequently broken. This costs our State revenue, harms our public image and is a massive disservice to our business owners. To prevent Nevada from losing any more business, I am requesting this one-shot investment of funds to cover a broad range of improvements to both the front and backend of the commercial recording system. We have named this effort Project Orion, after Orion Clemens, Mark Twain's brother, the first and only Secretary of the Nevada Territory.

SENATE BILL 485: Makes appropriations to the Office of the Secretary of State for costs related to the Office's business registration and filing system, Internet website and information security. (BDR S-1121)

The bulk of Project Orion is in section 2 and makes an appropriation of \$15 million for the cost of enhancements and modifications to the Office's business registration and filing solution. This includes related costs for computer hardware, software and contract employees. The other sections relate to a request for necessary updates to our commercial recording system, infrastructure, website and more.

We have made sure these projects do not overlap and are putting guardrails in place to ensure the State's investment in this system is well spent. We have a small team of vendor resources dedicated to solving the problems within our system. Approximately 28 percent of Project Orion's funding will be allocated to the vendors to ramp up their development and quality assurance resources dedicated to Nevada.

Quality assurance will increase the pace of solving outstanding bugs and future implementations. Approximately 25 percent of this funding will be allocated to the Master Service Agreement contract employees that will help us manage the program portfolio of projects and assist with IT implementation where we are shorthanded.

We know we cannot afford to make mistakes or deliver a shoddy product to the public. An additional 10 percent will be allocated to vendors to ensure this portfolio stays on track, help with oversight and ensure we are building towards the future of business licensing in Nevada.

Approximately 20 percent will be invested in IT security, automated testing and disaster recovery features for the business portal. Approximately 17 percent will be allocated to features to improve the overall customer experience and provide features that will put Nevada back at the forefront of the business licensing technology.

SENATOR NEAL:

Will this \$15 million fix the common portal where you attach to the local jurisdictions?

MR. AGUILAR:

Assembly Bill 14 is the one-stop system we are proposing to work with local governments on, but that is a secondary step. First, we need to fix the system to be able to implement future changes. The current system is so broken that we cannot, even if we were to implement a new system, be able to move data to the new system. There are upgrades and necessary fixes on the current system to be able to function at a minimum level.

ASSEMBLY BILL 14: Creates the Business Licensing Working Group.
(BDR S-405)

SENATOR NEAL:

The \$15 million will only take care of one part. Will the local governments share in the cost of fixing the one-stop portal, the common piece?

MR. AGUILAR:

That is part of the conversation. We will work over the next two years to come up with a plan and vision to implement the one-stop portal if A.B. 14 is implemented.

SENATOR NEAL:

I do not have A.B. 14 in front of me. Is it a conversation that mandates local governments participate or offer cost sharing?

MR. AGUILAR:

That would be part of the conversation.

PAUL MORADKHAN (Vegas Chamber):

The Chamber is in support of S.B. 485. The SilverFlume system is less than ideal. It costs the State money and the business community money trying to integrate with it. We believe this investment is a sound fiscal policy that will provide cost savings, not just for the business community but for the State.

MR. AGUILAR:

If you look at the last five years of business filings and corporate filings, Nevada has lost about 30 percent of its market share to Wyoming, Idaho and South Dakota. With this investment, we will be able to get back some of that market share and deliver additional revenues to the General Fund to invest in our State.

CHAIR DONDERO LOOP:

We will close the hearing on S.B. 485.

JACK ROBB (Director, Nevada Department of Administration):

Senate Bill 456 makes appropriations to the GFO for the cost of leases, furniture and training of State employees. Section 1 makes an appropriation of \$50 million for State offices' leases and furniture. Section 2 makes an appropriation of \$5 million for State employees' training.

SENATE BILL 456: Makes appropriations to the Office of Finance in the Office of the Governor for the costs of leases and furniture for State offices and training for State employees. (BDR S-1113)

SENATOR TITUS:

I am looking at \$50 million to lease furniture. Is that a dramatic increase? Is it standard or something we have done in the past? Can you explain why we do not just purchase the furniture? It is money out the door either way.

MR. ROBB:

The \$50 million is a combined total. We are purchasing around 930,000 square feet of office space. With that, we have a tremendous furniture need. A good portion of the \$50 million will go toward purchasing furniture to be able to relocate people.

Another cost associated with the \$50 million is moving people into those locations from their current leased locations. We lease 2.1 million square feet of office space in Nevada. With the purchase, we are left with half of the required lease space.

We do not have enough space for current employees. Many agencies gave up leased space to help balance the budget during COVID-19. One agency has over 200 employees working from home because they do not have an office to return to. Those are some of the things we are trying to work through with this \$15 million.

SENATOR TITUS:

When you move these people, will you not move their furniture?

MR. ROBB:

Currently, we have 75 percent office space and 25 percent open cubicle area. The buildings we are purchasing are just the opposite. They are 25 percent office space and 75 percent cubicle. To make sure we maximize the value of those buildings, we will have them engineered and designed to accommodate the proper number of people. We do not currently own the type of furniture to do that.

SENATOR HARRIS:

Are you saying having all State employees return to their offices will cost us about \$50 million?

MR. ROBB:

No, that is incorrect. We are trying to get out of leased space. Agencies pay 98 cents per square foot monthly through internal leasing services. It costs 94 cents per square foot a month in the open market. In Las Vegas, monthly costs run \$2.06 to \$2.50 per square foot.

We have run all the numbers. There will be tremendous savings in purchasing these buildings versus leasing. It is a holistic approach to getting office space that is appropriate for State employees that meets the needs of the State and saves the State money. A very small portion of employees have returned to work.

SENATOR HARRIS:

I heard you say this will save us money versus building or leasing, but I do not hear a comparison between allowing people to continue to work from home where it makes sense versus leasing all this new space to make sure there is enough room for every State employee to work in an office. Is there an estimate of how much additional space we need and how much additional office furniture will cost us if every State employee is required to work onsite versus allowing them to telework?

MR. ROBB:

We do not anticipate leasing any additional new space. That is why we are trying to purchase space in both Carson City and Las Vegas. I am not anticipating leasing any new space. We have a tremendous opportunity with the campus we are looking at purchasing in southern Nevada to get accommodations for State employees to return and for the public to come to one location to conduct business with the State.

The cost of returning employees is minimal in the grand scheme of things. We will not lease any additional space to bring people back.

CHAIR DONDERO LOOP:

We had this discussion in the Joint Full Committees about these buildings. Is it a solid \$50 million for what we expect to spend? Could it be \$40 million or \$60 million? Is there a chance the amount will be altered in any way?

MR. ROBB:

We will make sure the \$50 million covers what we intend to do with the office space we will occupy at the McCarran Center in Las Vegas. If an agency needs a building for 400 people, we will not sit them in a building that fits 100 people. We are going to leave some room for growth. We will furnish the buildings to an 80 percent level and finish out the other 20 percent when the needs arise.

CHAIR DONDERO LOOP:

While \$50 million is a little bit of a shell shock, I believe we need to value and respect our employees and give them a clean, safe, productive place to work.

We will close the hearing on S.B. 456.

STACEY MONTTOOTH (Executive Director, Nevada Indian Commission):

Senate Bill 462 requests an appropriation of \$5,457 for regularly scheduled hardware and software updates for the Nevada Indian Commission's IT requirements.

SENATE BILL 462: Makes an appropriation to the Nevada Indian Commission for the replacement of computer hardware and associated software. (BDR S-1131)

CHAIR DONDERO LOOP:

Hearing no public comment, we will close the hearing on S.B. 462.

TONY MANFREDI (Executive Director, Nevada Arts Council, Nevada Department of Tourism and Cultural Affairs):

Senate Bill 463 appropriates \$26,170 for the replacement of computer hardware and associated software, to comply with the Enterprise Information Technology Services (EITS) replacement schedule.

SENATE BILL 463: Makes an appropriation to the Nevada Arts Council within the Department of Tourism and Cultural Affairs for the replacement of computer hardware and associated software. (BDR S-1133)

CHAIR DONDERO LOOP:

Hearing no public comment, we will close the hearing on S.B. 463.

MARCIE RYBA (Executive Director, Nevada Department of Indigent Defense Services):

Senate Bill 464 makes an appropriation to and authorizes the expenditure of money by the Office of the State Public Defender within the Nevada Department of Indigent Defense Services for the replacement of computer hardware and associated software, in compliance with the EITS replacement schedule.

SENATE BILL 464: Makes an appropriation to and authorizes the expenditure of money by the Office of State Public Defender within the Nevada Department of Indigent Defense Services for the replacement of computer hardware and associated software. (BDR S-1135)

CHAIR DONDERO LOOP:

Hearing no public comment, we will close the hearing on S.B. 464.

MS. RYBA:

Senate Bill 479 is a supplemental appropriation to the Department of Indigent Defense Services for \$2.5 million for an unanticipated shortfall to fund costs above the maximum contribution of counties for the provision of indigent defense services. This appropriation will supplement what was made in NRS 310.80 in the Statutes of Nevada 2021.

SENATE BILL 479: Makes a supplemental appropriation to the Department of Indigent Defense Services for an unanticipated shortfall to fund costs in excess of the maximum contribution amounts of counties for the provision of indigent defense services. (BDR S-1102)

VINSON GUTHREAU (Executive Director, Nevada Association of Counties):

We support S.B. 479. Every county in Nevada funds indigent defense services up to the maximum contribution. This is a reimbursement of those expended funds.

CHAIR DONDERO LOOP:

We will close the hearing on S.B. 479.

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Ms. RYBA:

Senate Bill 487 makes an appropriation to the Department of Indigent Defense Services for the replacement of computer hardware and associated software, in compliance with the EITS replacement schedule.

SENATE BILL 487: Makes an appropriation to the Department of Indigent Defense Services for the replacement of computer hardware and associated software. (BDR S-1134)

CHAIR DONDERO LOOP:

Hearing no public comment, we will close the hearing on S.B. 487.

M.E. KAWCHACK (Chief Deputy Director, Nevada Department of Tourism and Cultural Affairs):

Senate Bill 477 makes various changes relating to the Nevada Department of Tourism and Cultural Affairs. This Bill represents a much-needed restructuring of the Department to better serve the important work of each of the agencies. It also addresses the creation of a deputy of tourism position; the creation of an administrative and operations budget account; the elimination of ex officio members of the Nevada Commission on Tourism; and the integration of the *Nevada Magazine* into the Division of Tourism.

SENATE BILL 477: Makes various changes relating to the Department of Tourism and Cultural Affairs. (BDR 18-1066)

Elements of S.B. 477 rectify many inequities stemming from the Department's formation in 2011 when an action created funding support for the cultural agencies but underserved the overall administrative and operational needs.

SENATOR TITUS:

I had some concerns about the change to the *Nevada Magazine*. It is something my family has received for a long time. We save them; they are good resources. Adding it to *Nevada Magazine and Visitors Guide*, I have some concerns it will downgrade the value of the magazine itself. What is the philosophy about adding it to the *Nevada Magazine and Visitors Guide* as opposed to having a visitor guide that is more into advertising locations? The *Nevada Magazine* had some tremendous stories about Nevada.

Ms. KAWCHACK:

We continue to write long-form content for *Nevada Magazine*. It has been about a year and a half, and we have received quite a bit of positive feedback on the changes. We are also able to reach more people this way. It still is getting to all of the subscribers. Now, it is a free magazine. Long-form content is available on the website. We work with *Nevada Magazine* staff continually. This broadens their audience.

CHAIR DONDERO LOOP:

Hearing no public comment, we will close the hearing on S.B. 477.

MYRON FREEDMAN (Administrator, Division of Museums and History, Nevada Department of Tourism and Cultural Affairs):

Senate Bill 498 is for routine maintenance and upgrades to needed equipment. There are adjustments to the requested amounts in sections 5, 13, 16 and 17.

SENATE BILL 498: Makes appropriations to the Division of Museums and History of the Nevada Department of Tourism and Cultural Affairs for the replacement and purchase of computer hardware, software and related services, office furniture, equipment and vehicles and for deferred maintenance projects. (BDR S-1132)

Section 1 makes an appropriation of \$5,040 for computer replacement in compliance with the EITS schedule for the Division of Museums and History.

Section 2 makes an appropriation of \$6,164 to upgrade two software subscriptions for our accounting work needs.

Section 3 makes an appropriation of \$9,825 for the Lost City Museum's computer replacement according to the EITS schedule.

Section 4 makes an appropriation of \$19,400 for deferred maintenance on the workshop building, some signage replacement for the storage building and weatherproofing of the carport for the Lost City Museum. There is a structure called the Ramada Ocotillo in the interpretive garden that also needs to be repaired.

Section 5 is a request for an increase of \$29,671 for a vehicle replacement due to the Nevada Executive Budget System (NEBS) fleet vehicle cost no longer

being available. The \$29,671 is a quote confirmed with a State vendor. The total amount is \$57,485. It is to replace a vehicle at the Lost City Museum. The equipment is extremely old. The original amount in the Bill was quoted from NEBS, but they informed us it is no longer available.

Section 6 makes an appropriation of \$7,158 for computer replacement per the EITS schedule.

Section 7 makes an appropriation of \$5,074 for Nevada Historical Society office furniture. This is for Americans with Disabilities Act compliance for one of our employees who requires a special desk.

Section 8 makes an appropriation of \$54,190 for deferred maintenance for plumbing and ceiling repair for the Nevada Historical Society.

Section 9 makes an appropriation of \$11,139 for computer replacement per the EITS schedule at the Nevada State Museum, Carson City.

Section 10 makes an appropriation of \$5,250 to replace the building surge protection system for the entire Nevada State Museum building in Carson City.

Section 11 makes an appropriation of \$68,000 for the collection databases for the natural history database. This is for someone to work temporarily to assist with making plant collection accessible via computer searches for database searches at the Nevada State Museum, Carson City.

Section 12 makes an appropriation of \$6,354 to replace computer hardware and associated software at the Nevada State Museum, Las Vegas, per the EITS schedule.

Section 13 requires an increase of \$18,315 for a vehicle replacement due to NEBS fleet vehicle costs no longer being available at the Nevada State Museum, Las Vegas. The new total amount will be \$57,485.

Section 14 makes an appropriation of \$68,825 for deferred maintenance. This is for an upgrade to apply safety elements to the stairway, to replace the water heater and for exterior window washing at the Nevada State Museum, Las Vegas.

Section 15 makes an appropriation of \$24,651 for computer replacement within the Nevada State Railroad Museums budget account per the EITS schedule.

Section 16 requests an increase of \$156,072 for vehicle replacement costs due to NEBS fleet vehicle costs no longer being available. The amount to be added to the original \$156,072 is \$29,671, for a new total of \$185,743.

Section 17 will need an increase of \$252,626 for deferred maintenance to bring the total to \$684,747. The increase is related to the operational costs and the improvement needs as a result of having a rail bike vendor on the property at the Nevada State Railroad Museum, Boulder City.

The \$684,747 includes refurbishing the floor of the depot in Ely; upgrading the alarm and doing the annual inspection at all three railroad museums; walkway maintenance in Ely; installing retrograde sprinklers at the Nelson House; installing fencing around the museum for security at the Nevada State Railroad Museum, Carson City; and designing a security system in Carson City because they have no control over certain parts of the properties to ensure no one can come in and vandalize equipment out in the open; and installing a coiling overhead door at the Nevada State Museum, Carson City.

Maintenance is covered by the \$342,373. However, we would like to increase the amount in Section 17 by \$252,626 for a total of \$684,747 to cover operational costs and improvements for a rail bike service operating at the Nevada State Railroad Museum, Boulder City. This activity is very popular with the Boulder City community. It brings in thousands and thousands of visitors every month, positively impacting businesses. It is something Boulder City, the Chamber and the City of Henderson benefit from.

CHAIR DONDERO LOOP:

I want to make sure we have the increase noted for section 5 to \$57,485. We have an increase in section 13 to \$57,485. We have an increase in section 16 to \$185,743 and we have an increase in section 17 to \$684,747. Are there any additional increases for the record?

MR. FREEDMAN:

No, there are no additional increases.

DORA MARTINEZ (Disability Peer Action Coalition):

We are neutral. At the museum in Boulder City and the Lake Mead Railroad Tunnel Trail, people with disabilities who are using wheelchairs said they saw a blueprint with steps going into the museum. We want to integrate a universal design for everyone with different abilities to access the museums. We encourage Mr. Freedman to implement the plan and for museums to be accessible via a website so everyone, especially Kindergarten through Grade 12 students, can view the museums and see them like their sighted counterparts.

CHAIR DONDERO LOOP:

We will close the hearing on S.B. 498.

JAMES SETTELMAYER (Director, Nevada Department of Conservation and Natural Resources):

There is an amendment to S.B. 480 being discussed to change \$15 million to the actual cost of \$10.9 million for expenses and costs incurred in 2021 for firefighting activities.

SENATE BILL 480: Makes a supplemental appropriation to the Division of Forestry of the State Department of Conservation and Natural Resources for an unanticipated shortfall related to firefighting costs. (BDR S-1105)

SENATOR TITUS:

We have heard about the billing process in fighting fires and the delay in getting the bills many times. Recently, we gave you an increase in computer funding to improve some of the backlog for getting these bills out. What years and what fires is the \$10.9 million specifically for?

MR. SETTELMAYER:

Sometimes the fires date back to 2021. The process within firefighting occurs when you have a situation where the bills are supposed to come within 180 days. However, 25 percent of them come after 180 days. When dealing with the federal government, trying to get these bills paid in a reasonable amount of time can be problematic.

SENATOR TITUS:

The reality is the delayed billing. Some of these outstanding bills are years beyond that. A two-year factor is an improvement. We know this may be a big

fire year with all the green we have. Do we always run in arrears and have to pay the bills after the fire, or do you have money in the bank?

RYAN SHANE (Deputy Administrator, Division of Forestry, Nevada Department of Conservation and Natural Resources):

We fight fires with our existing budget. We are budgeted for a portion of the season on a five-year average. Five years can ebb and flow depending on the fuel conditions and the number of fires we have. We can usually get started on the year. However, in this situation, we are asking for money to pay for bills in hand. We do not want to start the year in the negative.

SENATOR GOICOECHEA:

This is something we have been historically dealing with. You come to the Interim Finance Committee for \$5 million, and we put \$10 million in your budget. Now we have another \$11 million request. We have to catch up at some point. What bothers me is, we are not figuring out what it costs us annually. At some point, we need to figure out how much it costs us each year and how much the federal agencies or our out-of-State partners owe us.

From my perspective, sitting on this Committee, we have not had a handle on the cost for the last 10 years, but we would like to get one.

CHAIR DONDERO LOOP:

Can you confirm the amount again, Mr. Shane?

MR. SHANE:

The amount we request today is \$10,942,830.

CHAIR DONDERO LOOP:

Will this catch us up?

MR. SHANE:

This will catch us up on the bills issued. The budgeted billing system we recently acquired helped us greatly. Everything in our shop is being processed in under two years. We are even partway through issuing our bills for FY 2022-2023.

There are circumstances where we are waiting on a federal grant award to be able to reconcile all the costs. Those grants can cover up to 75 percent of the

firefighting costs for an entire fire. That is millions of dollars. We will not issue those bills until we receive the grants. Those are the only ones outstanding, or incidents that are still open, like the Caldor Fire, where they are closed or cannot be billed.

The \$10.9 million will catch us up with the bills we have processed. Bills not yet processed are what Senator Goicoechea alluded to. There is a cadence of bills and revenue coming into our shop. We try to manage our account to offset the cost with the revenues received for reimbursements from the bills issued promptly.

Delayed bills from the federal side and our adjoining states are largely due to a lack of staffing and depth of experience. Turnover is nearly 100 percent, and it is a challenge for them to process the bills.

SENATOR GOICOECHEA:
It might get worse if we default.

CHAIR DONDERO LOOP:
When we have a year like we had with lots of snow, rain and flooding, do you have an anticipated amount? Can you say we will need a certain amount of dollars, or we had three extra fires, four extra whatever and now this is what we owe?

MR. SHANE:
The Agency, Legislative Counsel Bureau and GFO have decided to budget for wildfire suppression in Nevada using a five-year average. With that average, there is always a risk we will be under or over. In the past few years, we have been under. We have had few fires in these drought years because most of the land is low elevation, and the fuel growth was not there. In a year like this, high elevations are protected with a record snowpack. We anticipate fewer fires in that part of our State.

Low-elevation country in our State is growing quite a lot of fuel. The records for the past 40 years show we could burn up to a half-million acres, and that is the 20-year projected average. It is hard to nail down. We are talking about acts of nature, like lightning, and random acts of people accidentally or purposely setting fires. It is almost impossible to predict in terms of the value we anticipate.

SENATOR TITUS:

I understand your point when you mentioned the millions of acres that are potential hotspots, and I see it coming. But our State-owned lands are such a small portion of that. Most are U.S. Bureau of Land Management (BLM) lands as opposed to those within the city charter or privately owned lands. Most of these funds should be money we collect as opposed to paying. There is federal responsibility for these lands, especially BLM land.

I am curious as to how Nevada seems to always be in arrears when the federal government, which is allegedly controlling our land, should be the one putting this money in.

MR. SHANE:

This is a good observation. We struggle with this all the time. The Agency that "owns the billing process" owns the land where most of the fires are ignited. If ignition occurs on private or State land, then drifts and burns millions of acres of federal land, we can get stuck with all of the billing and associated costs upfront for fighting that fire.

SENATOR GOICOECHEA:

The initial attack falls to us within the first 24 hours. Typically, we would transition, no matter where the point of ignition occurs, in 48 hours. Then, in most cases, the incident commander will become a federal agency. That is where I see the problem occurring. It is probably something we need to investigate and work on a little more.

I realize we have the Wildland Fire Protection Programs where the counties are signing in, but we lose control after 48 hours. I do not know how we get there or how we shorten this up. Clearly, with the millions of dollars we spend annually, and being two to three years in arrears in the billing process, we must fix this.

CHAIR DONDERO LOOP:

We will close the hearing on S.B. 480.

JESSICA HOBAN (Chief Financial Officer, Office of the Attorney General):

Senate Bill 482 is for replacement ballistic vests for investigative positions in our office. The IT component is associated with a Windows 11 upgrade

scheduled for replacement of Windows 10 that will reach end of life in the 2023-2025 biennium.

SENATE BILL 482: Makes appropriations to and authorizes the expenditure of money by the Office of the Attorney General for the replacement of ballistic vests and for licenses to upgrade the computer operating system. (BDR S-1117)

The ballistic vests are requested for two separate budget accounts, the Attorney General's administrative budget account (B/A) 101-1030 and the Crime Prevention B/A 101-1036. The Windows 11 replacements are being funded in this bill to cover expenses in the Attorney General's administrative budget account and the budget for the Victims of Domestic Violence program B/A 101-1042.

AG - Administrative Budget Account – Budget Page ELECTED-111 (Volume I)
Budget Account 101-1030

AG - Crime Prevention – Budget Page ELECTED-130 (Volume I)
Budget Account 101-1036

AG - Victims of Domestic Violence – Budget Page ELECTED-152 (Volume I)
Budget Account 101-1042

SENATOR TITUS:

Section 3 of S.B. 482 covers the ballistic vests. Are investigators or attorneys wearing ballistic vests?

Ms. HOBAN:

In section 3, that budget account includes three investigator positions. The request is to replace one of the ballistic vests for the investigators.

SENATOR TITUS:

It seems like a small amount for that item.

CHAIR DONDERO LOOP:

I frankly felt the same way in section 4, with \$248. It has been so long since we have seen that amount. We will close the hearing on S.B. 482.

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CARRIE EMBREE (Governor's Consumer Health Advocate, Office for Consumer Health Assistance, Aging and Disability Services Division, Nevada Department of Health and Human Services):

Section 1 of S.B. 497 provides that if a qualified State employee serves as an arbitrator, the State agency that employs the arbitrator may retain the revenue paid by the out-of-network provider or third party, under S.B. 497, subsection 7.

SENATE BILL 497: Revises provisions relating to certain arbitrations concerning the cost of medically necessary emergency services. (BDR 40-1214)

The provisions in section 2 of S.B. 497 apply to money collected on or after July 1, 2022. Section 3 of S.B. 497 is effective upon passage and approval.

SENATOR TITUS:

If there are out-of-pocket expenses and a person gets billed for a trip to the emergency room and their insurance says, "No, we are not paying for that; you went to the wrong place," then we can now bill the patient. Then the service provider says, "Wait a minute; I did the service in good faith, and I want this money." After that, there is a negotiation where you get an arbitrator between the insurance company and the provider. At the end of the day, the losing party pays for the arbitrator.

Does S.B. 497 clarify the person who loses must pay the cost to the arbitrator and not the State?

Ms. EMBREE:
Yes.

SENATOR TITUS:
What is the fiscal note for the State of Nevada?

MR. THORLEY:
To my knowledge, there are no fiscal notes for S.B. 497.

SENATOR TITUS:
That is what I needed to hear because we are looking at it on the fiscal side as opposed to a policy decision.

CHAIR DONDERO LOOP:

Hearing no public comment, we will close [S.B. 497](#) and continue with three bill draft requests (BDR) that require Committee introductions.

MR. THORLEY:

[Budget Draft Request S-1156](#) is requested by the GFO. It contains one-time appropriations included in the [Executive Budget](#) submitted by the Governor for the Nevada Department of Education to replace computer equipment, hardware and associated software.

[BILL DRAFT REQUEST S-1156](#): Makes appropriations to the Department of Education for the replacement of computer hardware and associated software. (Later introduced as [Senate Bill 500](#).)

[Budget Draft Request 31-1190](#) was requested by the Committee during the closing of the Nevada State Treasurer's Office budget. It would increase the cap in the Endowment Account for administrative purposes from the current amount, not to exceed 3 percent, to 10 percent. Consistent with the closing actions of the Assembly Committee on Ways and Means and the Senate Committee on Finance, commonly referred to as the money committees, the BDR contains the statutory changes needed to carry out the closing actions related to the budget.

[BILL DRAFT REQUEST 31-1190](#): Revises provisions governing expenditures from the Endowment Account for the Nevada College Savings Program for the costs of programs for the financial education of Nevada residents. (Later introduced as [Senate Bill 499](#).)

[Budget Draft Request S-1209](#) is the Public Employees' Benefits Program rates bill. It contains the rates as closed by the money committees. This BDR is one of the six major money bills.

[BILL DRAFT REQUEST S-1209](#): Establishes for the 2023-2025 biennium the subsidies to be paid to the Public Employees' Benefits Program for insurance for certain active and retired public officers and employees. (Later introduced as [Senate Bill 501](#).)

SENATOR NGUYEN MOVED TO INTRODUCE BDR S-1156, BDR 31-1190 AND BDR S-1209.

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SENATOR TITUS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:
Hearing no public comment, this meeting is adjourned at 10:08 a.m.

RESPECTFULLY SUBMITTED:

Joko Cailles,
Committee Secretary

APPROVED BY:

Senator Marilyn Dondero Loop, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster