

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eighty-second Session
May 22, 2023**

The Senate Committee on Finance was called to order by Chair Marilyn Dondero Loop at 4:40 p.m. on Monday, May 22, 2023, in Room 2135 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 Heidi Seevers Gansert
Senator Robin L. Titus

STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Cathy Crocket, Chief Principal Deputy Fiscal Analyst
Stephanie Day, Principal Program Analyst
Adam Drost, Principal Program Analyst
John Kucera, Principal Program Analyst
Jaimarie Mangoba, Principal Program Analyst
Julie Waller, Principal Program Analyst
Kimbra Ellsworth, Senior Program Analyst
James Malone, Senior Program Analyst
Morgan Barlow, Program Analyst
Lilliana Camacho-Polkow, Program Analyst
Chris English, Program Analyst
Tiffany Greenameyer, Program Analyst

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Yuriy Ikovlev, Program Analyst
Nicolette Johnston, Program Analyst
Justin Luna, Program Analyst
Daniel Miller, Program Analyst
Nancy Morris, Program Analyst
Colby Nichols, Program Analyst
Madison Ryan, Program Analyst
Dee Chekowitz-Dykes, Committee Secretary
Brenda Erdoes, Director, Legislative Counsel Bureau
Michelle Friedlander, Committee Secretary

OTHERS PRESENT:

Chris Daly, Nevada State Education Association

CHAIR DONDERO LOOP:

The first bill draft request (BDR) we will hear is BDR S-1210.

BILL DRAFT REQUEST S-1210: Makes various changes regarding state financial administration and makes appropriations for the support of the civil government of the State. (Later introduced as [Assembly Bill 520](#).)

WAYNE THORLEY (Senate Fiscal Analyst):

This BDR is commonly known as the Appropriations Act. When officially introduced, it will be an Assembly bill. We are hearing it as a BDR. No action will be taken by the Committee.

JOHN KUCERA (Principal Program Analyst):

As page 1 of BDR S-1210 explains, the Appropriations Act implements budget decisions made by the Senate Committee on Finance and Assembly Committee on Ways and Means, also called the Money Committees, for both the General Fund and Highway Fund budgets, as well as back language to implement Money Committee decisions related to appropriated funding.

Sections 1 through 33 include General Fund appropriations for the operation of State government totaling \$3.5 billion in fiscal year (FY) 2023-2024 and \$3.6 billion in FY 2024-2025, for a combined \$7.0 billion over the 2023-2025 biennium. This is an increase of approximately \$1.0 billion when

compared to General Fund appropriations approved by the Eighty-first Legislature for the 2021-2023 biennium. Fiscal staff notes section 33 for the Peace Officer Standards and Training is new and a part of Governor-recommended funding source changes from court administrative assessment fees to General Fund appropriations.

Section 34 on page 18 of BDR S-1210 outlines the State Highway Fund appropriations totaling \$167.5 million in FY 2023-2024 and \$168.6 million in FY 2024-2025 for a combined \$336.1 million over the 2023-2025 biennium. This is approximately \$30.8 million more than the 2021-2023 biennium budget.

Budgets excluded from the Appropriations Act include six K-12 budgets included in the Education bill, General Fund authorizations for the Gaming Control Board (NGCB) and Nevada Gaming Commission (NGC), the State Highway Fund authorizations for the Nevada Department of Transportation (NDOT) in the Authorization Act, and both State Highway and General Fund salary adjustment funds appropriated to the State Board of Examiners (BOE) in BDR S-1212. Fiscal staff notes General Fund appropriations in the back language of this Act total \$14.9 million in FY 2022-2023, \$13.5 million in FY 2023-2024, and \$6.9 million contingent upon the outcome of related legislation.

BILL DRAFT REQUEST S-1212: Revises provisions relating to the compensation of state employees. (Later introduced as [Assembly Bill 522](#).)

Section 35 on page 19 of BDR S-1210 contains continuing language noting appropriations must be expended per the State Budget Act in *Nevada Revised Statutes* (NRS) 353.150 to NRS 353.246. This section also notes funds are appropriated to separate fiscal years and transfers between categories will be made per the State Budget Act with the approval of the Interim Finance Committee (IFC) upon recommendation of the Governor. This section excludes entities exempt from the State Budget Act, including the Legislative Fund, the Supreme Court, and the Tahoe Regional Planning Agency (TRPA).

Beginning on page 20 of BDR S-1210, sections 36 through 45 allow for the availability of appropriations between fiscal years. Section 36 lists 24 budgets permitted to transfer appropriations between fiscal years. Based on the Subcommittees' recommendation and action, Victims of Crime and

Public Option budgets were added to the section. All of the initial budgets were carried forward. This is permissible for agencies with program components that may or may not be out of their control or potentially unpredictable components.

Page 21 of BDR S-1210 includes sections 37 and 38. Section 37 contains carryover language for the transfer of appropriations related to deferred or extraordinary maintenance between fiscal years during the 2023-2025 biennium within the same budget. Section 38 contains carryover language allowing \$25,000 appropriated to the Office of the Governor, Office of Finance (GFO) Special Appropriation Budget is intended to support Civil Air Patrol over the 2023-2025 biennium.

Page 22 of BDR S-1210 includes sections 39, 40 and 41. Section 39 contains carryover language providing \$1 million in each year of the 2023-2025 biennium for expenditures related to broadband improvement for schools for the Office of Science, Innovation and Technology (OSIT). Section 40 contains carryover language appropriating \$8.5 million to OSIT to support graduate medical education in both fiscal years of the 2023-2025 biennium. Fiscal staff notes these funds were previously appropriated to the Special Appropriations Budget within the GFO but are now being directly appropriated to OSIT. Section 41 has new language that provides \$3.1 million each year of the 2023-2025 biennium to support Secretary of State credit card processing fees available for either year of the biennium.

Section 42 begins on page 23 of BDR S-1210 and contains revised language relating to the Nevada Supreme Court allowing the transfer of operating funds between fiscal years for certain Supreme Court budgets. It notes supplemental or contingency account requests shall not be made from the Judicial Department staff salaries budget and appropriates \$650,000 for each fiscal year, which is available in either year, to support the implementation of a new Statewide digital evidence management system approved by the Legislature. Section 42 also states the remaining portions of \$1.4 million not committed for expenditure to build a hybrid training facility at the Supreme Court Law Library in the Supreme Court Building in Carson City and of the \$365,431 appropriation to support Multi-County Integrated Justice Information System projects must be transferred to the Supreme Court budget and Administrative Office of the Courts, respectively, as soon as practicable after June 30, 2024.

Section 43 on page 25 of BDR S-1210 contains existing language that makes available \$179,680 in each year of the 2023-2025 biennium, for either year, to support the Administration Contract Services of the Nevada Department of Conservation and Natural Resources (DCNR) updates to the Conservation Credit System Manual and Nevada's Scientific Methods Document and Habitat Quantification Tool.

Section 44 on page 26 of BDR S-1210 is new language, providing \$840,284 in FY 2023-2024 and \$63,000 in FY 2024-2025 for the DCNR Division of State Lands budget to replace the Division's land management system and is available for either year of the biennium. Also on page 26 is section 45. It contains carry-forward language allowing \$2 million in each year of the 2023-2025 biennium to be available for either year to support Department of Motor Vehicles (DMV) credit card fees.

Sections 46 through 49 on pages 26 and 27 of BDR S-1210 include exceptions to standard reversion document requirements. Section 46 at the bottom of page 26 is carryover language requiring any remaining funds from the \$1 million appropriation made to support the Sagebrush Ecosystem Program in 2015 not to revert to the General Fund. Section 47 contains carryover language noting appropriations in the Knowledge Account and the Nevada Main Street Program within the Governor's Office of Economic Development must be carried forward and not revert to the General Fund. Section 48 is language carried forward stating appropriations to the Nevada System of Higher Education (NSHE) Trust Account for the Education of Dependent Children cannot revert to the General Fund. Section 49 contains language to allow funding to be carried forward for up to two years for the NSHE Special Projects budget before it must be reverted to the General Fund. This funding is used to match documented research projects.

Sections 50 through 62 allow for the transfer of appropriated funds between or among budgets. Beginning on page 27 of BDR S-1210, section 50 contains continuing language allowing the transfer of appropriations related to salaries between budgets within the same department or division. Section 51 notes carried forward language stipulating amounts appropriated to the Legislative Fund are available for either fiscal year of the 2023-2025 biennium and may be transferred among the legislative budgets. Section 52 is continuing language allowing the Division of Welfare and Supportive Services (DWSS) to

transfer funding appropriations among its budgets. Section 53 contains continuing language allowing transfers between the Medicaid and Nevada Check Up budgets within the Nevada Department of Health and Human Services (DHHS), Division of Healthcare Financing and Policy (DHCFP).

Pages 29 and 30 of BDR S-1210 include sections 54, 55, 56, 57 and 58. At the top, section 54 is continuing language allowing the transfer of General Fund appropriations among the three Division of Child and Family Services (DCFS) juvenile justice budgets within the DHHS. Section 55 is continuing language allowing transfers between the two DCFS mental health budgets, the Northern Nevada Child and Adolescent Services and the Southern Nevada Child and Adolescent Services. Section 56 contains new language allowing transfers among the DHHS Division of Public and Behavioral Health budgets. Section 57 begins at the bottom of page 29 and contains carryover language relating to budget account 101-3260, Upper Payment Limit (UPL) Holding Account. It allows the transfer of savings realized in the DHHS budget to fund the State share of the Inpatient Private UPL Supplemental Payment Program, and fund reversions to both the General Fund and the Fund for a Healthy Nevada. Section 58 is continuing language allowing transfers among the Regional Centers' budgets within the DHHS Aging and Disability Services Division (ADSD) budgets.

Sections 59, 60 and 61 are on page 31 of BDR S-1210. Section 59 is continuing language allowing the transfer from either the Medicaid or Nevada Check Up budgets to the Administration budget within the DHCFP to support administrative activities. Section 60 is continuing language allowing the transfer of funds among the NSHE budgets. Section 61 is continuing language that allows for the transfer of NSHE Performance Funding between the appropriate budgets and for funding to be balanced forward for one fiscal year to meet performance measures. If performance measures are not met in the subsequent fiscal year, funds may be used to support need-based scholarship programs. Section 62 on page 32 of BDR S-1210 is continuing language that allows for the transfer of funds among the Nevada Department of Correction (NDOC) budgets.

Beginning on page 32, sections 63 through 70 include restrictions or qualifications related to appropriated funding reflecting the will of the Money Committees. Section 63 contains new language relating to appropriated

funding for the Public Employees' Benefits Program (PEBP) and requires funds to be expended to support additional health savings accounts or health reimbursement arrangement contributions of between \$300 and \$500 depending on the participant type.

Section 64 on page 33 of BDR S-1210 is carryover language expressing the intent of the Legislature to continue the current service delivery model related to prescription drugs for the Medicaid and Nevada Check Up Programs over the 2023-2025 biennium. Also on page 33, section 65 contains carryover language specifying appropriations made to certain DHCFP and DWSS budgets are limited, and supplemental appropriations shall not be requested except under certain conditions including changes in federal reimbursement or program structure.

Section 66 on page 34 of BDR S-1210 is carryover language specifying appropriations made to Washoe County and Clark County child welfare budgets, except in support of the adoption subsidy program, are limited and those budgets shall not request supplemental appropriations.

Sections 67 and 68 contain new language establishing a minimum wage for direct care workers of personal care services agencies of no less than \$16 per hour of the \$25 per hour increased reimbursement rate received by Medicaid providers, as well as ADSD providers, effective when the rate increases are effective for ADSD on or after January 1, 2024, and effective upon notification of the Director of the Legislative Counsel Bureau (LCB) that Medicaid rate increases have received federal approval by the DHHS Director.

Sections 69 and 70 are on page 35 of BDR S-1210. Section 69 specifies the DHHS Director shall reimburse providers of applied behavior analysis services aligned with the approved Medicaid and Nevada Check Up budgets notwithstanding statutory provisions requiring rates to align with the median rates of comparable states. As discussed and approved by the Money Committees, this language allows the Department to pay rates greater than comparable states. Section 70 is carryover language requiring NSHE to comply with any request from the Governor to set aside funding.

Pages 35 through 38 of BDR S-1210 are sections 71 and 72 which relate to allowable General Fund advances. Section 71 is carryover language that allows

an advance from the General Fund to DCNR in the event of delayed receipts related to forest fire suppression. Section 72 contains carryover language with a revised advance amount of \$50,000 from the General Fund to the Nevada Office of the Military (OTM) in the event the Nevada National Guard is ordered into active duty.

Sections 73 through 78 on pages 38 through 41 of BDR S-1210 relate to restricted IFC Contingency Account allocations. Section 73 includes a \$50,000 IFC Contingency allocation in FY 2023-2024 for additional contractual support related to the Nevada Department of Agriculture. Section 74 includes a \$2.4 million allocation in FY 2024-2025 for ADSD community-based care for staffing and associated expenditures. Section 75 has a \$2.4 million allocation for ADSD Adult Protective Services staffing and associated expenditures. Section 76 allocates \$1.5 million in FY 2024-2025 to the ADSD long-term care ombudsman staffing and associated expenditures. Section 77 allocates \$638,472 in FY 2023-2024 and \$586,956 in FY 2024-2025 to support the DCFS Desert Willow Treatment Center staffing and associated expenditures. Section 78 includes a \$1.7 million allocation in FY 2024-2025 for the NDOC Tonopah Conservation Camp.

Sections 79 through 85 on pages 42 through 45 of BDR S-1210 relate to General Fund appropriations or extensions approved by the Eighty-first Legislature. Section 79 contains a carryover section including an appropriation of \$181,158 over the 2023-2025 biennium to support the Legislators' Retirement System. Section 80 appropriates \$14.9 million to support the cost of the Eighty-second Legislative Session. Section 81 is new language providing a \$2 million General Fund appropriation in each year of the 2023-2025 biennium to provide active and retired State employees with life insurance through PEBP. Section 82 is new language providing a \$6.9 million General Fund appropriation to support the continued replacement of the shared radio system to the Nevada Department of Transportation. This section is contingent upon Assembly Bill (A.B.) 477 not being enacted by the Eighty-second Legislature.

ASSEMBLY BILL 477: Makes appropriations to and authorizes the expenditure of money by the Department of Transportation for the replacement of the Nevada Shared Radio System. (BDR S-1168)

Beginning on page 43 of BDR S-1210, section 83 extends the reversion date to June 2025 for a \$2.2 million appropriation made to NDOC to support the Offender Management System approved in section 1 of A.B. No. 462 of the 81st Legislative Session. Similarly, section 84 extends the reversion date to June 2025 for a \$1.4 million appropriation made to NDOC to support the reintegration of the Offender Sentence Management System into the Nevada Offender Tracking Information System as approved in section 2 of A.B. No. 462 of the 81st Session. Section 85 extends the reversion date of a \$1.1 million appropriation made to the Office of the Governor, Office of Federal Assistance for personnel and operating costs, and the cost to upgrade the Grant Management System approved in section 29.63 of A.B. No. 445 of the 81st Session.

Sections 86 through 93 on pages 45 through 49 of BDR S-1210 are continuing sections usually included in the Appropriations Act. Aside from noted exceptions, section 86 specifies standard reversion dates for unspent General Fund appropriations. Section 87 requires the Nevada State Controller to process claims and specifies the last day to process claims in each fiscal year of the 2023-2025 biennium. Section 88 directs the Nevada State Controller also establish funding as directed in this 2023 Appropriations Act. Section 90 specifies permissible actions if the General Fund balance is reduced below \$150 million during the Interim. Section 91 is carryover language related to payments made to the federal government under the Federal Cash Management and Improvement Act of 1990. Section 92 addresses changes to the names of State officers or agencies. Section 93 includes all of the effective dates for the preceding sections.

SENATOR NEAL:

Libraries are still asking for money. How does that work within the context of this BDR?

MR. THORLEY:

This BDR represents the actions of each of the Subcommittees along with the Joint Money Committees when closing various budgets for the State. If a member would like to provide additional funding to State agencies, that could be accomplished through a separate bill. This bill is usually only for those actions taken by the Money Committees.

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SENATOR TITUS:

What is the total amount of monies?

MR. KUCERA:

The initial sections of the General Appropriations Act list \$3.5 billion in FY 2023-2024 and \$3.6 billion in FY 2024-2025 for a total of \$7.0 billion over the 2023-2025 biennium. This excludes the additional appropriations and back language totaling \$14.9 million in FY 2023-2024, \$13.5 million in FY 2024-2025 and \$6.9 million contingent upon related legislation.

SENATOR TITUS:

Did you give us the total for items up to page 19, and was everything after that a separate total?

MR. KUCERA:

That is correct.

MR. THORLEY:

For the record, the appropriations supporting K-12 schools are in a different BDR and therefore excluded, making the amounts quoted sound low.

MR. KUCERA:

Those amounts also excluded Highway Fund appropriations. For reference, those totals are \$167.5 million in FY 2023-2024 and \$168.6 million in FY 2024-2025.

CHAIR DONDERO LOOP:

Could you restate the total?

MR. KUCERA:

It is \$7.0 billion in General Fund appropriations over the 2023-2025 biennium.

SENATOR GOICOECHEA:

I am concerned about the Sagebrush Habitat Improvement Project. How much of the \$1 million appropriation from 2015 is left?

MR. KUCERA:

At the close of FY 2021-2022, the General Fund balance for the Sagebrush Ecosystem Program was \$646,800.

SENATOR SEEVERS GANSERT:

You noted the changes to the back language. Are any of the changes significant? Sometimes, changes are related to the amount of money, other times the changes involve not reverting something previously reverted.

MR. KUCERA:

The sections noted as carryover tend to be standard language. An example of something with a minor fiscal change would be the contribution to the Legislators' Retirement System. New sections, or those not containing continuing language, that might be of interest to the Committee include sections 67 and 68. These relate to a minimum wage established for direct care workers of personal care services and were approved by the Subcommittees. Section 69 is also new and does not contain any carryover language related to applied behavior analysis rates, indicating to the DHHS Director to pay rates as established by the Money Committees that conflict with the current statute.

SENATOR SEEVERS GANSERT:

Within section 15 on page 6 of BDR S-1210, regarding the Nevada Department of Education (NDE), there is approximately \$1 million allocated each year for the 2023-2025 biennium for Literacy Programs. Is this all the funding for the programs, or is this strictly for program management? With the Pupil-Centered Funding Plan (PCFP), we no longer have separate funds for literacy programs. Is this a piece of it or for the administration of literacy programs?

MR. THORLEY:

The appropriations in section 15 related to NDE are for operating budgets.

SENATOR SEEVERS GANSERT:

Does section 10, the Legislative Fund, include all employees approved in the closing for southern Nevada expansion?

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MR. THORLEY:

Yes, that is correct. The appropriations listed under section 10 on page 4 of BDR S-1210 include the additional positions for the LCB Las Vegas office as approved by the Money Committees when the LCB budgets were closed.

SENATOR SEEVERS GANSERT:

Regarding section 11 for the Supreme Court of Nevada, is there back language stating these funds are now a separate pool of funds they can control, and anything left over reverts to the General Fund?

MR. THORLEY:

There is back language in a couple of places Mr. Kucera mentioned, referencing decisions made by the Money Committees related to the closing of the Supreme Court's budgets and authorizing funds for Judicial Branch salaries.

Senate Bill (S.B.) 58, heard May 20, 2023, in the Senate Committee on Finance included a proposed amendment for statute creation with language similar to a statute for the Office of the Governor. It stipulates funds appropriated for the Judicial Branch salaries can be allocated by the Judicial Branch within the limits of the legislatively authorized appropriation and effectuated through the passage of both the Appropriations Act and S.B. 58.

SENATE BILL 58: Revises provisions related to the Judicial Department of the State Government. (BDR 1-436)

SENATOR SEEVERS GANSERT:

Section 42 is also about the Supreme Court.

MR. KUCERA:

Section 35, subsection 3 specifically notes the Supreme Court of Nevada is exempt from several of these provisions, and section 42 allows for additional flexibility for select Supreme Court budgets.

SENATOR NGUYEN:

Can you confirm the total sum for the one-shot appropriations?

MR. KUCERA:

I do not have the total of the one-time General Fund appropriations but can gather the information for you.

MR. THORLEY:

The Governor recommended \$1.1 billion in the 2023-2025 Executive Budget for one-shot appropriations in FY 2022-2023, \$394 million in FY 2023-2024 and \$93.5 million in FY 2024-2025. All one-shot appropriations are included in separate bills and excluded from BDR S-1210.

SENATOR GOICOECHEA:

Does section 71 allow the director of DCNR to request a loan against any billed balance for fire suppression? I am concerned about the repayment due date by the last business day in August of that fiscal year. Historically, that has not happened. The receipts coming are inadequate to cover the funds, resulting in a deficit. Is there a penalty? If so, what is it?

MR. THORLEY:

The specific existing language allows the DCNR Division of Forestry (NDF) to receive a General Fund advance to cover costs related to wildfire suppression. Although they have not used this authority in quite some time, it has historically been included to provide access to monies in case of a large wildland fire incident or some other type of incident requiring extraordinary expenditures beyond the budget.

SENATOR GOICOECHEA:

We include the language but typically do not use it because it will probably not work if it has to be billed and recovered in the same fiscal year, and we are three years in arrears with most of the federal bills.

CHAIR DONDERO LOOP:

We are not acting on any of the BDRs tonight. We will close this hearing on BDR S-1210 and move on to BDR S-1211.

BILL DRAFT REQUEST S-1211: Authorizes and provides funding for certain projects of capital improvement. (Later introduced as A.B. 521.)

JULIE WALLER (Principal Program Analyst):

I will summarize the legislation in BDR S-1211 to implement the 2023 Capital Improvement Program (CIP) closed on May 10, 2023, by the Money Committees. Projects with multiple funding sources will be listed in each applicable section. This BDR requires a two-thirds vote because it includes the Property Tax.

Beginning on page 1 of BDR S-1211, section 1 appropriates \$422.2 million in General Fund appropriations to support 66 projects in the 2023 CIP for various agencies identified under this section. On page 2, Project No. 23-C36 totaling \$74.5 million is to improve buildings purchased in Las Vegas. Project No. 23-C37 is for building purchase and improvements in Carson City, totaling \$22.3 million. Other notable projects in section 1 include the maintenance project for NDOC at the Southern Desert Correctional Center, Project No. 23-M04, for \$21.4 million and DHHS deferred maintenance, Project No. 23-M02, for \$37.8 million.

Page 6 of BDR S-1211 identifies three projects for NSHE including two for deferred maintenance and one for a chilled water central plant renovation at the Desert Research Institute. This page also contains Project No. 23-P01 for the Nevada Department of Public Safety (DPS) totaling \$11.8 million for its planning project. Page 7 includes Project No. 23-P04, the advanced planning for the North Las Vegas State Veterans Home, in the amount of \$15.5 million.

Section 2 at the bottom of page 7 of BDR S-1211 limits the authority for expenditure through June 30, 2027, and establishes any remaining funds for the projects identified in section 1 must revert to the General Fund. Most CIP projects have a four-year window in which funds are appropriated and/or authorized. This section accommodates the allotted time frame. Similar reversion language is included in sections 4, 7 and 9 to address the reversion of various sources of funds to support the 2023 CIP.

Sections 3 through 5 are on pages 8 and 9 of BDR S-1211. Section 3 appropriates \$11.5 million in Highway Funds to support four DMV projects, one DPS project and one Statewide paving project in the 2023 CIP. Section 4 contains the reversion language for the Highway Fund appropriations. Section 5 restricts the transfer of funds from the Highway Fund for projects identified in section 3 until contract payments are required.

Beginning at the bottom of page 9 of BDR S-1211, section 6 authorizes \$533.7 million in new general obligation (GO) bonds for projects identified within this section on pages 10 through 12. It also reallocates \$5 million in bonds previously issued under CIP legislation for 2019 CIP projects authorized in the Eightieth Session for projects identified in this section. This will allow for bond proceeds already issued to be spent before the proceeds of any new bonds issued under this section.

Notable projects include \$158.5 million for Project No. 23-C30, the construction of the administration building on the Kinkead Building site in Carson City; \$213.9 million for Project No. 23-C35, the purchase of 18 buildings for State offices in Las Vegas; \$17 million for Project No. 23-C33, the Southern Nevada Small Arms Range; and \$35.8 million for Project No. 23-C06, the Southern Nevada State Veterans Home remodel and addition. Section 7 contains reversion language for unexpended bond proceeds.

Section 8 at the bottom of page 12 of BDR S-1211 authorizes \$111.3 million in GO bonds for five DMV projects, including CIP Project No. 23-C02 to construct the DMV Silverado Ranch Facility in Las Vegas. This section also establishes the required annual debt service payment on bonds for these projects from the Highway Fund.

Section 10 beginning on page 15 of BDR S-1211 specifies that the State Board of Finance (BOF) will issue GO bonds for the 2023 CIP when deemed appropriate. Subsection 2 allows the Nevada State Controller to advance General Fund monies if bonds have not yet been sold to finance the projects approved in the 2023 CIP. Subsection 3 at the bottom of page 15 allows the State Controller to advance Highway Fund money if bonds have not yet been sold to finance projects approved for the 2023 CIP.

If monies are advanced from the General Fund or Highway Fund, the amounts must be immediately repaid to the General Fund or the Highway Fund upon the issuance of the bonds. Subsection 4 on page 16 requires written notification from the GFO Director to the State Controller, the Nevada State Treasurer, and the Senate and Assembly Fiscal analysts if/when a General Fund appropriation and/or Highway Fund advance is approved and a reconciliation to the Senate and Assembly Fiscal analysts when the General Fund and/or Highway Fund is reimbursed.

Section 11 at the bottom of page 16 of BDR S-1211 authorizes \$102.4 million from funding sources other than the General Fund or the State Highway Fund for projects identified in this section. This includes authority for federal funds, agency funds from bonds issued and proceeds from the bonds issued under the Conservation Bond Program for the support of 2 CIP projects. There are seven projects funded with federal funds, four projects funded with agency funds and two projects funded with the proceeds from the Conservation Bond Program.

The two projects funded with the conservation bond funds are listed at the top of page 18 of BDR S-1211. They are the Nevada State Railroad Museum, Boulder City, and the remodel of the Freight Barn at East Ely Railroad Museum for a total of \$27 million. The Southern Nevada State Veterans Home remodel and addition is funded with federal funds totaling \$63.9 million. Subsection 2 requires the Nevada Department of Administration State Public Works Division to not execute a contract for the construction of a project approved in the 2023 CIP that includes authorized nonstate receipts until the Division has determined the nonstate funding authorized has been awarded or is available for expenditure.

On page 18 of BDR S-1211, section 12 requires the Department of Veterans Services to immediately deposit any grant money received from the U.S. Department of Veterans Services for Project No. 23-P04, the Advance Planning, North Las Vegas State Veterans Home, in the State General Fund. Section 13 requires the State Public Works Division use only qualified personnel to execute the 2023 CIP.

On page 19 of BDR S-1211, section 14 requires State and local government entities to cooperate with the State Public Works Division in carrying out the provisions of the CIP. Section 15, subsection 1 approves \$3 million in bonds for the cultural centers and historic preservation grant programs and subsection 2 clarifies the term "proceeds" to mean amounts received from the sale of bonds as well as any accrued interest. Section 16 approves \$13 million in bonds for the Lake Tahoe Basin environmental improvement projects with authorized uses of the proceeds provided in Assembly Bill 424 of this Session.

ASSEMBLY BILL 424: Revises provisions relating to the issuance of bonds for environmental improvement projects in the Lake Tahoe Basin. (BDR S-388)

Section 17 approves \$43.3 million in bonds for conservation programs authorized under A.B. No. 84 of the 80th Session, including \$27 million to support two CIP Projects for the Division of Museums.

Section 18 on page 20 of BDR S-1211 explains the bonds issued under sections 16 and 17 are exempt from the constitutional debt limit.

Section 19, beginning at the bottom of page 20 of BDR S-1211, is the portion that requires a two-thirds vote for the ad valorem tax. This is for the GO debt service and the Question 1 (Q1) Bond Program, also known as the Conservation Bond Program, established through A.B. No. 84 of the 80th Session. For the State's GO debt, \$16.18 for every \$100 of assessed valuation will be used to support the bonds sold for the Q1 Bond Program existing GO debt of the State for prior bond issuances and the bonds sold for the 2023 CIP. For the Q1 Bond Program and the Conservation Bond Program established through A.B. No. 84 from the 80th Session, \$.0082 for every \$100 of assessed valuation will be used to support the bonds. The overall rate of \$.17 per \$100 of assessed valuation remains the same as approved for the current biennium.

Section 20 on page 22 of BDR S-1211 requires the State Treasurer to estimate sufficient funding and determine whether the amount exists in the Consolidated Bond Interest and Redemption Fund to pay the principal and interest on past CIP issuances as well as current issuances. If there is not enough money in the Consolidated Bond Interest and Redemption Fund, the State Treasurer can request the Controller reserve money in the General Fund to pay those debts.

Beginning at the top of page 23, section 21 of BDR S-1211 authorizes the BOF to pay the expenses related to the issuance of GO bonds. Section 22 authorizes money to pay for bonds in the Consolidated Bond Interest and Redemption Fund. This amounts to \$174.5 million in each year of the 2023-2025 biennium. Section 23 authorizes the State Public Works Division

and NSHE, with the approval of the IFC, to transfer money from one project within the same agency to another.

Section 24 on page 24 of BDR S-1211 approves \$3 million from the Special Capital Construction Fund for allocation to NSHE Deferred Maintenance CIP Project No. 23-M01 and requires any remaining funding balance on June 30, 2027, to revert to the Special Capital Construction Fund for Higher Education on or before September 17, 2027.

From the bottom of page 24 of BDR S-1211, sections 25 through 27 revise the reversion language from prior CIPs to extend the reversion dates and extend project authority for two years for the projects listed in these sections. Section 26 also allows the reallocation of bonds issued under prior authorization from approval by past Legislatures for use for projects identified in section 6 for a total of \$5 million.

Page 28, section 28 of BDR S-1211 authorizes \$114.2 million in General Fund appropriations to the Legislative Fund for LCB capital improvement projects. Section 29 authorizes \$100 million in GO bonds for LCB CIP projects and stipulates any remaining balance of the allocated amounts must revert to the Bond Interest and Redemption Fund on or before September 17, 2027. This provides a four-year construction period.

On page 29, section 30 of BDR S-1211 specifies the BOF will issue GO bonds for the LCB capital improvement projects when deemed appropriate. Subsection 2 allows the State Controller to advance General Fund monies if bonds have not been sold to finance the projects for LCB. Subsection 3 requires written notification from the LCB Director to the State Controller, the State Treasurer, and the Senate and Assembly Fiscal analysts if a General Fund advance is approved, and a reconciliation to the Legislative Commission when the General Fund and/or Highway Fund is reimbursed.

Beginning at the top of page 30, sections 31 and 32 of BDR S-1211 clarify the supervision and control of certain property related to the Capitol Mall area and Legislative Parking Garage in Carson City, as well as property to be acquired in Las Vegas.

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Section 33 on page 34 of BDR S-1211 provides the effective date is upon passage and approval of this legislation.

SENATOR NGUYEN:
What is the total number for the CIP?

Ms. WALLER:
The CIP projects for the Executive Branch are in sections 1 through 27 and total \$1.2 billion. The total amount for the legislative projects in sections 28 and 29 is \$214.2 million.

SENATOR NGUYEN:
Does the \$213,892,000 on page 11 for the Purchase of Buildings for State Offices, Las Vegas, fall within the Executive Branch CIP projects?

Ms. WALLER:
Yes, that is correct. This is the total for the 18 buildings to be purchased in Las Vegas through the GO bonds issued in section 6. Section 32 stipulates as soon as practicable the parcel numbers would be quitclaimed from the State Lands Registrar to the Legislative Branch for those parcel numbers to be purchased for the Legislative Branch.

SENATOR NGUYEN:
Is it for all 18 properties?

Ms. WALLER:
Yes, it is.

SENATOR SEEVERS GANSERT:
The \$213.9 million will purchase the 18 buildings in Clark County. Is the additional \$75 million to \$77 million for tenant improvements included in another bill?

Ms. WALLER:
The \$74 million is Project No. 23-C36 on page 2 of BDR S-1211.

SENATOR SEEVERS GANSERT:

We are looking at close to \$214 million to buy the buildings, then another \$74 million to improve them, which is about \$290 million total. Historically, we have State buildings. However, the wording in section 32 makes it sound like we will take a subdivision of buildings, including two parking garages plus the parking garage in Carson City, and they will be turned over to the Legislature via quitclaim deed rather than be held by the State. Is that correct?

BRENDA ERDOES (Director, Legislative Counsel Bureau):

The Legislative Building, like several other buildings used by the Legislature, is owned by the Legislature. The parking garage was an anomaly inasmuch as the Legislature owns half and the Supreme Court owns the other half. That is because when the Supreme Court building was built, the parking garage was built at the same time. However, I cannot explain the half-and-half ownership.

As I recall, the language about the parking garage's north side dates back to 2003. When Governor Kenny Guinn gave us the State Printing Office (SPO), he gave us the entire parcel of land it resides on. Before we built the warehouse, SPO was the only building on the land. We decided to reallocate the funds the divisions used to rent storage space to pay for a building that also contains offices, which is a bonus. Across Stewart Street, the Sedway Office Building was purchased as a bank. We originally had the first two floors, then got the third floor.

SENATOR SEEVERS GANSERT:

The language in section 31 talks about the Legislature reserves, supervision and control, during and between Legislative Sessions and a variety of things. The next section calls out parcels for the quitclaim deed. I am trying to distinguish between the two, ownership versus State buildings. Can you provide us with some more detail?

MS. ERDOES:

Section 31 refers to NRS 331.135 which is an old section interestingly written. We refer to what is listed on the Division of State Lands website. There, it shows the Legislature owns this building and the lands listed in the BDR.

SENATOR NGUYEN:

Is it correct to say we own half of the parking garage, and the Supreme Court owns the other half? We want to fix it, but they do not want to maintain it. Therefore, they are transferring their portion over to us so we can manage the contracts for the necessary changes and maintenance.

MS. ERDOES:

It is much more friendly than that. Yes, they want us to take care of it. However, there was never a concern about who owned what.

SENATOR NGUYEN:

I did not mean to be harsh. But it seems like we are in a position to take care of it. That is why we need to make this arrangement, so we can take care of it.

MS. ERDOES:

We started taking care of half of it, but that does not work. Regardless, there are requirements we must uphold. For example, assigned parking spaces are only permitted in the basement. Other than handicapped parking and spaces for emergency vehicles, we do not assign parking. This is to provide spaces for the Supreme Court staff and the general public. It is a friendly arrangement.

CHAIR DONDERO LOOP:

When we allocate the \$213 million for the 18 buildings, will the Legislature own all of them or hold a portion of them while the Office of the Governor holds a portion?

MS. ERDOES:

Jack Robb, director of the Nevada Department of Administration, found this opportunity and offered us some buildings because he knew we had to move out of the Grant Sawyer State Office Building. His office will purchase the whole lot with funds appropriated by the State. Then, as the BDR states, the Department will quitclaim those parcels for the buildings and two parking lots.

CHAIR DONDERO LOOP:

We will close the hearing on BDR S-1211 and open the hearing on BDR S-1212.

JAMES MALONE (Senior Program Analyst):

Commonly known as the 2023 Pay Bill, BDR S-1212 revises provisions relating to the compensation of State employees. Beginning on page 1, section 1 sets forth the maximum annual salary amounts for employees in the unclassified service of the State. These amounts include the 1 percent salary increase approved for FY 2022-2023 but do not include any possible salary increases approved for the 2023-2025 biennium. The unclassified positions are listed by agency except for certain personnel in subsection 42 which are unclassified positions available to multiple agencies.

Section 2 begins on page 34 of BDR S-1212 and provides the standard language carried over from the 2021 Pay Bill, A.B. No. 493 of the 81st Session.

Subsections 1 and 2 allow the Department of Administration, Division of Human Resource Management (DHRM) to review the duties and responsibilities of a position that may have been omitted from the bill to establish the salary for that position and allow, with the approval of the IFC, for corrections of any errors determined by the Fiscal Analysis Division. Subsections 3 through 6 include standard provisions regarding persons filling or vacating unclassified positions and allow a position to maintain its salary if its current salary is higher than the salary provided in section 1.

Sections 3 through 12 provide salary increases for certain personnel and begin at the bottom of page 35 of BDR S-1212. Section 3 states the unclassified positions in section 1 will receive a 12 percent salary increase in FY 2023-2024 and a 4 percent salary increase in FY 2024-2025. Section 4 also appropriates General Funds of \$7.8 million in FY 2023-2024 and \$10.9 million in FY 2024-2025 as well as State Highway Fund appropriations in the amount of \$385,236 in FY 2023-2024 and \$532,870 in FY 2024-2025 for this purpose.

Sections 5 and 6, on pages 37 through 40 of BDR S-1212, outline various salary increases for the classified and nonclassified positions in the Executive Branch and the Commission on Judicial Discipline and provide a General Fund appropriation of \$74.4 million in FY 2023-2024 and \$104.7 million in FY 2024-2025 as well as Highway Fund appropriations totaling \$14 million in FY 2023-2024 and \$19.7 million in FY 2024-2025. A summary of the salary increases for the various groups within the two sections follows.

Subsection 2 of sections 5 and 6 is for personnel whose classification has been determined not to be within a bargaining unit, an increase in salary of 12 percent in FY 2023-2024 and 4 percent in FY 2024-2025. Subsection 3 of sections 5 and 6 refers to personnel whose classification has been determined to be within Bargaining Units A, labor maintenance, custodial and institutional employees; E, professional employees who provide health care; and F, employees, other professional employees that provide health care. Bargaining Unit G, category I peace officers, and Unit I, category III peace officers, will receive a salary increase of 13 percent in FY 2023-2024 and 4 percent in FY 2024-2025.

Subsection 4 of sections 5 and 6 is for personnel whose classification has been determined to be within Bargaining Units B, administrative and clerical employees; C, technical aids to professional employees; D, professional employees who do not provide health care; and J, supervisory employees from all occupational groups, an increase in salary of 12 percent in FY 2023-2024 and 4 percent in FY 2024-2025.

Subsection 5 of sections 5 and 6, is for personnel whose classification has been determined to be within Bargaining Units H, category II peace officers, and K, firefighters, an increase in salary of 10 percent in FY 2023-2024 and 4 percent in FY 2024-2025.

Subsection 6 of sections 5 and 6 provides a mechanism for any remaining balance of the appropriated funds to carry forward from FY 2023-2024 to FY 2024-2025 without the IFC approval and the ability for the appropriated funds to be transferred from FY 2024-2025 to FY 2023-2024 with IFC approval.

Section 7 begins on page 40 of [BDR S-1212](#). Subsections 1 to 5 provide various salary increases for NSHE classified positions. The salary increases for the classified personnel align with the salary increases for the bargaining units discussed in sections 5 and 6, providing General Fund appropriations of \$10.1 million in FY 2023-2024 and \$14.2 million in FY 2024-2025.

Subsection 6 provides a salary increase not to exceed 12 percent in FY 2023-2024 or 4 percent in FY 2024-2025 for professional employees

within NSHE and authorizes General Fund appropriations of \$49.6 million in FY 2023-2024 and \$68 million in FY 2024-2025 for that purpose.

Subsection 7 is carryover language from the 2021 Pay Bill, A.B. No. 493 of the 81st Session, indicating salary increases for NSHE are based on the proportion of appropriations from the General Fund to total revenue within each State-supported NSHE budget.

Subsection 8 provides the authority for the BOE to disperse the funds to NSHE and restricts the usage of those funds to the increases in salaries provided. Subsection 9 allows for any remaining balance of appropriated funds to balance forward from FY 2023-2024 to FY 2024-2025.

Section 8, beginning on page 42 of BDR S-1212, explains an estimated \$26.1 million over the 2023-2025 biennium may be required to keep reserve levels at a 30-day target based on an analysis performed by Fiscal staff of budgets in the Executive Budget that would rely on reserves to fund the grade increases provided in sections 3 and 5 of this Act. Therefore, section 8 makes a \$26.1 million appropriation in FY 2023-2024 with the ability to carry over the remaining balance into FY 2024-2025 for budgets within the Executive Budget with authorized reserves or retained earnings to assist in paying the salary increases with current revenues or reserves should they lack the funds to do so.

Section 9 on page 43 of BDR S-1212 addresses budgets that neither receive General Fund or Highway Fund appropriations nor carry a reserve balance. After performing an analysis, Fiscal staff estimates \$25.9 million over the 2023-2025 biennium may be required to assist these budgets with the salary increases if other funding sources were unable to sufficiently cover the increase. Therefore, section 9 makes a General Fund appropriation of \$25.9 million with the authority to carry over the remaining balance into FY 2024-2025 for that purpose.

Section 10 of BDR S-1212 provides a salary increase of 12 percent and 4 percent for TRPA, authorizing a General Fund appropriation of \$313,571 in FY 2023-2024 and \$430,638 in FY 2024-2025 for that purpose.

Beginning at the bottom of page 44, section 11 of BDR S-1212 authorizes a salary increase of 12 percent in FY 2023-2024 and 4 percent in FY 2024-2025 for LCB personnel and Interim Legislative Operations with a General Fund appropriation of \$5.9 million in FY 2023-2024 and \$8.6 million in FY 2024-2025 for that purpose.

Section 12 on page 45 of BDR S-1212 provides a salary increase of 12 percent in FY 2023-2024 and 4 percent in FY 2024-2025 for the Judicial Department Staff Salaries budget, and a General Fund appropriation of \$2.5 million in FY 2023-2024 and \$3.6 million in FY 2024-2025 for that purpose.

Sections 13 to 20 on pages 45 through 51 of BDR S-1212 follow a similar structure to the salary increases in sections 3 to 12, with funds broken out by certain departments and agencies, with two distinct differences. Sections 13 to 20 provide an additional salary increase of 7 percent in FY 2024-2025 for certain departments plus an additional salary increase not to exceed 7 percent for NSHE professionals. It is effective July 1, 2023, should A.B. 498 not be enacted by the Legislature or approved by the Governor. The bill provides a cap on an employee's contribution to the Public Employees' Retirement System (PERS) to normalize costs.

ASSEMBLY BILL 498: Revises provisions relating to Public Employees' Retirement System. (BDR 23-1200)

The following sections provide the appropriations to carry out this purpose.

Section 13 provides a General Fund appropriation of \$5.1 million and a Highway Fund appropriation of \$272,801 for unclassified positions in FY 2024-2025.

Section 14 provides a General Fund appropriation of \$49 million and a Highway Fund appropriation of \$9.3 million for classified and nonclassified positions for certain Executive Branch departments and the Commission on Judicial Discipline.

Section 15 provides General Fund appropriations of \$6.7 million in FY 2024-2025 for classified personnel and \$32.4 million in FY 2024-2025 for professional personnel within NSHE.

Section 16 provides a General Fund appropriation of \$204,867 in FY 2024-2025 to TRPA.

Section 17 provides a General Fund appropriation of \$3.8 million in FY 2024-2025 for the Legislative Fund.

Section 18 provides a General Fund appropriation of \$1.6 million to the Judicial Department staff salaries budget account.

Section 19 provides a General Fund appropriation of \$7.3 million in FY 2024-2025 for budget accounts in the Executive Budget with authorized reserves or retained earnings that may need assistance with the salary increase.

Section 20 provides a General Fund appropriation of \$7.2 million for budget accounts that have neither General Fund nor Highway Fund appropriations or unauthorized reserves that may need assistance with the salary increase.

JAIMARIE MANGOBA (Principal Program Analyst):

Sections 21 through 25 on pages 51 through 55 of BDR S-1212 relate to the one- to three-grade pay increase approved by the Money Committees on May 1, 2023.

On page 52, section 21, subsections 1 and 2 appropriate to the BOE \$852,632 in FY 2023-2024 and \$858,313 in FY 2024-2025 from the General Fund and \$331,030 in FY 2023-2024 and \$341,623 in FY 2024-2025 from the Highway Fund for a one-grade pay increase for certain classified employees.

Section 22, subsection 1 appropriates \$18.4 million in FY 2023-2024 and \$18.9 million in FY 2024-2025 to the BOE from the General Fund for a two-grade pay increase for certain classified employees. Subsection 2 provides Highway Fund appropriations in the amount of \$4.3 million in FY 2023-2024 and \$4.4 million in FY 2024-2025 for the same purpose.

Section 23 appropriates General Fund appropriations to the BOE in the amount of \$724,991 in FY 2023-2024 and \$738,876 in FY 2024-2025 for a three-grade pay increase for certain classified employees.

Section 24 authorizes the DHRM to correct a position classification that was inadvertently omitted, or had the incorrect pay grade increase related to the one- to three-grade pay increase provided in the sections previously mentioned, and requires a report be submitted to the IFC.

Section 25 is the standard reversion language for the funding provided for the one- to three-grade pay increases, and is similar language to all other reversion language.

Sections 26 through 30 on pages 55 through 61 of BDR S-1212 relate to the bonuses or retention incentives.

Section 26 appropriates \$20.7 million in each year of the 2023-2025 biennium from the General Fund to the GFO for the payment of retention incentives or bonuses of \$250 per quarter for classified, unclassified and nonclassified State employees except for persons whose positions are temporary, intermittent, seasonal or for which there is a critical labor shortage.

Section 27 appropriates \$488,000 in each year of the 2023-2025 biennium from the General Fund to the Legislative Fund for retention incentives or bonuses for employees in the Legislative Department with the same exceptions mentioned in section 26.

Section 28 appropriates \$84,000 from the General Fund in each year of the 2023-2025 biennium to PERS for the payment of employee retention incentives or bonuses except for persons whose positions are temporary, intermittent, seasonal or for which there is a critical labor shortage.

Section 29 appropriates \$3.5 million from the General Fund in each year of the 2023-2025 biennium to NSHE for the payment of retention incentives or bonuses for professional positions.

Section 30 appropriates from the General Fund to the Judicial Department staff salaries budget account \$192,000 in FY 2023-2024 and \$200,000 in FY 2024-2025 for the payment of employee retention incentives or bonuses.

Section 31 on page 61 of BDR S-1212 amends NRS 218F.510 and revises the language to change the ex officio Legislative Fiscal Officer from the Chief of the

Administrative Division to the Chief Financial Officer commensurate with the duties of the position.

Section 32 on page 63 of BDR S-1212 amends NRS 284, adding a new section to include a plan to encourage continuity of service, commonly known as longevity. This would provide for an employee, including professional employees at NSHE, with 8 years of continuous State service with semiannual payment of \$100 with an annual increase of \$25 with each semiannual payment for each year of employment for 9 through 14 years of continuous service, an annual increase of \$50 for each year of 15 through 24 years of continuous service and an annual increase of \$75 for each additional year of continuous service after 24 years with a maximum payment of 30 years of continuous State service.

Section 33 on page 64 of BDR S-1212 amends the existing language in NRS 284.3775, subsection 3 to include the word longevity.

Section 34 beginning on page 66 of BDR S-1212 amends statutes related to the salaries of PERS executive officers and revises language related to section 44.

Section 35 on page 68 of BDR S-1212 is similar to the previous section and revises language in section 44 related to the PEBP executive officer salary.

Section 36 on pages 69 through 71 of BDR S-1212 relates to the funding for longevity. Subsection 1 appropriates \$2.6 million in FY 2023-2024 and \$3 million in FY 2024-2025 from the General Fund to the BOE for classified, unclassified and nonclassified State employees' longevity payments.

Subsection 2 appropriates \$1.3 million in FY 2023-2024 and \$1.5 million in FY 2024-2025 from the Highway Fund for longevity payments for classified, unclassified and nonclassified State employees.

Subsection 3 appropriates \$2.6 million in FY 2023-2024 and \$2.9 million in FY 2024-2025 from the General Fund to the BOE for classified and professional NSHE employees.

Subsection 4 appropriates \$692,361 from the General Fund to the BOE in FY 2023-2024 for eligible employees whose positions are funded from budget accounts with authorized reserves and retained earnings.

Subsection 5 appropriates \$687,311 from the General Fund to the BOE in FY 2023-2024 for employees whose positions are funded from budget accounts without authorized reserves or retained earnings and do not receive any appropriations from the State General Fund or State Highway Fund.

Subsection 6 appropriates \$87,808 in FY 2023-2024 and \$98,711 in FY 2024-2025 from the General Fund to the Judicial Department Staff Salaries budget account.

Subsection 7 appropriates \$154,248 in FY 2023-2024 and \$173,606 in FY 2024-2025 from the General Fund to the Legislative Fund for the longevity payment.

Subsections 8 and 9 contain standard reversion language separated for the funding that can carry forward from FY 2023-2024 to FY 2024-2025 and that which reverts every fiscal year.

Sections 37 and 38 on pages 71 and 72 of BDR S-1212 contain standard language regarding the distribution of monies by the BOE and standard reversion language requiring funds to revert to the General Fund at the end of FY 2024-2025.

Sections 39 and 40 on pages 72 and 73 of BDR S-1212 contain standard language governing the distribution of monies from the BOE related to the additional 7 percent salary increase and standard reversion language for the additional 7 percent salary increase in FY 2024-2025. It is separated from the previous sections because it is contingent upon the passage of A.B. 498.

Section 41 is carryover language from the 2021 Pay Bill, A.B. No. 493 of the 81st Session, related to the plans for on-call pay for DHHS and NDOC physician or pharmacist positions.

On page 74 of BDR S-1212, section 42 contains carryover language from the 2021 Pay Bill related to plans for credential pay for the NGCB. Section 43 is

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standard language to align position name changes enacted by the Legislature this Session through other bills with the position names on the Pay Bill. Section 44 repeals NRS 281.123, which stipulates a State employee's salary cannot exceed 95 percent of the Governor's salary. Section 45 provides the effective dates of certain sections of the bill.

SENATOR NGUYEN:

Are the amounts from the General Fund \$254.4 million for FY 2023-2024 and \$375.4 million for FY 2024-2025? What are the biennial distributions for the Highway Fund?

MR. MALONE:

The General Fund amounts you stated are correct. Highway Fund amounts total \$56.4 million for the 2023-2025 biennium, \$20.3 million in FY 2023-2024 and \$36.1 million in FY 2024-2025.

SENATOR NGUYEN:

Do these amounts include the cost-of-living adjustments (COLAs)?

MR. MALONE:

That is correct.

SENATOR NGUYEN:

Do they not reflect any potential PERS changes in A.B. 498?

MR. MALONE:

That is correct.

CHAIR DONDERO LOOP:

We will close the hearing on BDR S-1212. We will discuss BDR S-1207.

BILL DRAFT REQUEST S-1207: Authorizes expenditures by agencies of the State Government for the 2023-2025 biennium. (Later introduced as S.B. 504.)

MR. THORLEY:

Commonly known as the Authorizations Act, BDR S-1207 authorizes 2023-2025 biennium expenditures by agencies of the State Government.

KIMBRA ELLSWORTH (Senior Program Analyst):

This bill reflects all the Money Committees' decisions authorizing the use of both non-General Fund and non-Highway Fund monies. The Authorizations Act represents the authority for agencies to collect and expend monies including federal funds, gifts, grants, interagency transfers, service fees and other funds. Due to specific statutory language for these agencies, the Act includes authority for the NGCB and the NGC to expend General Fund over the 2023-2025 biennium. The Bill also authorizes NDOT to expend Highway Fund monies over the 2023-2025 biennium.

Section 1 begins on page 1 of BDR S-1207. It authorizes the expenditure of sums not appropriated from the General Fund or Highway Fund by agencies for FY 2023-2024 and FY 2024-2025. The NDOT Administration total reflects all funding, including Highway Fund appropriations and all authorizations. Gaming accounts authorizations are covered in this section although the appropriations fall within sections 3 and 4. The four education accounts excluded from this bill are the Education Stabilization Account, the PCFP Account, the Teach Nevada Scholarship Program and the Account for State Special Education Services because they are included in the K-12 Education Bill.

Section 2 on page 25 of BDR S-1207 contains carryover language from the 2021-2023 biennium. Per the Tobacco Master Settlement Agreement, compliance and enforcement functions are required through the Office of the Attorney General (OAG), and audit functions were added in 2013 for the Nevada Department of Taxation. These two disbursements are made before any other disbursements of tobacco funds. Subsection 1 of section 2 authorizes the expenditure of Tobacco Settlement Funds to support the tobacco enforcement operations of the OAG Special Litigation Account. Subsection 2 requires the State Controller to disperse the amount authorized in its entirety before other disbursements are made. Subsection 3 stipulates any remaining funds authorized for expenditure must be dispersed with 40 percent going to the Millennium Scholarship Trust Fund and 60 percent to the Fund for a Healthy Nevada. Any unspent Fund for a Healthy Nevada monies in section 1 authorizations will revert to the Fund for a Healthy Nevada.

Section 3 on page 26 of BDR S-1207 contains carryover language from the 2021-2023 biennium regarding General Fund appropriations for the NGCB previously mentioned.

Sections 4 and 5 are on page 27 of BDR S-1207. Section 4 refers to the General Fund appropriations for the NGC. Section 5 contains carryover language from the 2021-2023 biennium. It states all authorizations included in sections 1 to 4 of this Act, except for the Legislative and Judicial Departments, PERS and TRPA, must be expended per the State Budget Act. This means LCB, Judicial, PERS and TRPA do not have to go to IFC for work program changes.

Section 6 on page 28 of BDR S-1207 contains carryover language from the 2021-2023 biennium stating the Chief of the Budget Division may augment or reduce any authorization through the work program process except for LCB budgets or section 7 violations. The LCB Director may, with the approval of the Legislative Commission, augment the authorization for the Legislative Fund.

Section 7 begins at the bottom of page 28 of BDR S-1207. Subsection 1 contains carryover language from the 2021-2023 biennium plus new language. It requires the General Fund or Highway Fund appropriation must be decreased to the extent other revenue sources exceed their authorizations except for section 8, NSHE's use of tuition and registration fees; section 9, subsection 3, the Public Defender's receipt of additional contributions from counties; section 11, the NDF use of funds for emergency response vehicle repair; section 13, the NDF use of funds in support of the incident business unit; section 14, the NDF Forest Fire Suppression Budget; section 15, the Nevada Office of Western Interstate Commission for Higher Education (WICHE) health care access program slots; section 17, for Clark County and Washoe County DCFS child welfare services; and section 18, NSHE authority to carry forward funds. Also included are two new sections, 26 and 27, regarding the DCFS Victims of Crime budget and the Administrative Office of the Courts, respectively.

New language in section 7, subsection 1, paragraph (b) adds upon the recommendation of the Governor, the IFC may grant a request for an exemption from the requirements of this subsection for all or a portion of the excess money. Subsection 2 also adds the IFC shall consider, among other things, the reason provided for the exemption, including the current need for the excess

money, and the intent of the Legislature in approving the budget for the current biennium.

Section 8 begins on page 29 of BDR S-1207 and contains carryover language from the 2021-2023 biennium. Subsection 1 enables NSHE to expend fees and tuition from the registration of resident or nonresident students in the designated amounts for both fiscal years. Subsection 2, a section 7 exemption, allows NSHE to expend any additional registration fees and nonresident tuition fees beyond the budgeted enrollments and any additional fees resulting from fee increases. It also requires NSHE to report the additional fees and associated expenditures to the IFC every six months.

Section 9 on page 31 of BDR S-1207 also contains carryover language from the 2021-2023 biennium. Subsection 1 specifies the allocation of county assessments for the services of the State Public Defender. Subsection 2 provides any salary benefit or COLA increases for employees of the Office of the State Public Defender may be assessed and collected from the counties for their pro rata share. Subsection 3, another section 7 exemption, allows the Public Defender to accept any additional contributions from the counties with IFC approval to augment services.

Section 10 on page 32 of BDR S-1207 contains carryover language from the 2021-2023 biennium related to the tax on motor vehicle fuel used in watercraft for recreational purposes which shall be allocated equally between the Nevada Department of Wildlife, the regulator of boating and fishing, and the DCNR Division of State Parks, the provider of water recreation opportunities.

Section 11, also on page 32 of BDR S-1207, contains carryover language from the 2021-2023 biennium. Exempt per section 7, it allows money authorized for the NDF Forestry Conservation Camps and Forest Fire Suppression budgets for the cost of the repair and maintenance of firefighting and emergency response vehicles to be expended for that purpose. The Forest Fire Suppression Account receives and sends fire billings to cover the cost of personnel and equipment used by other fire agencies, including federal and local agencies. The Forestry Administration and Conservation Camps budgets receive a portion of that funding for vehicle repair costs.

Section 12 is on pages 32 and 33 of BDR S-1207. It contains new language requiring at least 50 percent of the Coronavirus State and Local Fiscal Recovery Funds balance forward from FY 2022-2023 for expenditure for FY 2023-2024 and FY 2024-2025, and be advanced from the COVID-19 Relief Programs budget for expenditure to the respective State agency or organization for which the allocation has been approved.

Sections 13 through 17 on page 34 of BDR S-1207 are all carryover language from the 2021-2023 biennium and exempt per section 7 except for section 16. Section 13 allows money authorized for the NDF and Forest Fire Suppression budgets to be expended in support of the incident business unit. Funding from reimbursements received in the Forest Fire Suppression Account can be used to support personnel costs for the NDF incident business unit.

Section 14 relates to the Forest Fire Suppression Account and authorizes the use of the budget's special reserves for the support of the Incident Business Unit personnel costs plus up to \$425,000 for their repair and maintenance of firefighting and emergency response vehicles. The purpose of this is to ensure available funding in years when fire billing revenue is insufficient to cover these costs.

Section 15 allows the WICHE Loans and Stipends account to balance forward to the subsequent fiscal year for expenditure on healthcare access program slots any unobligated loan, stipend and interest repayment revenues received after May 15 of each fiscal year for cash flow purposes. Section 16 authorizes the OTM to carry forward the unexpended balance in the Emergency Operations Center Account. Section 17 authorizes DCFS in Clark County and Washoe County to use any additional monies received to augment child welfare services with IFC approval.

Section 18 on page 35 of BDR S-1207 is also section 7 exempt and contains carryover language from the 2021-2023 biennium authorizing NSHE to carry forward any unexpended money authorized for expenditure in section 8, including registration fees and nonresident tuition, to the next fiscal year.

Sections 19 through 21 are also on page 35 of BDR S-1207 and contain carryover language from the 2021-2023 biennium. Section 19 waives the IFC approval requirement for any work program revision requests associated

with the bond repayment costs of the bonds from the Treasurer Municipal Bond Bank Revenue or Municipal Bond Bank Debt Service budgets. Section 20 requires revenue from the sale of any retired vehicle purchased with General Fund monies to be deposited in the General Fund. Section 21 requires PEBP to comply with the work program provisions of NRS 353.220 when projecting funding available exceeds projected expenditures. They must request approval of the IFC upon the recommendation of the Governor to expend or otherwise obligate reserves.

Sections 22 and 23 are on page 36 of BDR S-1207. Section 22 contains new language authorizing the use of interest earnings on amounts in the Consolidated Bond Interest and Redemption Fund to be transferred to the Nevada Statewide Infrastructure Bank budget account for personnel and operating expenditures. Section 23 includes carryover language from the 2021-2023 biennium requiring Nevada Medicaid and the Nevada Check Up Program to use authorized funds to continue the current service delivery model for prescription drugs.

Sections 24 through 27 are on page 37 of BDR S-1207 and contain new language. Section 24 authorizes NDOT to use specified amounts from the Highway Fund for the costs to replace the Nevada Shared Radio System. Section 29 will authorize this amount if the associated one-shot appropriation is not approved. Section 25 requires any fee revenues balanced forward be expended before any new fee revenues and General Fund appropriations may be expended for DPS Central Repository for Nevada Records of Criminal History. Section 26 is section 7 exempt and authorizes the DCFS to accept additional money to support the Victims of Crime budget account. Section 27 is also section 7 exempt and authorizes the Administrative Office of the Courts to use any money from a settlement agreement toward ongoing litigation related to the implementation of a Statewide trial court case management system.

FY 2023 One-Shot: This request continues funding for replacement of the Nevada Shared Radio System project.

Department of Transportation-Administration (BUDGET OVERVIEW-40)

Section 28 on page 38 of BDR S-1207 contains carryover language from the 2021-2023 biennium that states if the name or duties of an officer or agency have been changed or transferred under another act, then any reference to the

officer or agency shall be deemed to refer to the officer or agency the name or duties of which have been changed or transferred by the other act.

Section 29 on page 38 of BDR S-1207 includes the effective dates for this bill. Sections 28 and 29 are effective upon passage and approval. Sections 1 to 27, excluding section 24, are effective on July 1, 2023. Section 24 is effective on July 1, 2023, if and only if A.B. 477, the one-shot funding for NDOT Shared Radio System, is not passed and approved.

SENATOR TITUS:

Can you provide a breakdown of the total General Fund monies and federal dollars?

MS. ELLSWORTH:

Over the 2023-2025 biennium, the total amount authorized is \$31.7 billion, with \$17.0 billion in FY 2023-2024 and \$14.7 billion in FY 2024-2025.

SENATOR TITUS:

Is a large portion of this federal funds?

MS. ELLSWORTH:

Yes, that is correct.

MR. THORLEY:

Most of the COVID-19 funding appears as Interagency Transfers in the 2023-2025 Executive Budget and not as federal funds because the \$2.7 billion was brought in as one lump sum. Shortly after the Eighty-first Legislature adjourned, it came into the budget as federal funds. When it is distributed to agencies, it will be categorized as an interagency transfer, not federal funds. The budget as approved by the Money Committees, approved federal funds, excluding COVID-19 and American Rescue Plan Act (ARPA) funds, is about \$7.8 billion in FY 2023-2024 and \$6.9 billion in FY 2024-2025. The interagency transfer amount, consisting largely of ARPA funds plus some other funds, equals \$3.5 billion in FY 2023-2024 and \$3 billion in FY 2024-2025.

SENATOR TITUS:

Can you provide the total amount from the General Fund?

MR. THORLEY:

General Fund dollars, excluding Governor-requested one-shots but including the Appropriations Act and State Education Fund for K-12 Education, are just over \$5 billion in FY 2023-2024 and \$5.6 billion in FY 2024-2025.

SENATOR TITUS:

Since this is an unprecedented amount of funds, would it be possible to get a written comparison for reference?

MR. THORLEY:

Yes, Fiscal staff can put that together for you.

For the entire State budget as approved by the Money Committees, including monies from General Fund and non-General Fund sources in the State Education Fund, the total is \$27.4 billion in FY 2023-2024 and \$25.6 billion in FY 2024-2025.

CHAIR DONDERO LOOP:

Seeing no further questions from the Committee, we will close the hearing on BDR S-1207 and move on to BDR S-1208.

BILL DRAFT REQUEST S-1208: Ensures sufficient funding for K-12 public education for the 2023-2025 biennium. (Later introduced as S.B. 503.)

ADAM DROST (Principal Program Analyst):

To ensure sufficient funding for K-12 public education for the 2023-2025 biennium, BDR S-1208 will become what is known as the K-12 Education Funding Bill, one of the main budget bills. It will reflect the closing decisions of the Money Committees related to the seven K-12 budgets excluded from the Appropriations Act and the Authorizations Act and only included in the K-12 Funding Bill.

Section 1 on page 1 of BDR S-1208 addresses the total public support for school districts, charter schools and university schools for profoundly gifted pupils. It is an estimated average of \$12,863 per pupil for FY 2023-2024.

Section 2 on page 2 of [BDR S-1208](#) provides the total public support for school districts, charter schools and university schools for profoundly gifted pupils. For FY 2024-2025, it is an estimated average of \$13,368 per pupil. This is the total public support for public schools in the State, including PCFP funding as well as categorical and federal funding provided through NDE. This amount excludes any money provided by the federal government directly to a public school or school district or otherwise provided on a one-time basis in response to an emergency such as the NDE COVID-19 funding.

We prepared a table and bar chart ([Exhibit C](#)) comparing the K-12 funding approved by the Eighty-first Legislature for the 2021-2023 biennium, the K-12 funding recommended by the Governor for the 2023-2025 biennium and the K-12 funding approved by the 2023 Money Committees that is reflected in [BDR S-1208](#). The bar chart at the bottom of [Exhibit C](#) provides the PCFP adjusted base funding in blue; the PCFP tiers including food services, transportation and local special education funding in gray; and the weighted PCFP funding in yellow; State categorical funding in red; and the federal funding in purple.

LILLIANA CAMACHO-POLKOW (Program Analyst):

Section 3 of [BDR S-1208](#) begins at the bottom of page 2. Subsection 1 includes General Fund appropriations for the PCFP account totaling \$1.1 billion in FY 2023-2024 and \$1.5 billion in FY 2024-2025. Subsection 2 is a legislative declaration stating the amount appropriated is sufficient to fund K-12 education operations. Subsections 3 and 4 contain standard language requiring the General Fund appropriations to be subject to the requirements of the State Budget Act and allow General Fund appropriations to be transferred between fiscal years with the approval of the Governor upon the recommendation of the GFO Director but without IFC approval.

Section 4 of [BDR S-1208](#) begins at the bottom of page 3. Subsection 1 indicates authorizations of \$4.4 billion in FY 2023-2024 and subsection 2 lists authorizations of \$4.3 billion in FY 2024-2025. These amounts reflect the funding provided by non-General Fund sources including property tax, Local School Support Tax, Governmental Services Tax and room tax. Subsection 3 includes standard language requiring the authorizations be subject to the requirements of the State Budget Act. The total amount of funding

provided in section 3 from the General Fund and section 4 in authorizations equals \$5.5 billion in FY 2023-2024 and \$5.7 billion in FY 2024-2025.

Section 5, on pages 4 through 11 of BDR S-1208, outlines the PCFP funding for FY 2023-2024 and is based on the funding tiers established in NRS 387. Subsection 1 provides the total transfer of funding for food services in the amount of \$1.6 million and transportation costs of \$193.2 million as distributed by school district. Subsection 2 provides the total transfers of local funding for special education costs for each school district and all charter schools in the amount of \$483.8 million in FY 2023-2024. Subsection 3 provides the Statewide base per pupil funding of \$8,966 in FY 2023-2024. Subsection 4 provides the adjusted base per pupil funding amount in FY 2023-2024 for each school district. Amounts include the Statewide base per pupil funding, as well as Nevada Cost of Education Index (NCEI) and attendance area adjustments for each school district on the PCFP, or the calculated per pupil amount for those school districts receiving the FY 2020 baseline amount.

On page 7 of BDR S-1208, subsection 5 provides the Statewide base per pupil funding amount of \$8,966 for pupils enrolled full-time in a distance education program for each charter school or university school for profoundly gifted pupils in FY 2023-2024. Since virtual charter schools only receive the Statewide base per pupil funding amount per NRS 387.1214, subsection 5 also lists the individual-adjusted base per pupil amounts for charter schools operating in each county excluding attendance area adjustments or the Statewide base per pupil amounts times the NCEI for each county. The Money Committees approved an NCEI of 1.0 for all counties to reflect the Statewide base per pupil amount for each county. Subsection 6 provides the final adjusted base per pupil funding for each charter school operating in the six counties that have charter schools including attendance area adjustments for those charter schools. Amounts vary based on the adjusted base amount as well as the attendance area adjustments calculated for each area.

Subsection 7 on page 9 of BDR S-1208 lists the calculated weights for English learners at 0.45; at-risk pupils at 0.35; and gifted and talented pupils at 0.12. Subsection 8 lists the weighted funding for individual school districts, charter schools and university schools for profoundly gifted pupils in FY 2023-2024. Total funding for English learners, at-risk, and gifted and talented pupils is \$212.5 million, \$198.7 million and \$8.0 million, respectively.

Subsection 9 lists school districts receiving the FY 2019-2020 baseline amounts under the PCFP in FY 2023-2024. Those districts are Esmeralda County, Eureka County and Storey County. The subsection also states school districts may reapportion base and weighted funding amounts to provide a reasonably equal educational opportunity for their pupils. Section 10 defines the various areas where charter schools operate in Washoe County.

Section 6, on pages 11 through 18 of BDR S-1208, outlines the PCFP funding for FY 2024-2025. The funding tiers are based on NRS 387. Subsection 1 provides the total PCFP funding transfers for food services at \$1.6 million and transportation costs at \$193.2 million for each school district. Subsection 2 lists the sum of the PCFP transfers for local funding for special education costs for each school district and all charter schools at \$483.9 million in FY 2024-2025. Subsection 3 provides a Statewide base per pupil funding of \$9,414 in FY 2024-2025.

Subsection 4 provides the FY 2024-2025 adjusted base per pupil funding amount for each school district. Amounts include base per pupil funding, NCEI and attendance area adjustments for each school district on the PCFP or the calculated per pupil amount for the school districts receiving the FY 2019-2020 baseline amount. Subsection 5 states the Statewide base per pupil funding amount of \$9,414 to be provided to pupils enrolled full-time in a program of distance education in FY 2024-2025 for each charter school or university school for profoundly gifted pupils. Virtual charter schools only receive the Statewide base per pupil funding amount per NRS 387.1214.

Subsection 5 also provides the individual adjusted base per pupil amounts for charter schools operating in each county, excluding the attendance area adjustments or the base per pupil amount times the NCEI for each county. The Money Committees approved an NCEI of 1.0 for all counties; therefore, the Statewide base per pupil amount for each county is reflected. Subsection 6 lists the final adjusted base per pupil funding for each charter school operating in the six counties with charter schools, including the attendance area adjustments for those charter schools. Amounts vary based on the adjusted base amount as well as the attendance area adjustments calculated for each area.

Subsection 7, on page 16 of BDR S-1208, provides the calculated weights for English learners at 0.45, at-risk at 0.35, and gifted and talented pupils at 0.12.

Subsection 8 provides the weighted funding to be provided in FY 2024-2025 to individual school districts, charter schools combined and university schools for profoundly gifted pupils. Total funding for English learners, at-risk, and gifted and talented pupils is \$223.2 million, \$208.6 million and \$8.4 million respectively.

Subsection 9 lists the school districts receiving FY 2019-2020 baseline amounts under the PCFP in FY 2024-2025. Those districts are Esmeralda County, Eureka County and Storey County. The subsection also states school districts may reapportion base and weighted funding amounts to provide a reasonably equal educational opportunity for their pupils. Section 10 defines the various areas where charter schools operate in Washoe County.

MADISON RYAN (Program Analyst):

Section 7 begins on page 18 of BDR S-1208. Subsection 1 lists General Fund appropriations of \$245.7 million in FY 2023-2024 and \$252.8 million in FY 2024-2025 for the Account for State Special Education Services. Subsection 2 provides authorizations of \$2 million in each year of the 2023-2025 biennium in the Account for State Special Education Services. This balance-forward funding is used to fund extraordinary special education expenditures.

Subsections 3 and 4 provide transfers of \$244.2 million in FY 2023-2024 and \$251.3 million in FY 2024-2025 for State special education funding provided to school districts, charter schools and university schools for profoundly gifted pupils largely based on their special education enrollment as a multiplier. State special education funding is limited to no more than 13 percent of the total enrollment for each school district and charter school. Subsections 5 and 6 provide the transfer of \$1.5 million for State special education funding for school districts and charter schools with special education enrollment exceeding the 13 percent funding cap in both FY 2023-2024 and FY 2024-2025.

Subsections 7 and 8, outlined on pages 19 and 20 of BDR S-1208, provide the transfer of \$2 million used to fund extraordinary special education expenditures not ordinarily present in the typical special education service and delivery system at a public school. Subsection 9 requires the remaining General Fund appropriations to revert at the end of each fiscal year.

Section 8 is on pages 20 through 24 of BDR S-1208. Subsection 1 provides General Fund appropriations of \$44.3 million in both FY 2023-2024 and FY 2024-2025 for the Other State Education Programs Account. Subsection 2 is standard language requiring the General Fund appropriations to be subject to the requirements of the State Budget Act. Subsection 3 provides the transfer of \$19.3 million in both FY 2023-2024 and FY 2024-2025 from the Other State Education Programs Account for the Adult High School Diploma Program.

Subsection 4 includes an annual reporting requirement for the Adult High School Diploma Program. Subsection 5 requires any remaining FY 2023-2024 funding for the Adult High School Diploma Program to be balanced forward and added to FY 2024-2025 funding and stipulates any funding remaining at the end of FY 2024-2025 is to revert to the General Fund.

Subsection 6 on pages 21 and 22 of BDR S-1208 states funds appropriated in this section are available for both FY 2023-2024 and FY 2024-2025 and may be transferred from year to year with IFC approval. Subsection 6, paragraph (a) transfers \$3.9 million in both FY 2023-2024 and FY 2024-2025 from the Other State Education Programs Account to the Jobs for Nevada's Graduates Program.

Subsection 6, paragraph (b) transfers \$300,000 in both FY 2023-2024 and FY 2024-2025 from the Other State Education Programs Account to the NDE for the transfer to the Leadership Institute of Nevada for the implementation and operation of education leadership training programs contingent upon a one-to-one match from sources other than the State appropriation. Subsection 7 states of the total transferred in each fiscal year for the Jobs for Nevada's Graduates, \$314,293 is contingent upon a one-to-one match from non-General Fund sources. Subsection 8 includes an annual reporting requirement to the IFC for the education leadership training program.

Subsection 9 on page 23 of BDR S-1208 requires the remaining General Fund appropriations for the Jobs for Nevada's Graduates Program and the Leadership Institute of Nevada to revert to the General Fund at the end of FY 2024-2025. Subsections 10 and 11 transfer \$13.5 million in both FY 2023-2024 and FY 2024-2025 from the Other State Education Programs Account for grant awards for the career and technical education program, and stipulate any unused funding must revert to the General Fund at the end of each

fiscal year. Subsections 12 and 13 transfer \$462,725 in both FY 2023-2024 and FY 2024-2025 from the Other State Education Programs Account for grant awards to support public broadcasting in the State. Any unused funding must revert to the General Fund at the end of each fiscal year. Subsections 14 and 15 provides that \$6.8 million in both FY 2023-2024 and FY 2024-2025 from the Other State Education Programs Account must be used by NDE for the Incentivizing Pathways To Teaching Grant Program. Any unused funding must revert to the General Fund at the end of FY 2024-2025.

Section 9 is on page 25 of BDR S-1208. Subsection 1 provides General Fund appropriations of \$7.7 million in both FY 2023-2024 and FY 2024-2025 for the Professional Development Programs Account. Subsection 2 is standard language requiring the General Fund appropriations to be subject to the requirements of the State Budget Act.

Subsections 1 and 2 of section 10 on pages 25 and 26 of BDR S-1208 transfer \$7.6 million in both FY 2023-2024 and FY 2024-2025 from the Professional Development Programs Account to NDE for transfers to school districts that serve as fiscal agents. As identified in subsection 1, the following transfers would occur in both FY 2023-2024 and FY 2024-2025: Clark County School District, \$4 million; Elko County School District, \$1.3 million; and Washoe County School District \$2.3 million. Subsection 3 on page 26 of BDR S-1208 requires any remaining FY 2023-2024 funding for the Professional Development Programs to be balanced forward and added to the FY 2024-2025 funding and stipulates any remaining funds at the end of FY 2024-2025 are to revert to the General Fund.

Section 11 is on pages 26 and 27 of BDR S-1208. Subsections 1 and 2 transfer \$100,000 from the Professional Development Programs Account to NDE for transfer to the Statewide Council for the Coordination of the Regional Training Programs to provide additional training opportunities for education administrators in Nevada in both FY 2023-2024 and FY 2024-2025. Subsection 3 requires any remaining FY 2023-2024 funding for the Council to be balanced forward and added to the FY 2024-2025 funding and stipulates any remaining funds at the end of FY 2024-2025 are to revert to the General Fund.

Section 12, subsection 1 on page 27 of BDR S-1208 provides General Fund appropriations of \$560,886 in both FY 2023-2024 and FY 2024-2025 for the

1/5 Retirement Credit Purchase Program Account. Subsection 2 allows the funding to be transferred between fiscal years with the IFC approval.

On page 28 of BDR S-1208, section 13, subsection 1 provides \$2.4 million in General Fund appropriations in both FY 2023-2024 and FY 2024-2025 for the Teach Nevada Scholarship Program Account. Subsection 2 contains standard language stating the General Fund appropriations are subject to the requirements of the State Budget Act. Subsections 3 and 4 provide \$3.8 million in authorizations in FY 2023-2024 and \$4 million in FY 2024-2025, and are largely balanced forward funding in the Teach Nevada Scholarship Program Account.

On page 29 of BDR S-1208, section 14, subsection 1 provides \$3.2 million in General Fund appropriations in both FY 2023-2024 and FY 2024-2025 to the IFC for the Teach Nevada Scholarship Program. Subsection 2 allows the IFC to allocate funding to NDE from the funding identified in section 14, subsection 1 from the IFC Contingency Account to increase funding for the Teach Nevada Scholarship Program upon an NDE presentation on the status of the Teach Nevada Scholarship Program. Subsection 3 stipulates the remaining General Fund appropriations are to revert at the end of each fiscal year.

Section 15, subsection 1 at the bottom of page 29 of BDR S-1208 provides the Education Stabilization Account \$851.7 million in authorizations for FY 2023-2024. Subsection 2 provides the Education Stabilization Account \$878.9 million in authorizations for FY 2024-2025. Subsection 3 is standard language requiring the authorizations to be subject to the requirements of the State Budget Act.

Section 16 on page 30 of BDR S-1208 amends NRS 387.1211 defining an "at-risk pupil" as a pupil who is within the quintile of:

... pupils determined to be most in need of additional services and assistance to graduate based on one or more measures prescribed by the State Board, which may include, without limitation, consideration of whether a pupil is economically disadvantaged; is at risk of dropping out of high school; or fails to meet minimum standards of academic proficiency.

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Section 17 on page 31 of BDR S-1208 makes this act effective on July 1, 2023.

SENATOR NGUYEN:

Do all the General Fund monies, federal funds and other funding sources total about \$6.1 billion in FY 2023-2024 and \$6.3 billion in FY 2024-2025?

MR. DROST:

Federal funding included in Exhibit C is a part of the Authorizations Act and is not included in this BDR. The total funding for the seven budgets reflected in the K-12 Education Bill is about \$6.7 billion in FY 2023-2024 and \$6.9 billion in FY 2024-2025. That includes about \$880 million for the Education Stabilization Account, that is the K-12 Rainy Day Account, which is not an expenditure but a balance forward. If we subtract that amount, the totals are \$5.8 billion in FY 2023-2024 and \$6.1 billion in FY 2024-2025. There is also a \$3.2 million appropriation in each year of the 2023-2025 biennium, included in this bill, to the IFC Contingency Account which is not reflected in those totals.

SENATOR HARRIS:

Does Exhibit C show the legislatively approved budget in FY 2023-2024 is almost \$400 more per child as opposed to the Executive Budget and approximately \$500 more per child in FY 2024-2025?

MR. DROST:

Yes, it does. The Money Committees' approved amount for FY 2023-2024 compared to the Executive Budget is about a \$457 increase and about \$487 more in FY 2024-2025.

SENATOR HARRIS:

Is it true the increase is not necessarily attributable to an increase in any of these areas but an increase in them all?

MR. DROST:

Yes. The Education Stabilization Account reached its cap, and the balance forward in the PCFP was not reflected in the Executive Budget. The projected enrollment went down compared to the Executive Budget which affected the per pupil amount in the Money Committees' approved per pupil amount.

SENATOR HARRIS:

Is it true that despite a decrease in projected enrollment, we still have more funding proposed in both years of the 2023-2025 biennium?

MR. DROST:

That is correct. In addition to the decreased enrollment, the balance forward in the PCFP account was reflected in the first year. In comparison to the Executive Budget, the General Fund appropriation was also adjusted in FY 2023-2024 and FY 2024-2025 to balance that out.

SENATOR GOICOECHEA:

Food Services for Eureka County is \$400,000 and Elko County is \$383,000, a 20-to-1 difference in enrollment. Is that an error?

MR. DROST:

The information is a four-year average reported by the school districts in their NRS 387.303 reports. Some districts use some of their General Fund monies for their food services, others support it with fees and federal dollars, which may account for the disparity.

SENATOR GOICOECHEA:

It is huge compared to Carson City at \$400,000 and Eureka County at \$400,000. There is no comparison in the number of students.

MR. DROST:

Eureka County School District is also on a hold harmless and is receiving the FY 2019-2020 baseline amount which contributes to the disparity shown.

SENATOR GOICOECHEA:

I realize they are a hold harmless county, but I am having a hard time computing how they could spend \$400,000 feeding 400 students.

CHAIR DONDERO LOOP:

We will close the hearing on BDR S-1208 to introduce BDR S-1207 and BDR S-1208.

MR. THORLEY:

Fiscal staff presented five BDRs to the Senate Committee on Finance. Three are slated to become Assembly bills. The two future Senate bills are BDR S-1207, the Authorizations Act, and BDR S-1208, the K-12 Education Funding Bill. Both require an official introduction and Committee vote before they can be presented on the Senate Floor.

SENATOR NGUYEN MOVED TO INTRODUCE BDR S-1207 and BDR S-1208.

SENATOR NEAL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR DONDERO LOOP:

We will move on to public comment.

CHRIS DALY (Nevada State Education Association):

Last week, nearly 1,000 educators and supporters rallied in front of the Legislative Building with umbrellas in hand to say it is a rainy day in Nevada and it is Time For 20. This calls for a 20 percent raise for every Nevada educator, starting pay of \$20 an hour and an average class size of 20 students.

Nevada's strong economy and record revenue are welcome news, but it is still a rainy day for Nevada schools. Nevada is forty-eighth in education funding behind Mississippi. Everyone knows Nevada has the largest class sizes in the Nation.

The crisis of educator vacancies has reached a tipping point. In the last two years, Nevada lost more than 15 percent of its teaching workforce. The State also has a serious problem with vacancies and classified positions. We are short on people who make our schools run.

Nevada's severe educator shortage threatens the basic function of our school system. It is a rainy day for Nevada schools. The proposed K-12 budget is an increase of 26 percent over the 2021-2023 biennium and \$318 million more

than the Executive Budget. While that is certainly promising, this news is blunted by minimal increases in previous years impacted by record inflation, eating away most of this year's proposed increases.

The budget also raises the Education Stabilization Account gap from 15 percent to 20 percent, stashing away an additional \$322 million. This is because the Legislature adjusted the Executive Budget with a larger increase for reserves than for our schools. The biggest beneficiaries of additional funding are charter schools, with a 41 percent increase in the 2023-2025 biennium worth over \$400 million, while Storey County will lose 5 percent of its total budget.

The rising tide will not lift all boats. When you combine the Education Stabilization Account with the Account to Stabilize the Operation of the State Government, known as the Rainy Day Fund, reserves would be nearly \$3 billion by the 2025-2027 biennium. This is seven times the State's previous high of \$401 million. The Nevada State Education Association believes it is fiscally irresponsible to underfund education and overinflate reserves when we are unable to retain educators or fill their positions when they leave.

Throughout this Session, you heard from a parade of educators about the hardships of working in education with low pay and increasingly stressful working conditions. Last week, educators showed up with thunder and lightning imploring you to redirect money from the Rainy Day reserves to fund Time for 20. It is a rainy day for Nevada schools.

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CHAIR DONDERO LOOP:

Seeing no further public comment, this meeting is adjourned at 7:50 p.m.

RESPECTFULLY SUBMITTED:

Michelle Friedlander,
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 |
| | C | 38 | Adam Drost, Fiscal Analysis Division | Approved Funding for K-12 Education Comparison Chart |