# Journal

OF THE

# SENATE OF THE STATE OF NEVADA

THIRTY-FIRST SPECIAL SESSION

THE FIRST DAY

CARSON CITY (Wednesday), July 08, 2020

Senate called to order at 10:00 a.m.

President Marshall presiding.

Prayer by Senator David Parks.

Let us pray. Thank You, Lord, for a beautiful northern Nevada day and the opportunities this day presents to us. We ask for Your blessings as we convene the 31st Special Session of the Nevada Legislature.

As this Legislature tackles the duties and challenges that lie ahead, may we seek Your guidance to give us the strength, wisdom, mutual respect and cooperation required to conduct the complex business impacting this great State.

May we be ever mindful of our obligation to provide for the common good as we address the needs of the underprivileged, the underserved, the disenfranchised and for those who feel their voices have not been heard.

We pray for all of those who are affected or afflicted by this coronavirus pandemic and especially for those mourning the loss of family and friends to this horrible disease.

Lord, bless and protect our armed forces, our first responders and especially our heroic healthcare workers. Bless this Legislative Body and its staff and the sacrifices they make to serve You during this time away from loved ones.

May God bless Nevada during these uncertain times.

AMEN.

Pledge of Allegiance to the Flag.

Madam President requested Mrs. Claire J. Clift to serve as temporary Secretary of the Senate and Mr. Steven E. Brummer to serve as temporary Sergeant at Arms.

Madam President instructed the temporary Secretary to call the roll of the holdover Senators.

Roll called.

All holdover Senators present.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Cannizzaro moved that the organization of the Senate of the Eightieth Session of the Nevada Legislature be designated as the organization for the Thirty-first Special Session of the Nevada Legislature.

Motion carried unanimously.

Senator Cannizzaro moved that the Secretary of the Senate be instructed to insert the Thirty-first Special Session organization in the Journal of the Senate as outlined in the Agenda booklet located on each Senator's desk.

Motion carried unanimously.

PRESIDENT PRO TEMPORE OF THE SENATE—
SENATOR MOISES DENIS
MAJORITY FLOOR LEADER—
SENATOR NICOLE J. CANNIZZARO
ASSISTANT MAJORITY FLOOR LEADER—
SENATOR JULIA RATTI
MAJORITY WHIP—
SENATOR JOYCE WOODHOUSE
CO-MAJORITY WHIPS—
SENATOR YVANNA CANCELA
SENATOR PAT SPEARMAN
MINORITY FLOOR LEADER—
SENATOR JAMES A. SETTELMEYER
ASSISTANT MINORITY FLOOR LEADER—
SENATOR JOSEPH P. HARDY
CO-MINORITY WHIPS—
SENATOR SCOTT T. HAMMOND
SENATOR HEIDI SEEVERS GANSERT
SECRETARY OF THE SENATE—
CLAIRE J. CLIFT

Madam President appointed Senator Woodhouse as a Committee to inform the Assembly that the Senate is organized and ready for business.

Madam President appointed Senator Harris as a Committee to inform the Governor that the Senate is organized and ready for business.

Senator Cannizzaro moved that the following persons be accepted as accredited press representatives, and that they be allowed the use of appropriate media facilities: ASSOCIATED PRESS: Sam Metz; KKOH: Samantha Stone; KLAS-TV: Orco Manna, Mark Mutchler; KNPR: Bert Johnson; KOLO-TV: Wade Barnett, Ed Pearce; KRNV-TV: Shah Ahmad; KRNV-TV: Miles Buergin, Karsen Buschjost, Ben Margiott; KTNV-TV Clay Conover, Tricia Kean, Paul Nelson, Rudy Garcia; KUNR-FM: Paul Boger, Lucia Starbuck; LAS VEGAS REVIEW-JOURNAL: William Dentzer, Colton Lochhead; LAS VEGAS SUN: John Sadler; NEVADA APPEAL: Geoff Dornan; NEVADA CURRENT: April Corbin Girnus; RENO GAZETTE-JOURNAL: Anjeanette Damon, James Dehaven; SIERRA NEVADA ALLY: Brian Bahouth; THE NEVADA INDEPENDENT: David

Calvert, Jon Ralston, Michelle Rindels, Riley Snyder; THIS IS RENO: Jeri Davis, Don Dike-Anukam, Lucia Starbuck.

Motion carried.

Madam President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 10:06 a.m.

## SENATE IN SESSION

At 10:27 a.m.

President Marshall presiding.

Quorum present.

Senator Woodhouse reported that her Committee has informed the Assembly that the Senate is organized and ready for business.

Senator Harris reported that her Committee has informed the Governor that the Senate is organized and ready for business.

## MESSAGES FROM THE GOVERNOR

STATE OF NEVADA
EXECUTIVE CHAMBER
CARSON CITY, NEVADA 89701

July 7, 2020

THE HONORABLE NICOLE CANNIZZARO, *Senate Majority Leader,* Nevada State Senate
401 South Carson Street, Carson City, NV 89701

TO THE HONORABLE MEMBERS OF THE NEVADA STATE SENATE:

None of us could have predicted a pandemic of this magnitude and the global economic crisis that has followed. The world looks incredibly different since I first approved the State's biennial budget back in June 2019.

As a State, we took immediate and proactive measures to preserve the health, safety and lives of our fellow Nevadans. I was filled with pride to see us all jump into action and rise to the challenge of this COVID-19 pandemic, whether that meant serving on the frontlines in our hospitals and grocery stores, delivering meals to elderly neighbors or simply staying at home to slow the spread. We helped flatten the curve and saved lives in the process, defying the forecasts set out by original models for our State. Right now, we are seeing a concerning increase in our data trends, likely as a result of both increased testing and reopening. Once again, Nevadans are stepping up and putting on their masks to help mitigate the spread.

Prior to this pandemic, I directed my Executive Branch cabinet to begin the momentous task of formulating ways to implement a child, family and community-centered Nevada government. Unfortunately, the COVID-19 pandemic created a new reality for all of us. State agencies were asked to adjust their budgets to reflect this reality, limiting to the maximum extent the impact on critical functions, such as health, safety and education.

The difficult fiscal decisions for the Fiscal Year 2021 now lay ahead of us. My proposal preserves as much funding as possible for our most essential priorities: health, education and the State workforce, so they are able to continue providing the vital services on which Nevadans rely. We will do all we can to keep our communities healthy and safe and to provide a robust and vibrant future for our children by building a pathway forward.

As your Governor, I continue to advocate for federal support for our State, our counties and our cities by calling upon the federal government to pass a relief package, giving us the opportunity to restore some of the difficult decisions before us. But, the urgency of our current situation does not allow us to wait and see. We must act now, and we must act together.

If that financial support materializes, or if our State revenues recover faster than expected, as Governor, my priorities for restoring funding focus on healthcare, education and supporting our State workforce to ensure we can deliver the services Nevadans rely on.

Our budget has changed, but our values remain the same. I look forward to working with you to amend our State budget to align with our new reality and our shared principles. We cannot predict when our economy will recover, but we can work together to set Nevada on the best path forward given the information we have at hand now.

Despite the uncertainty we are all facing in Nevada and around the country right now, I remain optimistic. For too long, there has been a discussion and overall agreement that our State needs to take a new approach to fix the structural issues that make us the most vulnerable state in the nation anytime the economy takes a hit. This unprecedented public health and economic crisis provides us with a unique opportunity to forge an innovative path that will propel Nevada forward.

Addressing this budget is the first step to get through the immediate crisis at hand, but then I look forward to partnering with all of you to take hold of this opportunity to reinvent our State so when Nevada's children grow up and stand in the positions we are in now, they will not have to make these same devastating decisions.

Nevadans have faced difficult challenges before, and we have always persevered in the face of obstacles; it is the Battle Born way. Understanding that an extraordinary occasion exists as a result of the current COVID-19 pandemic, this opportunity requires immediate action by the Nevada State Legislature.

Article 5, Section 9, Subsection 1 of the Nevada Constitution provides that the Governor may, on extraordinary occasions, convene a Special Session of the Nevada State Legislature by proclamation. I have issued a proclamation calling the Legislature into a Special Session. In that proclamation, I identify a number of items to consider that will put Nevada on the path to recovery. I know that together, we can use that same spirit now to create a balanced budget and begin our pathway forward to recovery.

Thank you,

STEVE SISOLAK

*Governor*

OFFICE OF THE GOVERNOR

EXECUTIVE ORDER

A PROCLAMATION BY THE GOVERNOR

WHEREAS, Section 9 of Article V of the Constitution of the State of Nevada provides that, "[T]he Governor may, on extraordinary occasions, convene the Legislature by Proclamation and shall state to both houses, when organized, the business for which they have been specially convened;" and

WHEREAS, as extraordinary occasion exists, resulting from the global COVID-19 pandemic and its associated economic consequences, requiring immediate action by the Nevada State Legislature; and

WHEREAS, in late 2019, the United States Centers for Disease Control and Prevention began monitoring an outbreak caused by a novel coronavirus; and

WHEREAS, on February 11, 2020, the International Committee on Taxonomy of Viruses named this novel coronavirus "severe acute respiratory syndrome coronavirus 2 (SARS-Co V-2);" and

WHEREAS, on February 11, 2020, the World Health Organization named the disease caused by SARS-CoV-2, "COVID-19;" and

WHEREAS, on March 5, 2020, Clark County and Washoe County both reported the first known cases of COVID-19 in the State of Nevada; and

WHEREAS, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic; and

WHEREAS, on March 12, 2020, I, Steve Sisolak, Governor of the State of Nevada, issued a Declaration of Emergency to facilitate the State's response to the COVID-19 pandemic; and

WHEREAS, on March 13, 2020, Donald J. Trump, President of the United States declared a nationwide emergency pursuant to Sec. 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (the "Stafford Act"); and

WHEREAS, since the March 12, 2020 Declaration of Emergency, I have issued 26 Directives, with associated guidance documents, pursuant to that order to provide for the safety, wellbeing, and public health of Nevadans and the administration of the State of Nevada; and

WHEREAS, on May 10, 2020, I issued a Declaration of Fiscal Emergency, citing the global economic decline from the COVID-19 pandemic, which has disrupted commerce and has negatively impacted the amount of revenue received by the State of Nevada and school districts in the State; and

WHEREAS, the Declaration of Fiscal Emergency noted that the "amount of money in the Account to Stabilize the Operation of the State Government, commonly known as the 'Rainy Day Fund,' combined with the other financial resources available to the State of Nevada to offset a revenue shortfall is insufficient to offset a revenue shortfall and increase in State General Fund appropriations of this magnitude for the fiscal years ending on June 30, 2020 and June 30, 2021;" and

WHEREAS, the May 10, 2020 Declaration of Fiscal Emergency also provides that the "State of Nevada must act quickly to reduce expenditures and to ensure that the expenditures of the State for the fiscal years ending on June 30, 2020 and June 3, 2021, do not exceed the revenue collected by the State for the fiscal years;" and

WHEREAS, on May 13, 2020, the Interim Finance Committee of the Nevada Legislature issued and approved a Declaration of Fiscal Emergency, citing authority provided to the Legislature in NRS 353.288(5)(b), upon a Governor's declaration of the existence of a fiscal emergency, to transfer money from the "Rainy Day Fund" to the State General Fund; and

WHEREAS, the fund transfer authorized during the May 13, 2020 meeting of the Interim Finance Committee amounted to approximately $400 million; and

WHEREAS, Article 5, Section 1 of the Nevada Constitution provides: "The supreme executive power of this State, shall be vested in a Chief Magistrate who shall be Governor of the State of Nevada;" and

WHEREAS, as presaged in the Declaration of Fiscal Emergency of May 10, 2020, I believe that an extraordinary occasion now exists, as contemplated by Section 9 of Article V of the Constitution, in which the financial resources available to the State of Nevada are insufficient to cover the projected revenue shortfall for the fiscal year ending June 30, 2021, requiring timely action by the Nevada State Legislature; and

WHEREAS, as a direct result of the COVID-19 outbreak, some students awarded the Millennium Scholarship experienced inordinate tumult and difficult and uneven transitions to remote learning environments, resulting in diminished academic performance which may jeopardize the students' continued qualification to access Millennium Scholarship funds; and

WHEREAS, under such an extraordinary set of circumstances, the Nevada Constitution provides authority for the Governor to convene the Legislature by Proclamation;

NOW, THEREFORE, I, STEVE SISOLAK, GOVERNOR OF THE STATE OF NEVADA, by the authority vested in me by the Constitution and laws of the State of Nevada, do hereby convene the Nevada State Legislature into a special session to begin at 9:00 a.m. on Wednesday, July 8, 2020, to consider the following solutions to the deleterious effects of the COVID-19 pandemic, including the substantial general fund shortfall for the current biennium among other items noted below:

1. Reducing, reserving, or cancelling certain general fund appropriations made during the 80th Session of the Nevada Legislature to fund operating budgets.
2. Amendments to Nevada Revised Statutes § 362.100 et seq. to accelerate and advance the payment schedule of the tax on the net proceeds of minerals.
3. Transfers to the State General Fund certain amounts from certain funds and accounts including, but not limited to, the Healthy Nevada Fund.
4. Providing flexibility for the Department of Health and Human Services to transfer funds among various accounts in the same manner and limits as allowed for work programs under NRS 353.220.
5. Providing flexibility for restoration of programs, services and any other reductions approved in the special session in the event Nevada receives federal funding to assist with the impact on the state budget caused by the COVID-19 pandemic.

6. Any other actions directly related to solutions for the projected general fund revenue shortfall for the current biennium.
7. Amendments to Chapter 388G to allow local school districts to carry forward year-end balances to the following school year.
8. Amendments to Chapter 396 of the Nevada Revised Statutes governing the Millennium Scholarship to authorize the Nevada Board of Regents to implement temporary waivers or modifications of the continuing eligibility requirements for recipients of the Millennium Scholarship during the period of the COVID-19 emergency. Require the submission of a report to the Governor and the Director of the Nevada Legislative Counsel Bureau no later than February 1, 2021, setting forth in detail any temporary actions taken by the Board of Regents and the impact of such actions on Millennium Scholarship recipients.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of Nevada to be affixed at the State Capitol in Carson City, this 7th day of July, in the year two thousand twenty.

STEVE SISOLAK
*Governor*
BARBARA K. CEGAVSKE
*Secretary of State*
WAYNE THORLEY
*Deputy Secretary of State*

MOTIONS, RESOLUTIONS AND NOTICES

By Senators Cannizzaro and Settelmeyer:

Senate Resolution No. 1—Adopting the Rules of the Senate for the 31st Special Session of the Nevada Legislature.

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, That the following Rules of the Senate for the 31st Special Session of the Legislature are hereby adopted:

*I. APPLICABILITY*

*Rule No. 1. Generally.*

*The Rules of the Senate for the 31st Special Session of the Legislature are applicable only during the 31st Special Session of the Legislature.*

*II. OFFICERS AND EMPLOYEES*

*DUTIES OF OFFICERS*

*Rule No. 2. President.*

*The President shall take the chair and call the Senate to order precisely at the hour appointed for meeting. The President shall preserve order and decorum, and in case of any disturbance or disorderly conduct within the Senate Chamber, shall order the Sergeant at Arms to suppress it, and may order the arrest of any person creating any disturbance within the Senate Chamber. The President may speak to points of order in preference to members, rising from the President's seat for that purpose, and shall decide questions of order without debate, subject to an appeal to the Senate by two members, on which appeal no member may speak more than once without leave of the Senate. The President shall sign all acts, addresses and joint resolutions, and all writs, warrants and subpoenas issued by order of the Senate; all of which must be attested by the Secretary. The President has general direction of the Senate Chamber.*

*Rule No. 3. President pro Tempore and Other Presiding Officers.*

*1. Except as otherwise provided in subsection 2:*

*(a) The President pro Tempore has all the power and shall discharge all the duties of the President during his or her absence or inability to discharge the duties of his or her office.*

*(b) If the President is unwilling to discharge the duties of his or her office, the Senate may, by majority vote of the Senate, call upon the President pro Tempore to serve as the President. Upon such call, the President pro Tempore has all the power and shall discharge all the duties of the President during his or her unwillingness to discharge the duties of his or her office.*

*(c) In the absence or inability of the President pro Tempore to discharge the duties of the President's office, the Senate shall elect one of its members as the presiding officer for that occasion. A member who is serving as the presiding officer has all the power and shall discharge all the duties of the President until the absence or inability which resulted in the member serving as the presiding officer has ended.*

*2. When the President pro Tempore or another member is serving as the presiding officer, the President pro Tempore or other member may vote on any question for which he or she is otherwise qualified to vote as a member. If the Senate is equally divided on the question, the President pro Tempore or other member may not give an additional deciding vote or casting vote pursuant to Senate Rule No. 14 of the 31st Special Session or Section 17 of Article 5 of the Nevada Constitution.*

*Rule No. 4. Secretary.*

*1. The Secretary of the Senate is elected by the Senate, and shall:*

*(a) Recruit, interview, select, train and supervise all staff employed to assist with the work of the Senate.*

*(b) See that these employees perform their respective duties.*

*(c) Administer the daily business of the Senate, including the provision of staff as needed.*

*(d) Adopt such administrative policies as the Secretary deems necessary to carry out the business of the Senate.*

*(e) Unless otherwise ordered by the Senate, transmit as soon as practicable those bills and resolutions upon which the next action is to be taken by the Assembly.*

*2. The Secretary is responsible to the Majority Leader.*

*3. The President and the Secretary are authorized to make any necessary corrections and additions to the final Journal, Daily History and committee minutes of the Senate.*

*4. In the absence of the Secretary and subject to the direction of the Majority Leader, the Assistant Secretary shall attest all writs, warrants and subpoenas issued by order of the Senate and certify as to the passage of Senate bills and resolutions; and in the absence of both officers, the Majority Leader shall designate a signatory.*

*Rule No. 5. Sergeant at Arms.*

*The Sergeant at Arms shall:*

*1. Attend the Senate during its sittings, and execute its commands and all process issued by its authority.*

*2. Keep the secrets of the Senate.*

*3. Superintend the upkeep of the Senate's Chamber, private lounge and meeting rooms for committees.*

*Rule No. 6. Deputy Sergeant at Arms and Assistant Sergeants at Arms.*

*The Deputy Sergeant at Arms and Assistant Sergeants at Arms shall serve as doorkeepers and shall preserve order in the Senate Chamber and shall assist the Sergeant at Arms. The Deputy Sergeant at Arms and Assistant Sergeants at Arms shall keep the secrets of the Senate. In the event that the Sergeant at Arms is incapacitated or absent for any reason, the Deputy Sergeant at Arms shall serve as the Sergeant at Arms until the incapacity or absence has ended.*

## *III. SESSIONS AND MEETINGS*

*Rule No. 7. Call of Senate—Moved by Three Members.*

*1. A Call of the Senate may be moved by three Senators, and if carried by a majority of all present, the Secretary shall call the roll and note the absentees, after which the names of the absentees shall again be called over. The doors shall then be closed and the Sergeant at Arms directed to take into custody all who may be absent without leave, and all Senators so taken into custody shall be presented at the bar of the Senate for such action as the Senate may deem proper.*

*2. In the event an emergency occurs during a special session of the Legislature which requires a meeting of the Senate, the Majority Leader shall call the members back to order before the hour to which the Senate has adjourned.*

*Rule No. 8. Absence—Leave Required.*

*No Senator shall absent himself or herself from the service of the Senate without leave, except in case of accident or sickness, and if any Senator or officer shall so absent himself or herself, his or her per diem shall not be allowed.*

*Rule No. 9. Open Meetings.*

*1. Except as otherwise provided in the Constitution of the State of Nevada and in subsection 2, all meetings of the Senate and the Committee of the Whole or a standing committee must be open to the public.*

*2. A meeting may be closed to consider the character, alleged misconduct, professional competence, or physical or mental health of a person.*

*IV. DECORUM AND DEBATE*

*Rule No. 10. Points of Order.*

*1. If any Senator, in speaking or otherwise, transgresses the Rules of the Senate, the President shall, or any Senator may, call him or her to order. If a Senator is so called to order, he or she shall not proceed without leave of the Senate. If such leave is granted, it must be upon the motion, "That he or she be allowed to proceed in order," and the Senator shall confine himself or herself to the question under consideration and avoid personality.*

*2. Every decision of points of order made by the President is subject to appeal, and a discussion of a question of order may be allowed only upon the appeal of two Senators. In all cases of appeal, the question must be, "Shall the decision of the Chair stand as the judgment of the Senate?"*

*Rule No. 11. Breaches of Decorum.*

*1. In cases of breaches of decorum or propriety, any Senator, officer or other person is liable to such censure or punishment as the Senate may deem proper.*

*2. If any Senator is called to order for offensive or indecorous language or conduct, the person calling the Senator to order shall report the offensive or indecorous language or conduct to the presiding officer. No member may be held to answer for any language used on the floor of the Senate if business has intervened before exception to the language was taken.*

*3. Indecorous conduct or boisterous or unbecoming language is not permitted in the Senate Chamber.*

*Rule No. 11.5. Legislative Ethics.*

*1. Each Legislator is subject, at all times, to the Legislative Code of Ethical Standards in the Joint Standing Rules and, in addition, must determine whether he or she has a conflict of interest upon any matter in question before the Legislator. In determining whether the Legislator has such a conflict of interest, the Legislator should consider whether the independence of judgment of a reasonable person in his or her situation upon the matter in question would be materially affected by the Legislator's:*

*(a) Acceptance of a gift or loan;*

*(b) Private economic interest; or*

*(c) Commitment to a member of his or her household or his or her immediate family.*

*➥ In interpreting and applying the provisions of this subsection, it must be presumed that the independence of judgment of a reasonable person in the Legislator's situation would not be materially affected by the Legislator's private economic interest or the Legislator's commitment to a member of his or her household or immediate family where the resulting benefit or detriment accruing to the Legislator, or if the Legislator has a commitment to a member of his or her household or immediate family, accruing to those other persons, is not greater than that accruing to any other member of the general business, profession, occupation or group that is affected by the matter.*

*2. Except as otherwise provided in subsection 3, if a Legislator knows he or she has a conflict of interest pursuant to subsection 1, the Legislator shall make a general disclosure of the conflict of interest on the record in a meeting of a committee or on the floor of the Senate, as applicable. Such a disclosure must be entered:*

*(a) If the Legislator makes the disclosure in a meeting of a committee, in the minutes for that meeting.*

*(b) If the Legislator makes the disclosure on the floor of the Senate, in the Journal.*

*3. If, on one or more prior occasions during the current session of the Legislature, a Legislator has made a general disclosure of a conflict of interest on the record in a meeting of a committee or on the floor of the Senate, the Legislator is not required to make that general disclosure at length again regarding the same conflict of interest if, when the matter in question arises on subsequent occasions, the Legislator makes a reference on the record to the previous disclosure.*

*4. In determining whether to abstain from voting upon, advocating or opposing a matter concerning which a Legislator has a conflict of interest pursuant to subsection 1, the Legislator should consider whether:*

*(a) The conflict impedes his or her independence of judgment; and*

*(b) His or her interest is greater than the interests of an entire class of persons similarly situated.*

*5. The provisions of this Rule do not under any circumstances and regardless of any conflict of interest:*

*(a) Prohibit a Legislator from requesting or introducing a legislative measure; or*

*(b) Require a Legislator to take any particular action before or while requesting or introducing a legislative measure.*

*6. If a Legislator who is a member of a committee declares on the record when a vote is to be taken by the committee that he or she will abstain from voting because of the requirements of this Rule the necessary quorum to act upon and the number of votes necessary to act upon the matter is reduced as though the Legislator abstaining were not a member of the committee.*

*7. The standards and procedures set forth in this Rule which govern whether and to what extent a Senator has a conflict of interest, should disclose a conflict of interest or should abstain from voting upon, advocating or opposing a matter concerning which the Senator has a conflict of interest pursuant to subsection 1:*

*(a) Are exclusive and are the only standards and procedures that apply to Senators with regard to such matters; and*

*(b) Supersede and preempt all other standards and procedures with regard to such matters,*

*➥ except that this subsection does not exempt any Senators from the Legislative Code of Ethical Standards in the Joint Standing Rules.*

*8. For purposes of this Rule, "immediate family" means a person who is related to the Legislator by blood, adoption or marriage within the first degree of consanguinity or affinity.*

*V. QUORUM, VOTING, ELECTIONS*

*Rule No. 12. Action Required to Be Taken in Senate Chamber.*

*Any action taken by the Senate must be taken in the Senate Chamber.*

*Rule No. 13. Recorded Vote—Three Required to Call For.*

*1. A recorded vote must be taken upon final passage of a bill or joint resolution, and in any other case when called for by three members. Every Senator within the bar of the Senate shall vote "yea" or "nay" or record himself or herself as "not voting," unless excused by unanimous vote of the Senate.*

*2. The votes and names of those absent or recorded as "not voting" and the names of Senators demanding the recorded vote must be entered in the Journal.*

*Rule No. 14. President to Decide—Tie Vote.*

*A question is lost by a tie vote, but when the Senate is equally divided on any question except the passage of a bill or joint resolution, the President may give the deciding vote.*

*Rule No. 15. Manner of Election—Voting.*

*1. In all cases of election by the Senate, the vote must be taken viva voce. In other cases, if a vote is to be recorded, it may be taken by oral roll-call or by electronic recording.*

*2. When a recorded vote is taken, no Senator may:*

*(a) Vote except when at his or her seat;*

*(b) Explain his or her vote or discuss the question while the voting is in progress; or*

*(c) Change his or her vote after the result is announced.*

*3. The announcement of the result of any vote must not be postponed.*

*VI. LEGISLATIVE BODIES*

*Rule No. 16. Committee of the Whole.*

*1. All bills and resolutions may be referred only to the Committee of the Whole or to such standing committee as may be appointed pursuant to Senate Rule No. 16.5 of the 31st Special Session of the Legislature.*

*2. The Majority Leader shall preside as Chair of the Committee of the Whole or name a Chair to preside.*

*3. Any meeting of the Committee of the Whole may be conducted outside the Senate Chamber, as designated by the Chair of the Committee.*

*4. A member of the Committee of the Whole may speak on an item listed on the Committee's agenda, for a period of not more than 10 minutes, unless he or she is granted leave of the Chair to speak for a longer period. If a member is granted leave to speak for a longer period, the Chair may limit the length of additional time that the member may speak.*

*5. The Chair may require any vote of the Committee of the Whole to be recorded in the manner designated by the Chair.*

*6. All amendments proposed by the Committee of the Whole:*

*(a) Must first be approved by the Committee.*

*(b) Must be reported by the Chair to the Senate.*

*7. The minutes of the Committee's meetings must be entered in the final Journal.*

*Rule No. 16.5. Standing Committees.*

*In addition to the Committee of the Whole, such standing committees may be appointed as may be deemed necessary.*

*Rule No. 17. Rules Applicable to Standing Committees and Committee of the Whole.*

*The Rules of the Senate shall apply to proceedings in the Committee of the Whole and such standing committees as may be appointed, except that the previous question shall not be ordered nor the yeas and nays demanded, but the Chair may limit the number of times that any member may speak, at any stage of proceedings, during its sitting. Messages may be received by the President while the Committee is sitting; in which case the President shall resume the chair and receive the message. After receiving the message, the President shall vacate the chair in favor of the Chair of the Committee. The rules of parliamentary practice contained in Mason's Manual of Legislative Procedure shall govern such committees in all cases in which they are applicable and in which they are not inconsistent with the rules and orders of the Senate.*

*Rule No. 18. Motion to Rise Committee of the Whole.*

*A motion that the Committee of the Whole rise shall always be in order, and shall be decided without debate.*

## *VII. RULES GOVERNING MOTIONS*

### *A. MOTIONS GENERALLY*

*Rule No. 19. Entertaining.*

*1. No motion may be debated until it is announced by the President.*

*2. By consent of the Senate, a motion may be withdrawn before amendment or decision.*

*Rule No. 20. Precedence of Motions.*

*When a question is under debate, no motion shall be received but the following, which shall have precedence in the order named:*

*1. To adjourn.*

*2. For a call of the Senate.*

*3. To recess.*

*4. To lay on the table.*

*5. For the previous question.*

*6. To postpone to a day certain.*

*7. To refer to committee.*

*8. To amend.*

*9. To postpone indefinitely.*

*➥ The first three motions shall be decided without debate and a motion to lay on the table without question or debate.*

*Rule No. 21. When Not Entertained.*

*1. When a motion to postpone indefinitely has been decided, it must not be again entertained on the same day.*

*2. When a question has been postponed indefinitely, it must not again be introduced during the Special Session unless this Rule is suspended by a majority vote of the Senate.*

*3. There must be no reconsideration or rescission of a vote on a motion to postpone indefinitely.*

### *B. PARTICULAR MOTIONS*

*Rule No. 22. To Adjourn.*

*A motion to adjourn shall always be in order unless a motion to reconsider a final vote on a bill or resolution or any other action is pending. The name of the Senator moving to adjourn, and the time when the motion was decided, shall be entered in the Journal.*

*Rule No. 23. Lay on the Table.*

*A motion to lay on or take from the table shall be carried by a majority vote.*

*Rule No. 24. To Strike Enacting Clause.*

*A motion to strike out the enacting clause of a bill has precedence over a motion to refer to committee or to amend. If a motion to strike out the enacting clause of a bill is carried, the bill is rejected.*

*Rule No. 25. Division of Question.*

*1. Any Senator may call for a division of a question.*

*2. A question must be divided if the Senate determines it embraces subjects so distinct that if one subject is taken away, a substantive proposition remains for the decision of the Senate.*

*3. A motion to strike out and insert must not be divided.*

*Rule No. 26. Explanation of Motion.*

*Whenever a Senator moves to change the usual disposition of a bill or resolution, he or she shall describe the subject of the bill or resolution and state the reasons for requesting the change in the processing of the bill or resolution.*

## *VIII. DEBATE*

*Rule No. 27. Speaking on Question.*

*1. Every Senator who speaks shall, seated in his or her place, address "Mr. or Madam President," in a courteous manner, and shall confine himself or herself to the question before the Senate.*

*2. Except as otherwise provided in Senate Rules Nos. 10 and 45 of the 31st Special Session, a Senator may speak only once on a question before the Senate, for a period of not more than 10 minutes, unless he or she is granted leave of the President to speak for a longer period or more than once. If a Senator is granted leave to speak for a longer period or more than once, the President may limit the length of additional time that the member may speak.*

*3. Incidental and subsidiary questions arising during debate shall not be considered the same question.*

*Rule No. 28. Previous Question.*

*The previous question shall not be put unless demanded by three Senators, and it shall be in this form: "Shall the main question be put?" When sustained by a majority of Senators present, it shall put an end to all debate and bring the Senate to a vote on the question or questions before it, and all incidental questions arising after the motion was made shall be decided without debate. A person who is speaking on a question shall not while he or she has the floor move to put that question.*

## *IX. CONDUCT OF BUSINESS*

### *A. GENERALLY*

*Rule No. 29. Mason's Manual.*

*The rules of parliamentary practice contained in Mason's Manual of Legislative Procedure shall govern the Senate in all cases in which they are applicable and in which they are not inconsistent with the rules and orders of the Senate for the 31st Special Session of the Legislature, and the Joint Rules of the Senate and Assembly for the 31st Special Session of the Legislature.*

*Rule No. 30. Suspension, Rescission or Change of Rule.*

*No rule or order of the Senate for the 31st Special Session of the Legislature shall be suspended, rescinded or changed without a majority vote of the Senate.*

*Rule No. 31. Protest.*

*Any Senator, or Senators, may protest against the action of the Senate upon any question, and have such protest entered in the Journal.*

*Rule No. 32. Privilege of the Floor.*

*1. To preserve decorum and facilitate the business of the Senate, only the following persons may be present on the floor of the Senate during formal sessions:*

*(a) State officers;*

*(b) Officers and members of the Senate;*

*(c) Employees of the Legislative Counsel Bureau;*

*(d) Staff of the Senate; and*

*(e) Members of the Assembly whose presence is required for the transaction of business.*

*2. A majority of Senators may authorize the President to have the Senate Chamber cleared of all persons except Senators and officers of the Senate.*

*3. The Senate Chamber may not be used for any business other than legislative business during a legislative session.*

*Rule No. 33. Material Placed on Legislators' Desks.*

*1. Only the Sergeant at Arms and officers and employees of the Senate may place papers, letters, notes, pamphlets and other written material upon a Senator's desk. Such material must contain the name of the Legislator requesting the placement of the material on the desk or a designation of the origin of the material.*

*2. This Rule does not apply to books containing the legislative bills and resolutions, the daily histories and daily journals of the Senate or Assembly, or Legislative Counsel Bureau material.*

*Rule No. 34. Petitions.*

*The contents of any petition shall be briefly stated by the President or any Senator presenting it. It shall then lie on the table or be referred, as the President or Senate may direct.*

*Rule No. 35. Objection to Reading of Paper.*

*Where the reading of any paper is called for, and is objected to by any Senator, it shall be determined by a vote of the Senate, and without debate.*

*Rule No. 36. Questions Relating to Priority of Business.*

*All questions relating to the priority of business shall be decided without debate.*

*B. BILLS AND RESOLUTIONS*

*Rule No. 37. Requests for the Drafting of Bills, Resolutions and Amendments.*

*Except as otherwise provided in this Rule, the Legislative Counsel shall not honor a request for the drafting of a bill, resolution or amendment to be introduced in the Senate unless it is submitted by the Committee of the Whole, a standing committee or a Conference Committee. The Majority Leader may request the drafting of five legislative measures for the 31st Special Session of the Legislature without seeking the approval of the Committee of the Whole or any other committee that may be appointed for the 31st Special Session.*

*Rule No. 38. Skeleton Bill Prohibited.*

*Skeleton bills may not be introduced.*

*Rule No. 39. Reading of Bills.*

*1. Every bill must receive three readings before its passage, unless, in case of emergency, this Rule is suspended by a two-thirds vote of the Senate.*

*2. The first reading of a bill is for information, and if there is opposition to the bill, the question must be, "Shall this bill be rejected?" If there is no opposition to the bill, or if the question to reject is defeated, the bill must then take the usual course.*

*3. No bill may be referred to committee until once read, nor amended until twice read.*

*4. The third reading of every bill must be by sections.*

*Rule No. 40. Second Reading File—Consent Calendar.*

*1. All bills or joint resolutions reported by the Committee of the Whole or a standing committee must be placed on a Second Reading File unless recommended for placement on the Consent Calendar.*

*2. The Committee of the Whole or a standing committee shall not recommend a bill or joint resolution for placement on the Consent Calendar if:*

*(a) An amendment of the bill or joint resolution is recommended;*

*(b) It contains an appropriation;*

*(c) It requires a two-thirds vote of the Senate; or*

*(d) It is controversial in nature.*

*3. A bill or joint resolution must be removed from the Consent Calendar at the request of any Senator, without question or debate. A bill or joint resolution so removed must be immediately placed on the Second Reading File for consideration in the usual order of business.*

*4. When the Consent Calendar is called:*

*(a) The bills remaining on the Consent Calendar must be read by number and summary, and the vote must be taken on their final passage as a group.*

*(b) No remarks or questions are in order and the bills remaining on the Consent Calendar must be voted upon without debate.*

*Rule No. 41. Reading of Bills—General File.*

*1. Upon reading of bills on the Second Reading File, Senate and Assembly bills reported without amendments must be placed on the General File.*

*2. Only amendments proposed by the Committee of the Whole, a standing committee or a conference committee may be considered.*

*3. Amendments proposed by the Committee of the Whole or a standing committee and reported with bills may be adopted by a majority vote of the members present. Bills so amended must be reprinted, engrossed or reengrossed, and placed on the General File. The File must be made available to members of the public each day by the Secretary.*

*Rule No. 42. Reconsideration of Vote on Bill.*

*No motion to reconsider a vote is in order.*

*Rule No. 42.5 Vetoed Bills.*

*Bills which have passed the Legislature, and forwarded by letter, to the Senate by the Governor and which are accompanied by a message of the Governor's disapproval, or veto of the same, shall become a special order and, at which time, the said message shall be read, together with the bill or bills so disposed or vetoed; and the message and the bill shall be read without interruption, consecutively, one following the other, and not upon separate occasions; and no such bill or message shall be referred to any committee, or otherwise acted upon, save as provided by rule, custom and law; that is to say, that immediately following such reading the only question (except as hereinafter stated) which shall be put by the Chair is, "Shall the bill pass, notwithstanding the objections of the Governor?" It shall not be in order, at any time, to vote upon such vetoed bill without the same having first been read; the merits of the bill itself may be debated and the only motion entertained after the Chair has stated the question are a motion for "The previous question," or a motion for "No further consideration" of the vetoed bill.*

*C. RESOLUTIONS*

*Rule No. 43. Certain Resolutions Treated as Bills.*

*Joint resolutions addressed to Congress, or to either House thereof, or to the President of the United States, or the heads of any of the national departments, or proposing amendments to the State Constitution are subject, in all respects, to the foregoing rules governing the course of bills. A joint resolution proposing an amendment to the Constitution must be entered in the Journal in its entirety.*

*Rule No. 43.3. Memorial Resolutions.*

*Once the sponsor has moved for the adoption of a memorial resolution, not more than one member from each caucus, and, upon request of a member of the body and the approval of the Majority Leader, one additional member may speak on the resolution.*

*Rule No. 44. Certain Resolutions Treated as Motions.*

*Resolutions, other than those referred to in Senate Rules Nos. 43 and 43.3 of the 31st Special Session of the Legislature, must be treated as motions in all proceedings of the Senate.*

*Rule No. 44.5. Return From the Secretary of State.*

*A Senate resolution may be used to request the return from the Secretary of State of an enrolled Senate resolution for further consideration.*

*Rule No. 45. Order of Business, Special Orders and Other Matters.*

*1. Roll Call.*
*2. Prayer and Pledge of Allegiance to the Flag.*
*3. Reading and Approval of the Journal.*
*4. Reports of Committees.*
*5. Messages from the Governor.*
*6. Messages from the Assembly.*
*7. Communications.*
*8. [Reserved.]*
*9. Motions, Resolutions and Notices.*
*10. Introduction, First Reading and Reference.*
*11. Consent Calendar.*
*12. Second Reading and Amendment.*

*13. General File and Third Reading.*

*14. Unfinished Business.*

*15. Special Orders of the Day.*

*16. Remarks from the Floor; Introduction of Guests. A Senator may speak under this order of business for a period of not more than 5 minutes each day.*

*Rule No. 46. Privilege.*

*Any Senator may explain a matter personal to himself or herself by leave of the President, but the Senator shall not discuss any pending question in such explanation.*

*Rule No. 47. Preference to Speak.*

*When two or more Senators request to speak at the same time, the President shall name the one who may first speak—giving preference, when practicable, to the mover or introducer of the subject under consideration.*

*Rule No. 48. Special Order.*

*The President shall call the Senate to order on the arrival of the time fixed for the consideration of a special order, and announce that the special order is before the Senate, which shall be considered, unless it be postponed by a majority vote of the Senate, and any business before the Senate at the time of the announcement of the special order shall go to Unfinished Business.*

And be it further

RESOLVED, That this resolution becomes effective upon adoption.

Senator Cannizzaro moved the adoption of the resolution.

Remarks by Senator Cannizzaro.

Senate Resolution No. 1, which sets forth the 31st Special Session standing rules, provides for the following:

Rule No. 4 is revised to provide that in the absence of the Secretary of the Senate, and subject to the direction of the Majority Leader, the Assistant Secretary shall attest all writs, warrants and subpoenas issued by the Senate and shall certify passage of the Senate bills and resolutions; in the absence of both officers, the Majority Leader shall designate a signatory.

Rule No. 5 is revised consistent with the companion Rule in the Senate regular Session rules (Rule No. 4) to remove the language which provides that the Sergeant at Arms is responsible to the Majority Leader.

Rule No. 11.5 is revised consistent with the companion Rule in the Senate regular Session rules (Rule No. 23) to provide that each Legislator is subject at all times to the Legislative Code of Ethical Standards in the Joint Standing Rules and must determine whether he or she has a conflict of interest on any matter in question before the Legislator.

Rule No. 14 is revised consistent with the companion Rule in the Senate regular Session rules (Rule No. 13) with respect to the President's authority to give a deciding vote, to provide an exception for a vote on "the passage of a bill or joint resolution."

Rule No. 21 is revised to provide that in addition to the current rule that there is no reconsideration of a vote on a motion to postpone indefinitely, there must also be no recession of a vote on a motion to postpone indefinitely.

Rule No. 22 is revised consistent with the companion Rule in the Senate regular Session rules (Rule No. 63) to provide that a motion to adjourn is always in order "unless a motion to reconsider a final vote on a bill or resolution or any other action is pending."

Rule No. 25 is revised consistent with the companion Rule in the Senate regular Session rules (Rule No. 67) relating to "Division of the Question."

Rules Nos. 27, 46 and 47 are revised as clean-up for this Special Session as Senators will not be standing or sitting to speak from their desks.

Rule No. 32 is revised as clean-up for this special Session as there will not be guests seated in the Senate Chamber.

Rule No. 42.5 is added to these Rules to prescribe the procedure for vetoed bills in a manner consistent with the companion Rule in the Senate regular Session rules (Rule No. 116).

Resolution adopted unanimously.

By Senators Cannizzaro and Settelmeyer:

Senate Resolution No. 2—Providing that no allowances will be paid for the 31st Special Session of the Nevada Legislature for periodicals, stamps, stationery or communications.

Senator Cannizzaro moved the adoption of the resolution.

Remarks by Senator Cannizzaro.

It is the tradition of the Senate that no allowances are paid for periodicals, stamps, stationery and the like during the 31st Special Session.

Resolution adopted unanimously.

By Senators Cannizzaro and Settelmeyer:

Senate Resolution No. 3—Recognizing the appointment of the Senate staff.

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, That the following persons are recognized as the duly-appointed staff of the Senate for the 31st Special Session of the Legislature of the State of Nevada: Annette M. Biamonte, Steve E. Brummer, Terry A. Horvat, Diana R. Jones, Erich T. Kolbe, Terri L. Miller, Juliet W. Newman, Sherry L. Rodriguez, Susan S. Whitford and Jeanine M. Wittenberg.

Senator Cannizzaro moved the adoption of the resolution.

Remarks by Senator Cannizzaro:

We are, as always, fortunate, and once again, to have an exceptional legislative staff to work with us during this Special Session.

Resolution adopted unanimously.

By Senator Cannizzaro:

Senate Resolution No. 4—Adopting Special Rules of the Senate for the 31st Special Session of the Nevada Legislature concerning the use of remote-technology systems by members of the Senate.

WHEREAS, The 31st Special Session of the Nevada Legislature is being held amid the ongoing and widespread public-health crisis caused by the COVID-19 pandemic; and

WHEREAS, Because of the extraordinary danger, risk, harm, injury and peril posed by the COVID-19 pandemic, the Senate must exercise its constitutional and inherent powers and privileges and must adopt these Special Rules concerning the use of remote-technology systems by members of the Senate to:

1. Govern, control and regulate its membership and its internal organization, affairs and management;

2. Ensure its institutional self-protection and self-preservation; and

3. Establish a reasonable method for determining whether a member of the Senate is present at legislative proceedings amid the ongoing and widespread public-health crisis caused by the COVID-19 pandemic in order to keep the legislative process as safe and free as reasonably possible from the extraordinary danger, risk, harm, injury and peril posed by the COVID-19 pandemic; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, That the following Special Rules of the Senate for the 31st Special Session of the Legislature are hereby adopted:

*Special Rule No. 1. Applicability and Precedence of Special Rules.*

*These Special Rules of the Senate for the 31st Special Session of the Legislature:*

*1. Are applicable only during the 31st Special Session of the Legislature; and*

*2. Supersede, take precedence and control over any other rule, provision or principle of law to the extent of any conflict with these Special Rules.*

*Special Rule No. 2. Public Purposes and Construction of Special Rules.*

*1. These Special Rules are intended to serve the following public purposes:*

*(a) To protect the health, safety and welfare of Legislators, members of legislative staff and others who participate in the legislative process amid the ongoing and widespread public-health crisis caused by the COVID-19 pandemic, these Special Rules are intended to authorize necessary protective and safety measures intended to keep the legislative process as safe and free as reasonably possible from the extraordinary danger, risk, harm, injury and peril posed by the COVID-19 pandemic.*

*(b) To enable the members of the Senate to represent their constituents and carry out their official powers, functions, duties and responsibilities in the legislative process amid the ongoing and widespread public-health crisis caused by the COVID-19 pandemic, these Special Rules are intended to authorize members of the Senate, under certain circumstances, to use remote-technology systems to attend, participate, vote and take any other action in legislative proceedings when determined to be necessary as a protective or safety measure to keep the legislative process as safe and free as reasonably possible from the extraordinary danger, risk, harm, injury and peril posed by the COVID-19 pandemic.*

*(c) To safeguard the workings of the Legislative Department of Nevada's State Government and preserve and protect the continuity and efficacy of its legislative operations amid the ongoing and widespread public-health crisis caused by the COVID-19 pandemic, these Special Rules are intended to ensure that the Senate may efficiently and effectively carry out its official powers, functions, duties and responsibilities which are expressly and exclusively assigned to the Senate by the Nevada Constitution and which cannot be exercised or performed by any other body or branch of Nevada's State Government.*

*2. Because of the extraordinary danger, risk, harm, injury and peril posed by the COVID-19 pandemic, these Special Rules must be liberally construed to achieve their intended public purposes, and if there is any uncertainty or doubt regarding the interpretation or application of these Special Rules, that uncertainty or doubt must be resolved in favor of carrying out the intended public purposes of these Special Rules.*

*Special Rule No. 3. Definitions Applicable to Special Rules.*

*As used in these Special Rules, unless the context otherwise requires, "remote-technology system" means any system or other means of communication that is:*

*1. Approved by the Majority Leader and uses any electronic, digital or other similar technology to enable a member of the Senate from a remote location to attend, participate, vote and take any other action in any proceedings of the Senate or the Committee of the Whole even though the member is not physically present within the Senate Chambers or at a meeting of the Committee of the Whole.*

*2. Approved by the chair of a committee, other than the Committee of the Whole, and uses any electronic, digital or other similar technology to enable a member of the Senate from a remote location to attend, participate, vote and take any other action in any proceedings of the committee even though the member is not physically present at a meeting of the committee.*

*Special Rule No. 4. Authorized Use of Remote-Technology Systems to Carry Out Public Purposes of Special Rules.*

*1. Upon request by a member of the Senate:*

*(a) The Majority Leader may authorize the member to use a remote-technology system to attend, participate, vote and take any other action in any proceedings of the Senate or the Committee of the Whole if the Majority Leader determines that such use by the member is necessary as a protective or safety measure to carry out the public purposes of these Special Rules. If the Majority Leader grants such authorization, it must be entered in the Journal of the Senate.*

*(b) The chair of a committee, other than the Committee of the Whole, may authorize the member to use a remote-technology system to attend, participate, vote and take any other action in any proceedings of the committee if the chair determines that such use by the member is necessary as a protective or safety measure to carry out the public purposes of these Special Rules. If the chair grants such authorization, it must be entered in the records of the committee.*

*2. If a member of the Senate uses a remote-technology system to attend, participate, vote and take any other action in any proceedings pursuant to these Special Rules, the member shall be deemed to be present and in attendance at the proceedings for all purposes.*

*3. For the purposes of voting in proceedings of:*

*(a) The Senate or the Committee of the Whole, the Secretary of the Senate, or an authorized assistant, shall call the roll of each member who is authorized to use a remote-technology system for the proceedings and, in accordance with the procedures of the Senate, cause the member's vote to be entered into the record for the purposes of the Journal of the Senate or the records of the Committee of the Whole, as applicable.*

*(b) A committee, other than the Committee of the Whole, the committee secretary shall call the roll of each member who is authorized to use a remote-technology system for the proceedings and, in accordance with the procedures of the committee, cause the member's vote to be entered into the record for the purposes of the records of the committee.*

*Special Rule No. 5. Authority to Adopt Special Rules.*

*1. The Senate hereby finds and declares that:*

*(a) The Nevada Constitution invests each House of the Legislature with certain plenary and exclusive constitutional powers which may be exercised only by that House and which cannot be usurped, infringed or impaired by the other House or by any other branch of Nevada's State Government. (Heller v. Legislature, 120 Nev. 456 (2004); Commission on Ethics v. Hardy, 125 Nev. 285 (2009); Mason's Manual of Legislative Procedure §§ 2-3 & 560-564 (2010) (Mason's Manual))*

*(b) Section 6 of Article 4 of the Nevada Constitution invests each House with plenary and exclusive constitutional powers to determine the rules of its proceedings and to govern, control and regulate its membership and its internal organization, affairs and management, expressly providing that: "Each House shall judge of the qualifications, elections and returns of its own members, choose its own officers (except the President of the Senate), determine the rules of its proceedings and may punish its members for disorderly conduct, and with the concurrence of two thirds of all the members elected, expel a member."*

*(c) In addition to its plenary and exclusive constitutional powers, each House possesses certain inherent powers of institutional self-protection and self-preservation to govern, control and regulate its membership and its internal organization, affairs and management. (In re Chapman, 166 U.S. 661, 668 (1897); Mason's Manual § 2; Luther S. Cushing, Elements of the Law & Practice of Legislative Assemblies § 533 (1856) (Cushing's Legislative Assemblies))*

*(d) The inherent powers of each House are considered "so essential to the authority of a legislative assembly, that it cannot well exist without them; and they are consequently entitled to be regarded as belonging to every such assembly as a necessary incident." (Cushing's Legislative Assemblies § 533)*

*(e) The inherent powers of each House authorize it to take all necessary and proper institutional actions that are "recognized by the common parliamentary law." (Cushing's Legislative Assemblies § 684)*

*(f) Thus, it is well established that each House is "vested with all the powers and privileges which are necessary and incidental to a free and unobstructed exercise of its appropriate functions. These powers and privileges are derived not from the Constitution; on the contrary, they arise from the very creation of a legislative body, and are founded upon the principle of self-preservation." (Ex parte McCarthy, 29 Cal. 395, 403 (1866))*

*(g) Under the Nevada Constitution, there are no constitutional provisions establishing a particular method for determining whether a member of either House is present at legislative proceedings.*

*(h) The United States Supreme Court has held that when there are no constitutional provisions establishing a particular method for determining whether a member of a legislative house is present at legislative proceedings, "it is therefore within the competency of the house to prescribe any method which shall be reasonably certain to ascertain the fact." (United States v. Ballin, 144 U.S. 1, 6 (1892))*

*(i) The United States Supreme Court has also held that when a legislative house adopts a rule establishing a reasonable method for determining whether a member is present at legislative proceedings, that rule must be given great deference by the courts because:*

> *Neither do the advantages or disadvantages, the wisdom or folly, of such a rule present any matters for judicial consideration. With the courts the question is only one of power. The constitution empowers each house to determine its rules of proceedings. It may not by its rules ignore constitutional restraints or violate fundamental rights, and there*

*should be a reasonable relation between the mode or method of proceeding established by the rule and the result which is sought to be attained. But within these limitations all matters of method are open to the determination of the house, and it is no impeachment of the rule to say that some other way would be better, more accurate, or even more just. It is no objection to the validity of a rule that a different one has been prescribed and in force for a length of time. The power to make rules is not one which once exercised is exhausted. It is a continuous power, always subject to be exercised by the house, and, within the limitations suggested, absolute and beyond the challenge of any other body or tribunal.*

*(United States v. Ballin, 144 U.S. 1, 5 (1892))*

*2. The Senate hereby exercises its constitutional and inherent powers and privileges and adopts these Special Rules to:*

*(a) Govern, control and regulate its membership and its internal organization, affairs and management;*

*(b) Ensure its institutional self-protection and self-preservation; and*

*(c) Establish a reasonable method for determining whether a member of the Senate is present at legislative proceedings amid the ongoing and widespread public-health crisis caused by the COVID-19 pandemic in order to keep the legislative process as safe and free as reasonably possible from the extraordinary danger, risk, harm, injury and peril posed by the COVID-19 pandemic.*

And be it further

RESOLVED, That this resolution becomes effective upon adoption.

Senator Cannizzaro moved the adoption of the resolution.

Remarks by Senators Cannizzaro, Settelmeyer and Hardy.

SENATOR CANNIZZARO:

This Special Session of the Legislature is being held during an extraordinary time, with an ongoing and widespread public-health crisis caused by the COVID-19 pandemic. This pandemic poses a great risk of harm to members of the Legislature, legislative staff and other persons who participate in the legislative process. This resolution will enable the Senate to carry out its constitutional duties amid this threat to the health, safety and welfare to members of the Senate, legislative staff and others who participate in the legislative process.

Special Rule No. 1 is adopted to provide that these special rules apply to this Special Session to ensure the health and safety of members of the Legislature, legislative staff and others who participate in the legislative process and to ensure that these special rules take precedence over any conflicting rule.

Special Rule No. 2 is adopted to establish the intent of these special rules to ensure the health and safety of Legislators, legislative staff and others who participate in the legislative process amid the ongoing public-health crisis caused by the COVID-19 pandemic, to enable the members of the Senate to carry out their official duties amid this pandemic by remote-technology systems when determined to be necessary as a health and safety measure and to ensure that the Legislative Department of State Government can efficiently and effectively carry out its official duties under the *Nevada Constitution* during the COVID-19 pandemic.

Special Rule No. 3 requires a remote-technology system authorized for use under these special Rules to be a means of electronic communication that is approved by the Majority Leader and that enables a member of the Senate from a remote location to attend, participate and vote in any proceeding of the Senate or the Committee of the Whole even if the member is not physically present in the Senate Chambers or at a meeting of the Committee of the Whole. If, during this Special Session, a Standing Committee meets, the Chair of the Standing Committee would be authorized to approve the remote-technology system for attending, participating and voting in a Committee meeting.

Special Rule No. 4 authorizes a member of the Senate to request the Majority Leader to authorize the member to use a remote-technology system to attend, participate and vote in any proceedings of the Senate or the Committee of the Whole. If the Majority Leader determines such use of a remote-technology system is necessary as a protective or safety measure to carry out the

intent of these rules, the Majority Leader may approve the request. Any such approval must be entered in the Journal of the Senate. If, during this Special Session a standing Committee meets, the Chair of the standing Committee is authorized to approve the use of the same.

Special Rule No. 5 establishes the authority for this special rule under the *Nevada Constitution*.

SENATOR SETTELMEYER:

Traditionally, we have had both names on the Senate resolution forming these Sessions. I have had my name removed from this resolution because I seriously object to its concept. The Nevada Legislature has been meeting since July 4, 1864. Section 1 of the *Nevada Constitution* indicates sessions "…shall be held at the seat of government of the State of Nevada…," which is in Carson City. This motion will give people the ability to vote from not only Carson City but also from areas outside of Nevada or the United States. This creates problems of accountability and transparency. We have undergone many crises in the State of Nevada and have always had the ability to meet in Carson City. Even now, we are under rules, protocols and safety guidelines and have done all we can, including getting tested and wearing masks, to alleviate these concerns. It is improper to violate the Constitution, and I will be voting against this resolution.

SENATOR HARDY:

Many of us who have been here before have had issues with sickness and illness within our families including loved ones dying. With this resolution, we are trying to create a potential mischievous situation where someone could think they did not need to be at the seat of government as it is identified in our State Constitution. Our duty, as elected officials, is a sacred trust. It is not convenient. It is a sacrifice of time, money and family. Whether elected or appointed, we have demands placed upon us. When we have a call of the House, the Sergeant at Arms is charged with finding us and bringing us back to the fold and to the seat of government. Serving is a challenge on our individual budgets and the budget of the State. I am worried about the lack of a deadline to compel us to be done if we are spread throughout the land. We are here to do the people's business. We have been appointed or elected to do so. The reality is written into our rules. An absent vote is, in essence, an opposed vote, and a majority of votes in favor is needed to pass legislation.

There is a difference between a rule, a regulation, a law and the Constitution. The Constitution preempts everything we do. We are required by it to be at the seat of the government, Carson City. This resolution may have been meant to allow me to vote from upstairs in my office electronically. It was not meant to allow someone to be in Las Vegas or Gabbs, Nevada and vote. The wording is too broad. If we are in this building, which is the seat of government, it is appropriate. Not all of us will be healthy all of the time. That is reality, whether there is COVID-19 pandemic into our lives or not. I will be voting "no" on this resolution because it is too broad and does not require us to do the things our duty has mandated.

Senators Settelmeyer, Hardy and Pickard requested a roll call vote on Senator Cannizzaro's motion.

Roll call on Senator Cannizzaro's motion:

YEAS—13.

NAYS—Goicoechea, Hammond, Hansen, Hardy, Kieckhefer, Pickard, Seevers Gansert, Settelmeyer— 8.

Resolution adopted.

A Committee from the Assembly composed of Assemblyman Yeager appeared before the bar of the Senate and announced that the Assembly is organized and ready for business.

## MESSAGES FROM ASSEMBLY

ASSEMBLY CHAMBER, Carson City, July 8, 2020

*To the Honorable the Senate:*

I have the honor to inform your honorable body that the Assembly on this day adopted Assembly Concurrent Resolution No. 1.

SUSAN FURLONG
*Assistant Chief Clerk of the Assembly*

## MOTIONS, RESOLUTIONS AND NOTICES

### Assembly Concurrent Resolution No. 1—Adopting the Joint Rules of the Senate and Assembly for the 31st Special Session of the Nevada Legislature.

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE CONCURRING, That the following Joint Rules of the Senate and Assembly for the 31st Special Session of the Legislature are hereby adopted:

*APPLICABILITY OF JOINT RULES*

*Rule No. 1. Generally.*

*The Joint Rules for the 31st Special Session of the Legislature are applicable only during the 31st Special Session of the Legislature.*

*CONFERENCE COMMITTEES*

*Rule No. 2. Procedure Concerning.*

*1. In every case of an amendment of a bill, or joint or concurrent resolution, agreed to in one House, dissented from in the other, and not receded from by the one making the amendment, each House may appoint a committee to confer with a like committee to be appointed by the other; and, if appointed, the committee shall meet publicly at a convenient hour to be agreed upon by their respective chairs and announced publicly, and shall confer upon the differences between the two Houses as indicated by the amendments made in one and rejected in the other and report as early as convenient the result of their conference to their respective Houses.*

*2. The report shall be made available to all members of both Houses. The whole subject matter embraced in the bill or resolution shall be considered by the committee, and it may recommend recession by either House, new amendments, new bills or resolutions, or other changes as it sees fit. New bills or resolutions so reported shall be treated as amendments unless the bills or resolutions are composed entirely of original matter, in which case they shall receive the treatment required in the respective Houses for original bills, or resolutions, as the case may be. A conference committee shall not recommend any action which would cause the creation of more than one reprint or more than one bill or resolution.*

*3. The report of a conference committee may be adopted by acclamation. The report is not subject to amendment.*

*4. There shall be but one conference committee on any bill or resolution. A majority of the members of a conference committee from each House must be members who voted for the passage of the bill or resolution.*

*MESSAGES*

*Rule No. 3. Procedure Concerning.*

*1. Proclamations by the Governor convening the Legislature in special session must be filed and entered in the Journal of proceedings.*

*2. Whenever a message from the Governor is received, it shall be entered in full in the Journal of proceedings.*

*3. Messages from the Senate to the Assembly shall be delivered by the Secretary of the Senate or a person designated by the Secretary and messages from the Assembly to the Senate shall be delivered by the Chief Clerk of the Assembly or a person designated by the Chief Clerk.*

*NOTICE OF FINAL ACTION*

*Rule No. 4. Communications.*

*Each House shall communicate its final action on any bill or resolution, or matter in which the other may be interested, by written notice. Each such notice sent by the Senate must be signed by the Secretary of the Senate, or a person designated by the Secretary. Each such notice sent by the Assembly must be signed by the Chief Clerk of the Assembly, or a person designated by the Chief Clerk.*

*BILLS AND JOINT RESOLUTIONS*

*Rule No. 5. Signature.*

*Each enrolled bill or joint resolution shall be presented to the presiding officers of both Houses for signature. The presiding officer of the Senate shall sign the bill or joint resolution and the presiding officer of the Assembly, after an announcement of his or her intention to do so is made in open session, shall sign the bill or joint resolution. Their signatures shall be followed by those of the Secretary of the Senate and Chief Clerk of the Assembly.*

*Rule No. 6. Joint Sponsorship.*

*1. A bill or resolution introduced by a committee of the Senate or Assembly may, at the direction of the chair of the committee, set forth the name of a committee of the other House as a joint sponsor, if a majority of all members appointed to the committee of the other House votes in favor of becoming a joint sponsor of the bill or resolution. The name of the committee joint sponsor must be set forth on the face of the bill or resolution immediately below the date on which the bill or resolution is introduced.*

*2. The Legislative Counsel shall not cause to be printed the name of a committee as a joint sponsor on the face of a bill or resolution unless the chair of the committee has signed his or her name next to the name of the committee on the colored back of the introductory copy of the bill or resolution that was submitted to the front desk of the House of origin or the statement required by subsection 4.*

*3. Upon introduction, any bill or resolution that sets forth the names of primary joint sponsors must be numbered in the same numerical sequence as other bills and resolutions of the same House of origin are numbered.*

*4. Once a bill or resolution has been introduced, a primary joint sponsor or nonprimary joint sponsor may only be added or removed by amendment of the bill or resolution. An amendment which proposes to add or remove a primary joint sponsor must not be considered by the House of origin of the amendment unless a statement requesting the addition or removal is attached to the copy of the amendment submitted to the front desk of the House of origin of the amendment. If the amendment proposes to add or remove a committee as a primary joint sponsor, the statement must be signed by the chair of the committee. A copy of the statement must be transmitted to the Legislative Counsel if the amendment is adopted.*

*5. An amendment that proposes to add or remove a primary joint sponsor may include additional proposals to change the substantive provisions of the bill or resolution or may be limited only to the proposal to add or remove a primary joint sponsor.*

*PUBLICATIONS*

*Rule No. 7. Ordering and Distribution.*

*1. The bills, resolutions, journals and histories will be provided electronically to the officers and members of the Senate and Assembly, the staff of the Legislative Counsel Bureau, the press and the general public on the Nevada Legislature's Internet website.*

*2. Each House may order the printing of bills introduced, reports of its own committees, and other matters pertaining to that House only; but no other printing may be ordered except by a concurrent resolution passed by both Houses. Each Senator is entitled to the free distribution of four copies of each bill introduced in each House, and each Assemblyman and Assemblywoman to such a distribution of two copies. Additional copies of such bills may be distributed at a charge to the person to whom they are addressed. The amount charged for distribution of the additional copies must be determined by the Director of the Legislative Counsel Bureau to approximate the cost of handling and postage for the entire session.*

*RESOLUTIONS*

*Rule No. 8. Types, Usage and Approval.*

*1. A joint resolution must be used to:*

*(a) Propose an amendment to the Nevada Constitution.*

*(b) Ratify a proposed amendment to the United States Constitution.*

*(c) Address the President of the United States, Congress, either House or any committee or member of Congress, any department or agency of the Federal Government, or any other state of the Union.*

*2. A concurrent resolution must be used to:*

*(a) Amend these Joint Standing Rules which requires a majority vote of each House for adoption.*

*(b) Request the return from the Governor of an enrolled bill for further consideration.*

*(c) Request the return from the Secretary of State of an enrolled joint or concurrent resolution for further consideration.*

*(d) Resolve that the return of a bill from one House to the other House is necessary and appropriate.*

*(e) Express facts, principles, opinions and purposes of the Senate and Assembly.*

*(f) Establish a joint committee of the two Houses.*

*(g) Direct the Legislative Commission to conduct an interim study.*

*3. A concurrent resolution or a resolution of one House may be used to memorialize a former member of the Legislature or other notable or distinguished person upon his or her death.*

*4. A resolution of one House may be used to request the return from the Secretary of State of an enrolled resolution of the same House for further consideration.*

*5. A resolution of one House may be used for any additional purpose determined appropriate by the Majority Leader of the Senate or the Speaker of the Assembly, respectively.*

*AMENDMENTS*

*Rule No. 9. Germaneness Required.*

*1. The Legislative Counsel shall not honor a request for the drafting of an amendment to a bill or resolution if the subject matter of the amendment is independent of, and not specifically related and properly connected to, the subject that is expressed in the title of the bill or resolution.*

*2. For the purposes of this Rule, an amendment is independent of, and not specifically related and properly connected to, the subject that is expressed in the title of a bill or resolution if the amendment relates only to the general, single subject that is expressed in that title and not to the specific whole subject matter embraced in the bill or resolution.*

*3. This Rule must be narrowly construed.*

*ADJOURNMENT*

*Rule No. 10. Limitations and Calculation of Duration.*

*1. In calculating the permissible duration of an adjournment for 3 days or less, Sunday must not be counted.*

*2. The Legislature may adjourn for more than 3 days by motion based on mutual consent of the Houses or by concurrent resolution. One or more such adjournments may be taken to permit a committee or the Legislative Counsel Bureau to prepare the matters respectively entrusted to them for the consideration of the Legislature as a whole.*

*EXPENDITURES FROM THE LEGISLATIVE FUND*

*Rule No. 11. Manner of Authorization.*

*Except for routine salary, travel, equipment and operating expenses, no expenditures shall be made from the Legislative Fund without the authority of a concurrent resolution regularly adopted by the Senate and Assembly.*

*RECORDS OF COMMITTEE PROCEEDINGS*

*Rule No. 12. Duties of Secretary of Committees and Director.*

*1. Each committee shall cause a record to be made of the proceedings of its meetings.*

*2. The secretary of a committee shall:*

*(a) Label each record with the date, time and place of the meeting and also indicate on the label the numerical sequence in which the record was made;*

*(b) Keep the records in chronological order; and*

*(c) Deposit the records upon their completion with the Research Library of the Legislative Counsel Bureau.*

*3. The Director of the Legislative Counsel Bureau shall:*

*(a) Make the records available for accessing by any person during office hours under such reasonable conditions as the Director may deem necessary; and*

*(b) Retain the records for two bienniums and at the end of that period keep some form or copy of the record in any manner the Director deems reasonable to ensure access to the record in the foreseeable future.*

*Rule No. 13. Reserved.*

*ANTI-HARASSMENT POLICY*

*Rule No. 14. Maintenance of Working Environment; Procedure for Filing, Investigating and Taking Remedial Action on Complaints.*

*1. The Legislature hereby declares that it is the policy of the Legislature to prohibit any conduct, whether intentional or unintentional, which results in sexual harassment or other unlawful harassment based upon any other protected category. The Legislature intends to maintain a working environment which is free from sexual harassment and other unlawful harassment. Each Legislator is responsible to conduct himself or herself in a manner which will ensure that others are able to work in such an environment.*

*2. In accordance with Title VII of the Civil Rights Act, 42 U.S.C. §§ 2000e et seq., for the purposes of this Rule, "sexual harassment" means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:*

*(a) Submission to such conduct is made either explicitly or implicitly a term or condition of a person's employment;*

*(b) Submission to or rejection of such conduct by a person is used as the basis for employment decisions affecting the person; or*

*(c) Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive working environment.*

*3. Each Legislator must exercise his or her own good judgment to avoid engaging in conduct that may be perceived by others as sexual harassment. The following noninclusive list provides illustrations of conduct that the Legislature deems to be inappropriate:*

*(a) Verbal conduct such as epithets, derogatory comments, slurs or unwanted sexual advances, invitations or comments;*

*(b) Visual conduct such as derogatory posters, photography, cartoons, drawings or gestures;*

*(c) Physical conduct such as unwanted touching, blocking normal movement or interfering with the work directed at a person because of his or her sex; and*

*(d) Threats and demands to submit to sexual requests to keep a person's job or avoid some other loss, and offers of employment benefits in return for sexual favors.*

*4. In addition to other prohibited conduct, a complaint may be brought pursuant to this Rule for engaging in conduct prohibited by Rule No. 37 of the Joint Rules of the Senate and Assembly for the 80th Session of the Legislature when the prohibited conduct is based on or because of the gender or other protected category of the person.*

*5. Retaliation against a person for engaging in protected activity is prohibited. Retaliation occurs when an adverse action is taken against a person which is reasonably likely to deter the person from engaging in the protected activity. Protected activity includes, without limitation:*

*(a) Opposing conduct that the person reasonably believes constitutes sexual harassment or other unlawful harassment;*

*(b) Filing a complaint about the conduct; or*

*(c) Testifying, assisting or participating in any manner in an investigation or other proceeding related to a complaint of sexual harassment or other unlawful harassment.*

*6. A Legislator who encounters conduct that the Legislator believes is sexual harassment, other unlawful harassment, retaliation or otherwise inconsistent with this policy may file a written complaint with:*

*(a) The Speaker of the Assembly;*

*(b) The Majority Leader of the Senate;*

*(c) The Director of the Legislative Counsel Bureau, if the complaint involves the conduct of the Speaker of the Assembly or the Majority Leader of the Senate; or*

*(d) The reporting system established pursuant to subsection 11.*

➥ *The complaint must include the details of the incident or incidents, the names of the persons involved and the names of any witnesses. Unless the Legislative Counsel is the subject of the complaint, the Legislative Counsel must be informed upon receipt of a complaint.*

*7. The Speaker of the Assembly, the Majority Leader of the Senate or the Director of the Legislative Counsel Bureau, as appropriate, shall cause a discreet and impartial investigation to be conducted and may, when deemed necessary and appropriate, assign the complaint to a committee consisting of Legislators of the appropriate House.*

*8. If the investigation reveals that sexual harassment, other unlawful harassment, retaliation or other conduct in violation of this policy has occurred, appropriate disciplinary or remedial action, or both will be taken. The appropriate persons will be informed when any such action is taken. The Legislature will also take any action necessary to deter any future harassment.*

*9. The Legislature encourages a Legislator to report any incident of sexual harassment, other unlawful harassment, retaliation or other conduct inconsistent with this policy immediately so that the complaint can be quickly and fairly resolved.*

*10. All Legislators are responsible for adhering to the provisions of this policy. The prohibitions against engaging in sexual harassment and other unlawful harassment which are set forth in this Rule apply to employees, Legislators, lobbyists, vendors, contractors, customers and any other visitors to the Legislature.*

*11. The Legislative Counsel shall establish a reporting system which allows a person to submit a complaint of a violation of this Rule with or without identifying himself or herself. Such a complaint must provide enough details of the incident or incidents alleged, the names of the persons involved and the names of any witnesses to allow an appropriate inquiry to occur.*

*12. This policy does not create any enforceable legal rights in any person.*

And be it further

RESOLVED, That this resolution becomes effective upon adoption.

Senator Cannizzaro moved the adoption of the resolution.

Remarks by Senator Cannizzaro:

Rule No. 2 is revised consistent with the companion Joint Rule of the regular Session (Joint Rule No. 1) to provide that a Conference Committee may be appointed for a bill or joint resolution that is agreed to by one House but dissented from in the other House, rather than the requirement that a Conference Committee "shall" be appointed.

Rule No. 5 is revised regarding the signature of bills and joint resolutions to reflect the practice of the Senate, which does not announce the signing of bills and joint resolutions during Floor Session.

Rule No. 12 is revised consistent with the companion Joint Rule of the regular Session (Joint Rule No. 12) to require Committee secretaries to deposit the completed records of committees with the Research Library rather than the Director of the Legislative Counsel Bureau.

Rule No. 14 is revised consistent with the companion Joint Rule of the regular Session (Joint Rule No. 20) so that the Anti-Harassment Policy is the same.

Resolution adopted unanimously.

Senator Cannizzaro moved that all necessary rules be suspended and that the resolution be immediately transmitted to the Assembly.

Motion carried.

Resolution ordered transmitted to the Assembly.

Senator Cannizzaro moved that, for the remainder of the 31st Special Session, all necessary rules be suspended, and that all bills and joint resolutions reported out of the Committee of the Whole be declared emergency measures under the Constitution and placed on third reading and final passage.

Remarks by Senator Cannizzaro.

Declaring bills and joint resolutions emergency measures will speed up the legislative process of these measures by not having to comply with the constitutional requirement of having "three readings on each measure on three separate days."

Motion carried unanimously.

Senator Cannizzaro moved that, for the remainder of the 31st Special Session, all necessary rules be suspended, and that all bills and resolutions that

have been passed or adopted by the Senate be immediately transmitted to the Assembly, time permitting.

Remarks by Senator Cannizzaro.

Suspending this rule will allow all legislative measures to be sent to the Assembly immediately instead of waiting for the day's Floor Session to adjourn. However, immediately transmitting these measures to the other House will eliminate the opportunity to rescind a final Senate action on the bill or resolution once the measure has been transmitted. The President will announce the transmittal of these measure before they leave the Senate.

Motion carried unanimously.

Senator Cannizzaro moved that, for the remainder of the 31st Special Session, the Secretary of the Senate read all bills and resolutions by number, sponsor and summary.

Motion carried unanimously.

Senator Cannizzaro moved that, for the remainder of the 31st Special Session, the Secretary of the Senate dispense with reading the histories of all bills and resolutions.

Motion carried unanimously.

Senator Cannizzaro moved that, for the remainder of the 31st Special Session, the reading of the Journal be dispensed with, and the President and Secretary be authorized to make the necessary corrections and additions.

Motion carried unanimously.

Senator Cannizzaro moved that the Senate resolve itself into a Committee of the Whole for the purpose of considering matters relating to the State's budget shortfall, with Senator Cannizzaro as Chair and Senator Ratti as Vice Chair.

Motion carried.

## IN COMMITTEE OF THE WHOLE

At 11:10 a.m.

Senator Cannizzaro presiding.

State's budget shortfall considered.

The Committee of the Whole was addressed by Susan Brown, Director, Office of Finance, Office of the Governor; Senator Cancela; Senator Cannizzaro; Senator Denis; Senator Dondero Loop; Senator Hammond; Senator Hardy; Senator D. Harris; Senator Kieckhefer; Senator Pickard; Laura Rich, Executive Officer, Nevada Public Employees Benefits Program; Senator Seevers Gansert; Senator Settelmeyer; Senator Spearman.

SENATOR CANNIZZARO:

The first order of business is to approve the rules for the Committee of the Whole.

The rules are as follows:

1. All meetings shall be open to the public via live broadcasts on the Legislature's website.

2. Committee recesses shall be at the call of the Chair or to a time certain.

3. Provided a quorum is present, a majority of those present and voting is sufficient to pass a bill or resolution or adopt Committee amendments. Members approved, by the Chair, to participate remotely are present and in attendance at the meeting for all purposes.

4. The Chair must be present and will decide when the Committee takes an action or a vote. The Secretary shall record motions and votes of Committee members on all votes and other actions.

5. Matters not within the Governor's Proclamation or not relevant to the specific topic under consideration will be ruled out of order.

6. Any work requested of Legislative staff on behalf of the Committee must be made through the Chair.

Senator Ratti moved to adopt the rules of the Committee of the Whole.
Senator Brooks seconded the motion.
Motion carried.

SENATOR CANNIZZARO:
We will open the hearing on matters relating to the State's budget shortfall.

SUSAN BROWN (Director, Office of Finance, Office of the Governor):
Good morning. I will be doing an overview of the Executive Budget with proposed reductions. I will briefly go over Fiscal Year 2020 and where we have ended up. We received additional consensus projections from the Legislative Counsel Bureau's Fiscal Division and also my staff on June 29th, and their revenues looked better than proposed at the June 12 Interim Finance Committee (IFC) meeting. We are looking at a $457.4 million revenue shortfall in the General Fund for Fiscal Year 2020. In addition, in the Distributive School Account (DSA), there is an approximate shortfall of $172.1 million. We have shortfalls in the Welfare Division of about $1.3 million and the Attorney General's Office for extradition of about $160,000. Altogether, that gives a shortfall in the General Fund of about $631 million. As you can see here, this is the revenue projection where we get the $457.4 million.

There is a shortfall of $172.1 million in the DSA. It is the State's obligation to fund shortfalls with the Local School Support Tax, which is where we see the bulk of this shortfall. These are actions taken to address the shortfall starting with the transfer from the Rainy Day Fund of about $401 million. Operating appropriations, one-time appropriations, these were approved at the June 25th IFC. Capital Improvement Budget Reserves, these are cancelled or completed projects.

We have budget reserves from the TRPA, Legislative Counsel Bureau and Judicial separately. Coronavirus Aid, Relief and Economic Security (CARES) Act reimbursements are currently in process. We have received the bulk of these requests for reimbursement in our office. My staff is going through those now so that may change slightly.

Booked reserves are in a separate account of $23.5 million. This brings us to total actions to address the General Fund Shortfall of $576.6 million. We are projecting an ending-fund balance of about $330.9 million. That is over the 5-percent ending fund balance everyone was looking for. That amount would have been $227. This helps us going into Fiscal Year 2021 with additional revenue there.

Moving on to Fiscal Year 2021, the Unrestricted General Fund revenue shows a shortfall of approximately $838 million. The DSA Expected Supplemental Appropriation for Fiscal Year 2021 is $490.8 million. This includes the $172 million shortage in Fiscal Year 2020 and the additional expected shortfall in Fiscal Year 2021. It also includes the Expected Supplemental Appropriations for the Welfare Division and the Attorney General Extradition account.

We are expecting a shortfall of about $1.15 billion. This is the revenue projection which supports that $838 million number. The DSA projection supports the $490 million, which will be the expected fundamental appropriation for the DSA.

The first proposal to address these General Fund shortfalls is to accelerate the net proceeds of minerals. This requires that the spring 2021 payment is for the actual Fiscal Year, which is calendar year 2020. At the same time, the State would receive an additional payment, which would be the estimated payment for the calendar year 2021. This is how we would realize additional funds, so we are getting two, net proceeds payments at the same time expected in the spring of 2021.

The Tax Amnesty Program provides an opportunity for taxpayers with delinquent taxes to bring their accounts current without paying any penalties and interest. The goal of this amnesty program

is to reduce delinquent tax debt and increase revenues to the State, local governments and school districts. The amnesty is expected to run for a period of 90 days during Fiscal Year 2021.

The Governmental Services Tax proposal changes the allocation from the current 25-percent General Fund, 75-percent Highway Fund, changing it to a 50/50 split for Fiscal Year 2021 only. This would add approximately $23.7 million. Operating appropriations are expected to provide about $542.7 million. We have worked closely with the departments on these operating appropriations, and these are largely their recommendations and suggestions to help the budget shortfall.

We have worked with agencies on the restrictive IFC appropriations. The first one is a budget reduction of $1.8 million for the Human Resource and Financial System. The second one is Marsy's Law. This was $10 million, and at this point in time, we have not seen any requests for these funds.

The restrictive appropriation for the Supreme Court Statewide Case Management System is $1.29 million. We have worked with the Supreme Court on this, and if there is a need for them to access funds for this system, they would have the opportunity to go to the IFC Contingency Fund. Assembly Bill 445 of the 80th Session, the Taxation Market Facilitators, has identified their needs, and the remaining amount is $458,000. The relocation of agencies from the Grant Sawyer Building, based on where we are at with that project, this money would not be needed in the Fiscal Year.

The final restrictive appropriation is the Education, Pupil Center Funding Plan operating costs.

We have worked with State agencies on fund sweeps. The Charter School Loan Program account is used to write loans at or below the market rate to charter schools for costs incurred in preparing a charter school to commence their first year of operation and to improve operations of existing charter schools. These loans have a 3-year payback period, and sweeping $400,000 from this account will not have a negative impact at this time.

The Employment Security Special Fund account is used to cover expenditures for which federal funds have been requested and not received, and the cost of the administration of Employment Security Laws that may not be charged against federal grants including capital improvements. This fund consists of penalties and interest collected from employers for late or nonpayment of unemployment taxes. There is a balance in this account of $14 million, and the proposal is to sweep $6 million.

The Promise Scholarship funds students for up to 3 years. Students who receive the Promise Scholarship would also be potentially eligible for CARES Act funds under the Higher Education Emergency grants they received. This would leave $2.8 million in that account.

The School Remediation Trust account is used to administer teacher incentive programs and programs to improve pupil achievement. This sweep is unobligated reserves. We are proposing to sweep the Tort Claim Fund of $960,000. That is just the General Fund portion of the sweep from the account. The Tort Claim Fund is established to pay claims including those pursuant to NRS 41.0349 and NRS 41.037. Typical claims include automobile accidents and injuries on State premises or highways. An independent actuary calculates the liability of this fund every 2 years, and they recommended a $4-million end balance in this account. This sweep would leave that balance at about $4 million.

The Inmate Welfare Store Account, recommended by the Department of Corrections, would sweep some of these funds to help with the budget shortfall.

The Bond Redemption and Interest Account is utilized to pay debt service. For general obligation bonds and the amounts included here, the $9 million is interest earnings that have not been obligated.

The Public Employees Benefits Program (PEBP) would result in a subsidy holiday for the employees' health insurance. For one month, the State would not pay the State subsidy. This is estimated to provide $12 million to the State General Fund. This does draw down the Public Employees reserves. They have three reserves: the Incurred But Not Reported reserve, a catastrophic reserve and a Health Reimbursement Arrangement reserve. All three reserve levels have been adjusted downward. The Public Employees Benefits Program feels confident they will have sufficient reserves in all three categories. I have spoken to the staff at the PEBP, and although the reduction of reserves will not have direct impact on member premiums or benefits, the

unknown impact of COVID-19-related claims do have the potential to affect group-reserve levels moving forward.

We have a proposed sweep of the Healthy Nevada Fund. I have worked with the Department of Health and Human Services (DHHS) and the Treasurer's Office on this, and they have come up with the amount of $16,851,440 that could be swept from this account. The Disaster Relief account provides grants to State agencies and local governments for expenses incurred. Earlier, in Fiscal Year 2020, $6.2 million was transferred to the Department of Public Safety, Division of Emergency Management. Those funds will be returned and swept into the General Fund, as CARES Act coronavirus-relief funds can be used as a match for the federal FEMA grants.

The Behavioral Health, Prevention and Treatment Program has identified $1.6 million in Attorney General settlement funds that can be swept, as well as the Guinn Millennium Scholarship Fund for $2 million.

The $72.5 million in capital improvement changes will be heard later.

SENATOR HARDY:

Does this adversely affect the salaries and benefits of teachers and staff in the K-12 school system?

MS. BROWN:

This does not include proposed reductions to the DSA.

SENATOR SETTELMEYER:

Can we get follow-up information? There is discussion about a settlement account from the Attorney General of $11 million. I do not know the total amount of money within that account or others that we are sweeping. Will this zero-out that account, or will this leave a cushion in that account? Please send us some follow-up information on this.

MS. BROWN:

I have the information on most of these accounts and will get it to you.

SENATOR HAMMOND:

How did you arrive at the amount for the Tax Amnesty program? Please give us the formula for how you arrived at the $10-million amount.

MS. BROWN:

The Tax Amnesty amount was provided by the Department of Taxation (DOT) through a review they did. I do not have the specifics on how it was calculated, but I can ask the DOT to provide it.

SENATOR CANCELA:

You referenced the CARES Act dollars throughout your presentation. Please discuss specific amounts of CARES Act dollars that have been used and how they fit into these calculations. Is there the potential to further use CARES Act dollars on the sweeps you discussed?

MS. BROWN:

The coronavirus relief funds cannot be used specifically to back-fill revenues. Through the guidance that has been provided, we have deemed certain positions in the State to be substantially dedicated to the mitigation or response to COVID-19. We have worked with agencies to swap-out their funding to help the General Fund in those cases. One example would be eligibility workers at the Department of Welfare. We are covering those costs with coronavirus relief funds in order to pull that General Fund back in. We are doing similar things with Parole and Probation and other public-safety officer positions that are eligible to be covered under coronavirus relief funds and are swapping out salaries in those cases. We are also able to cover administrative costs related to responding or mitigating the coronavirus. If an individual needed to be quarantined, their salary would be covered by the coronavirus relief funds. There is no way to backfill where we may be sweeping these dollars based on the guidance we have been provided by the United States Department of Treasury.

SENATOR CANCELA:
The guidance from the Department of Treasury has been changing and new guidelines have come out since the funds were given to states. I appreciate your explanation.

MS. BROWN:
As the guidance continues to change, we will review things. If there are other opportunities to substitute those funds for General Funds or other funding sources, we will work on making those substitutions.

SENATOR HARRIS:
We have heard much about across-the-board cuts to Executive agencies. Please discuss the percentage amount agencies have been asked to cut and whether there are any agencies that are exempt from making these cuts.

MS. BROWN:
Agencies were asked to make a 14-percent cut. When we worked through this, we asked agencies to then make an additional 5-percent cut if they were able. I do not have the total percentage cut by agency.

SENATOR HARRIS:
It would be helpful if you could provide us with the percentages the agencies are looking at cutting.

MS. BROWN:
Would you like that by department or by budget account?

SENATOR HARRIS:
I would like it by department.

SENATOR SEEVERS GANSERT:
Are the sweeps for the Healthy Fund Nevada and the Millennium Scholarship reserves, or will there be, in the case of Healthy Fund Nevada, a change in services due to the sweeps? Are the funds for the Millennium Scholarships excess amounts anticipated for the Fiscal Year?

MS. BROWN:
Regarding the Healthy Nevada sweep, we do not expect to see a reduction in services. These funds not obligated when the programs currently funded were continued to be funded into the next biennium. We worked with the Treasurer's Office regarding the Millennium Scholarships, and they are expecting an excess reserve of approximately $3.4 million. We are asking them to sweep $2 million of that reserve.

SENATOR SEEVERS GANSERT:
You mentioned $6.2 million would be transferred out of the Disaster Relief Account and then be transferred back. There is also a credit of $30 million from the CARES Act. I want to ensure these funds are not being double counted.

MS. BROWN:
We are not double counting these funds. The balance in the Disaster Relief Account is over $12 million.

SENATOR KIECKHEFER:
My question is about the Promise Scholarship sweep. You indicated CARES Act funding would potentially be available to help students. My understanding is the Nevada System of Higher Education (NSHE) is using all of their CARES Act money to backfill their revenue cuts. Have they committed to supporting these students with CARES Act money?

MS. BROWN:
There are two pieces to the NSHE and CARES Act money. There is $30 million required to be used for financial aid, and it is my understanding they are using the other $30 million. I reached

out to the university system about this reduction of $1 million, and they advised me CARES Act money could be used to backfill it.

SENATOR KIECKHEFER:
I will get clarity from the NSHE on this when they appear before us. Are the vacancies created in the last few months, and that will be maintained in the next Fiscal Year, taken into account in the $51 million budgeted for furloughs?

MS. BROWN:
The $51 million does not take that into consideration nor does it take into consideration the 3-percent Cost of Living Adjustment (COLA). When those calculations are done, there is a difference of approximately $100,000 between the positions being held vacant versus the 3-percent COLA.

SENATOR KIECKHEFER:
Is it correct the 3-percent COLA took effect in Fiscal Year 2020?

MS. BROWN:
That is correct.

SENATOR KIECKHEFER:
Was the calculation for the furlough incorporated into Fiscal Year 2020 because it would have already taken effect?

MS. BROWN:
The COLA took effect July 1, 2019; however, it is not included in the calculation done for the furloughs as those numbers are not included in the budget system. We ran that off a legislatively approved budget which did not include the COLAs. They are set aside separately in the Salary Adjustment account. Those costs would still be incurred as employees are paid and receive the 3-percent COLA.

SENATOR KIECKHEFER:
Therefore, it is just the way it is presented in the budgeting system.

SENATOR DENIS:
The cut in the Promise Scholarship represents almost a third of the funding that would impact students. I do not believe CARES Act funding can be used for the Promise program. I am interested in seeing what information we get about this when NSHE comes before us.

SENATOR PICKARD:
I have questions related to the cuts about education-related programs. You said these would not affect any current programmatic allocations, and students in the programs would not be affected by the cuts. Did I understand that correctly?

MS. BROWN:
Please clarify which specific cut you would like me to address.

SENATOR PICKARD:
I am looking at the Promise Scholarship, Education Trust Fund, School Remediation Trust Fund, Incentive Licensed Personnel, Construction Education, Charter School Loan Programs and the Millennium Scholarship. Some of these do not have direct ties to programs and others do. You said to Senator Gansert that no students currently in these programs would be affected by these cuts. Is that accurate?

MS. BROWN:
Yes, that is accurate. The Charter School Loan Program is a loan program to charter schools. The Education Trust Funds are for educational purposes, but do not go to school districts or directly to students. The School Remediation Trust Fund is made of reserves that are not obligated. The Incentives for Licensed Education Personnel funds are also unobligated. The Construction

Education funds go to the construction industry for education programs. Approximately, $2.4 million was used this Fiscal Year for Promise, leaving $2.8 million in the program.

SENATOR PICKARD:
I wanted to ensure we were clear that students currently in programs are not being affected. Does the Incentive License program relate back to the issue school districts complained about at the end of the last Legislative Session where they were not given the incentive they had earned, or is this something separate?

MS. BROWN:
This is something separate. I will check, as there are several teacher-incentive programs.

SENATOR DONDERO LOOP:
Please confirm what you said about PEBP.

LAURA RICH (Executive Officer, Nevada Public Employees Benefits Program):
We were able to draw from some of the reserves to meet the budget cuts that were asked of the agency. We reduced our Health Reimbursement Arrangement reserves and our catastrophic reserves.

SENATOR SPEARMAN:
For Behavioral Health and Prevention Treatment, any settlement fund, can you elaborate what those funds would have been used for?

MS. BROWN:
These funds were proposed to be used for a statewide study and national campaign. Those funds have not been used as yet.

SENATOR KIECKHEFER:
Ms. Brown indicated there was going to be a rate holiday for the PEBP account to account for the $12 million, but it sounds like there is going to be a straight transfer out of the reserve account. Is that accurate?

MS. BROWN:
That would be a subsidy holiday, not a straight transfer from the PEBP account to the General Fund.

SENATOR KIECKHEFER:
Is that a holiday specifically for the State's share of contributions, or are members getting a holiday as well?

MS. BROWN:
It is for the State share only.

On the motion of Senator Woodhouse, seconded by Senator Parks, the Committee did rise and report back to the Senate.

## SENATE IN SESSION

At 11:56 a.m.
President Marshall presiding.
Quorum present.

### REPORTS OF COMMITTEE

*Madam President:*
Your Committee of the Whole has considered matters relating to the State's budget shortfall.
NICOLE CANNIZZARO, *Chair*

Senator Cannizzaro moved that the Senate recess until 1:00 p.m.
Motion carried.

Senate in recess at 11:59 a.m.

## SENATE IN SESSION

At 1:29 p.m.
President Marshall presiding.
Quorum present.

### MOTIONS, RESOLUTIONS AND NOTICES

Senator Cannizzaro moved that the Senate resolve itself into a Committee of the Whole for the purpose of considering matters relating to the State's budget shortfall, with Senator Cannizzaro as Chair and Senator Ratti as Vice Chair.

Motion carried.

## IN COMMITTEE OF THE WHOLE

At 1:32 p.m.
Senator Cannizzaro presiding.
Senate's budget shortfall considered.

The Committee of the Whole was addressed by Ross Armstrong, Administrator, Division of Child and Family Services; Suzanne Bierman, Administrator, Division of Health Care Financing and Policy; Senator Brooks; Senator Cancela; Senator Cannizzaro; Senator Dondero Loop; Steve Fisher, Administrator, Division of Welfare and Supportive Services; Senator Goicoechea; Senator Hammond; Senator D. Harris; Stacey Johnson, Deputy Director, Fiscal Services, Department of Health and Human Services; Senator Kieckhefer; Melissa Laufer-Lewis, Chief Financial Officer, Division of Health Care Financing and Policy; Senator Ohrenschall; Senator Pickard; Senator Ratti; Senator Scheible; Dena Schmidt, Administrator, Division of Aging and Disability Services; Senator Seevers Gansert; Lisa Sherych, Administrator, Division of Public and Behavioral Health; Senator Spearman; Senator Washington; Richard Whitley, Director, Department of Health and Human Services; Senator Woodhouse.

SENATOR CANNIZZARO:
We will open the hearing on matters relating to the State's budget shortfall.

RICHARD WHITLEY (Director, Department of Health and Human Services):
The DHHS had a target reduction of 14 percent of the General Fund. We prioritized our reductions by holding direct services at the highest level. Within that, where we could get relief, as you heard from Director Brown, we used Coronavirus Aid, Relief and Economic Security (CARES) Act funding, as allowed, as a way to minimize the impact reductions. We continue to do that. As identified in the Governor's Proclamation, it is important for DHHS to seek flexibility in our budget not only because of the environment in which the pandemic is occurring but also because the flexibilities provided to us by the federal government in how we spend on healthcare that is changing. We have a margin to make better decisions going forward because opportunities are on the horizon. At the same time, we have developed budgetary cuts that are concrete and based on real information we have today. You will hear that throughout the presentation, particularly where Medicaid is an impact as a payor to our services and programs.

We leveraged the enhanced FMAP. We had this implemented, and this week saw the actuals on billing from providers. This is not immediate. It usually takes 30 to 90 days for the bills to come

in. This week, we received the actual expenditures for Medicaid expense-for-service for the month of June. This allowed us to see the benefit of the enhanced FMAP and a reduction in the utilization of some services, such as primary care services, that were not as accessible during that time due to providers wanting to protect the public and their workforce. Those variables reduced our costs. We do not have enough data from what the enhanced FMAP has brought us to make concrete projections going forward on what to expect, but it has benefited our State and its consumers who have coverage through Medicaid.

The CARES funding has allowed us to continue services and fill gaps that otherwise would need to be reduced due to reliance on General Funds.

We did not eliminate any State employees or positions occupied by State employees. We held positions vacant but did not eliminate any occupied position.

The 14-percent reduction goal relates to $233 million of General Fund monies. In the Director's Office, two funding streams are proposed for reduction. The first is the Family Planning Services General Fund, which we plan to reduce by $1.5 million. We will work with current recipients to maximize reimbursement opportunities for family planning and to target individuals who may not have coverage moving forward. We are not eliminating the program, but we are sweeping some of the funding to make up the 14 percent. The second program is the Healthy Nevada Fund. These funds come from tobacco settlements. We propose sweeping $16.8 million from the balance of $37.3 million in reserves from this fund. This will leave an ending balance of $20.4 million in this account. Our intent will be to go before the Legislative Session, as we have in the past, on expenditures within this.

SENATOR KIECKHEFER:

What is the total amount in grants for the Healthy Nevada Fund this year?

STACEY JOHNSON (Deputy Director, Fiscal Services, Department of Health and Human Services):

The total of grants, sub grants and contractors, is approximately $41.5 million. We are projecting to spend $24.2 million in Fiscal Year 2021.

SENATOR KIECKHEFER:

Will the balance of $22 million forward be enough to maintain a level of funding consistent to our grantees from year to year, or will we draw down another allocation from the Master Settlement Agreement (MSA) that allows us to maintain a level balance?

MS. JOHNSON:

We anticipate balancing forward $21.4 million. We will receive the additional MSA payment in April, so there could be an issue of timing. We typically do not spend the April payment until the following year. This will be a decision made by the Legislature; otherwise, we would need to reduce our expenditures next biennium, not this Fiscal Year.

SENATOR KIECKHEFER:

At some point, we will be walking off a cliff in terms of what can be granted to agencies. Is that correct?

MR. WHITLEY:

I do not know if it would be a cliff, but it would be a reduction. There is a variation in how much revenue through the reserve is available in this account. There is potential for reduction. The targeted services provided with these dollars mostly go to nonprofits, which are highly impacted right now. I understand these reductions have impact, but it was the place for us to go in order to meet our 14-percent reduction. We believe it did the least amount of harm related to direct services.

SENATOR KIECKHEFER:

I do not object to taking it. I do not want the perception there is no impact and this is an unallocated reserve. This is going to be a reduction in expenditures for community providers down the road.

MR. WHITLEY:

The approach to Aging and Disability Services is to maintain the caseload in the Autism Treatment Assistance Program (ATAP), Personal Assistance Program and Community Options for the Elderly. There is a reduction in rates or no rate increase as a way to achieve the 14-percent reduction. There is a reduction in the Family Preservation Program in payments to families. The theme is to not completely eliminate, but to reduce spending. The capping of caseloads in this Division creates waiting lists.

SENATOR WOODHOUSE:

Please discuss the likelihood of violating the Olmstead Decision and the Americans with Disabilities Act by capping these program caseloads. What are the likely consequences of doing so?

DENA SCHMIDT (Administrator, Division of Aging and Disability Services):

Budget cuts can sometimes be considered a violation of the Americans with Disabilities Act and the Olmstead Decision but only when significant cuts to community services create a risk for institutionalization. As a State agency, we have to prioritize our services, as we always have, to ensure that with those caseload caps we are working within our budget restrictions, and anyone at risk of institutionalization is prioritized and receives needed services. We are looking at the CARES Act funds we received. Individuals, especially seniors, with specific risks for institutionalization related to COVID will be assisted in finding in-home support through our community providers. This will offset some of the restrictions in our budget. We are cognizant of the Olmstead Decision and are working with our community partners and the flexibilities we have been given through the Administration for Community Living to ensure we are putting no one at risk of unnecessary institutionalization.

SENATOR OHRENSCHALL:

I am impressed with the work done by the ATAP in helping families. How many people are on the waitlist for this program, and how many people will be unable to receive services due to the cap?

MS. SCHMIDT:

We have made great progress and have been excited to see many children receiving services under ATAP. As of May, we had 892 children in the program and 191 on the waitlist. We have been unable to flip our waitlist versus services, and we will try to maintain that level of service. As children age-out or move out of town, we will be adding additional children. There will be roughly 200 children unable to receive services.

SENATOR SEEVERS GANSERT:

You stated the waitlist is 191 now, and it may grow to 200. Are you keeping the rates the same? We did a lot of work on rates to make sure we had providers available for children. Will those rates remain the same?

MS. SCHMIDT:

The ATAP is offered by the Department of Aging and Disability. Our rates align with Medicaid rates. We do not have rate decreases in our budget in this proposal. They will remain the same at this time.

SENATOR SEEVERS GANSERT:

Do we typically have 200 people on the waitlist, or does this ebb and flow? How does this list work?

MS. SCHMIDT:

At the end of last year, when we were closing down the Session, we had almost 800 children on the waitlist, with only 200 being served. During this last year, we turned that around and added approximately 30 children a month until the cap came into place.

SENATOR SEEVERS GANSERT:
We currently have more Registered Behavioral Technologists. Is that helping to flip this because we now have lower-cost providers who can provide more services?

MS. SCHMIDT:
That is part of this. As more Registered Behavioral Technologists become certified and registered, we are able to increase access to services for children.

SENATOR SEEVERS GANSERT:
Thank you for your work on that. We had a handful of Registered Behavioral Technologists a couple of years ago, and we now have over 1,000.

SENATOR KIECKHEFER:
Please walk us through the anticipated caseload and waitlist numbers for Community Options for the Elderly, the Personal Assistance Program, Supported Living Arrangement (SLA) and the Jobs and Day Training program.

MS. SCHMIDT:
As of May, the Community Options for the Elderly program had a caseload of 96, with a waitlist of 28. The Personal Assistance Program had a May caseload of 103, with 23 on the waitlist. We are working with our data analytics team to look at those projections for the waitlist to increase. We do not have the data yet to see what the projected increase will be over the next Fiscal Year.

SENATOR KIECKHEFER:
Do you have statistics for the Supported Living Arrangement (SLA) and Jobs and Day Training programs?

MS. SCHMIDT:
These are broken down by our regional centers. For the Sierra Regional Center, 786 people are receiving SLA services, and 370 are receiving Jobs and Day Training (JDT) services. The Rural Regional Center has 403 people being served by the SLA, with the JDT program serving 275. The Desert Regional Center has 1,470 people receiving SLA services, and 2,095 are receiving JDT services.

SENATOR KIECKHEFER:
Are there waitlists for those programs?

MS. SCHMIDT:
There are, but I do not have the information with me. I will get those to you.

SENATOR KIECKHEFER:
You refer to deferring provider rate increases for SLA. We are trying to get more people into SLA. I am worried some of these things may compound upon each other, such as keeping 138 vacant positions through the regional centers. Please break down how many of those positions are service providers and how many are administrative positions. Please explain if these vacancies will impact the State's ability to serve people versus giving them access to providers in the community.

MS. SCHMIDT:
Keep in mind the role of the State staff in developmental services, which is care coordination and case management, they are not necessarily direct service providers. They work with providers to ensure services are approved and delivered in a manner appropriate with the waiver services. A challenge with freezing those positions will be an increase in caseloads for our staff. They will have a higher caseload level to manage, which is always a challenge. The rate increase for the providers will directly affect those providing direct services to an individual. They have had a challenge, as discussed, many times, during the last Session, hiring and maintaining direct support staff. This will add to that challenge for them.

SENATOR KIECKHEFER:
Are they aware this is coming? Have they had an opportunity to weigh in on it?

MS. SCHMIDT:
The Supplemental Nutrition Assistance Program (SNAP) organization, who represents most of these providers, sent a memo to Legislators. They were copied on it so they are aware of it.

SENATOR RATTI:
We had testimony in the last Legislative Session that without the rate increase, some of the SLA providers would close. Is that your recollection based on discussions with them? Do you have concerns we will lose providers outright?

MS. SCHMIDT:
I am hopeful we will not lose providers. This adds to their challenge, but economic indicators show that with the high rate of unemployment, they may have a better chance of recruiting staff than in the past when they were competing with other businesses. That could be a benefit to them. Through Appendix K, we were able to provide retainer payments to them, got the labor through the Centers for Medicare and Medicaid Services to support them while they were not able to provide direct support services. We are looking at opportunities such as those and flexibility from the federal government to continue to support them during the coronavirus pandemic and help with any impact it may have had on their service delivery.

SENATOR RATTI:
We have services that fall under the Olmstead Act because we believe in keeping people in the community, not in institutions. If we have more people on waiting lists and they end up in a long-term care facility or another facility, such as a SLA that is more expensive, where do those costs show up? Is it in the State or county budget?

MS. SCHMIDT:
That is a complicated answer. When people enter institutions, it depends on their eligibility. If they are on Medicaid, that program incurs a portion of the cost. There is a county match to that. The county would incur a cost for some individuals in nursing facilities. It is a combination. We sometimes provide services to individuals who qualify for a private pay, and the costs would be pushed to several entities if the individual is institutionalized. We focus on prioritizing people at the highest risk of institutionalization to ensure we get some type of service to them so they can remain at home. This may be through a community partner who has other sources of funding or our Older Americans Act dollars if they are over 60. We try to prevent unnecessary institutionalization.

SENATOR SPEARMAN:
COVID-19 revealed inherent disparities related to healthcare in marginalized communities, particularly African-American and Latinx communities. Have you looked at how these cuts will further disenfranchise some of the members of those marginalized communities? Are we looking at options for the elderly in respect to the Olmstead Act? We are a state that is graying. If we need to make these cuts now, have you looked into the future to determine how you will make up for the cuts now being made? In ten years, we will be a majority senior state as opposed to where we are now. What do these cuts mean for populations already marginalized, such as African-American, Latinx or LGBTQ? How have you planned to make sure the care that should be happening in those communities might be made up using other community organizations?

MS. SCHMIDT:
During this pandemic, we have learned it is important to take a public-health approach to our aging service system and aging service network. Through our rapid-response network, known as Nevada CAN, we have identified the need to do more collaboration and coordination across the State service system. This gives us the opportunity to get our partners at the table to figure out how we can work together to supply services to a greater number of people than we have in the past. Many of our providers have been solid for years based on their funding streams. When we pulled them together, they learned how to collaborate to address the issues, and we have seen some amazing outcomes, especially in Las Vegas. We are looking at how to continue those efforts. We are working with our data analytics team to get a better sense of the data around our senior and marginalized populations. It will enable us to do targeted outreach with our partners to ensure we

are addressing the needs in those communities. We are addressing the immediate need and looking to the future and how to address the ongoing aging need.

MR. WHITLEY:

Over 50 percent of African-Americans in Nevada are enrolled in Medicaid. That is over-representation of the population in a program that is, by definition, serving people living in poverty. The complex issue is beyond healthcare. It is all that comes with living in poverty because of eligibility being, at the highest level, 138 percent of poverty. There is over-representation; utilization of those programs have higher representation among minority groups. These programs are highly impacted and affect populations already facing disparities. I would be happy to share the data related to African-American, Hispanic and other minority groups with you. We do not ask people about LGBTQ status. That is hard to quantify. There is a national push to collect more information. Even related to the pandemic response and its impact on populations, it is not collected as a question. We have anecdotes and experiences people have reported, but we do not have evidence-based data. It is not collected as a question of eligibility. If people receive a service and there is a relationship in the LGBTQ community, we can attribute those services. I would be happy to share the data I have.

SENATOR SPEARMAN:

Many communities have people already working with these populations. In light of the cuts, have you looked at the community organizations? In the African-American community, before they go anywhere else, six out of ten people will go to their pastor or their spiritual leader. Have you reached out to any of the churches, the Red Hats or other community organizations? Have you done anything to help minimize the impact of not only these cuts but also cuts that will be covered in the rest of your presentation? If there is an opportunity to work with organizations that already have the trust and credibility of people who will now be looking at diminished services, and we do not do that. I am baffled by the absence of that thought.

MS. SCHMIDT:

Part of our rapid response during the pandemic has been the Nevada CAN project where we created action teams. One of our action teams focuses on social isolation, and they are doing exactly that. They have started to reach out to religious organizations across the State to help contact people and get them connected to social supports, nursing facilities and other organizations. One of their focus areas is to reach out to the community organizations. There are some in the Rapid Response Action team that focus on food and medication delivery. We are always open to additional partners, and we have been trying to recruit additional partners. As part of Nevada 211, partners can obtain information and collaborate with us. If you know of organizations we have not reached, or with whom you feel we should be partnering, we are open to sending them information and will do that outreach.

SENATOR SPEARMAN:

There are organizations in southern Nevada that have reached out to partners, and we can talk about that offline.

SENATOR RATTI:

When we talk about someone living at 133 percent of the poverty level, or a family of four living at that level, that may not have meaning for people. Can you give us information regarding what a family of four living at the poverty level or 133 percent makes?

MR. WHITLEY:

The percentage is 138 percent of the poverty level. The amount depends on the size of the family. That is the expanded population of Medicaid. Typically, the profile is an underemployed individual or family. For an individual, the amount is $17,200 per year, and it increases by the size of the family. For a family of three, 138 percent of the poverty level is around $30,000 a year. Most people in the expanded population are employed, but they are underemployed.

SENATOR RATTI:

I wanted it on the record because I hear from folks that these are generous benefits given to people who do not need them. That is not the case. I would now like to focus on the Family Preservation Program, which focuses on children with serious disabilities. Often, in this situation, there is one family member unable to work because they are caring for the child. It does not seem like a large cut to go from $374 per month to $356 per month, but that $18 becomes meaningful. What will the impact be on families who have that sort of a rate reduction?

MS. SCHMIDT:

The Family Preservation Program supports families with children or other family members with severe disabilities. The $18 loss affects them. In the past, we have had to reduce the rate because of budget shortfalls, but it has only been for a month or two. This will be the first time we have had to reduce it ongoing. This will be a priority add-back for us to ensure these families continue to receive that support. We have not heard back from the families at this time, possibly because they have not been notified or because they will be receiving notification this week. Families rely on these dollars to ensure services and ensure their children can remain in their home.

I have an answer for the Senator from District 16 regarding the question about the statewide waitlist. There are 296 on the SLA list, 176 on the Jobs and Day Training and 546 on the Respite list.

To clarify, we use 300 percent of Supplemental Security Income for the Family Preservation Program eligibility. It is not the same as Medicaid. It is a higher criteria.

MR. WHITLEY:

Aging and Disability Services are part of the Division of Health Care Financing and Policy or Nevada Medicaid. These services have a Medicaid waiver. This has benefited our State through the enhanced Federal Medical Assistance Percentage (FMAP), which is the enhanced federal share of funding the State receives that came out of the emergency declaration. There are touchpoints to other divisions, in this case, Aging and Disability, which has a waiver, and has a benefit from that. In the Medicaid presentation, you will hear that we do not want to make decisions about cutting things the Emergency Declaration extend and FMAP enhancement will continue. We have fought to keep this expansion intact, and it is a fragile healthcare system.

Much of our State is considered a healthcare workforce-shortage area, especially in specialty areas. That is across the State, not just in the rural areas. To turn something down or off budgetarily is easy to do on paper but is not easy to implement. The entire healthcare system is highly impacted at this time, and flexibility is important for us. If we get an FMAP enhancement and it continues, as proposed, until the end of December, we may not have to take some of these rate reductions or eliminations. That benefits Aging and Disability. Most of our reductions are in the Nevada Medicaid program, where most of our General Funds are used.

SUZANNE BIERMAN (Administrator, Division of Health Care Financing and Policy):

The Division of Health Care Financing and Policy administers the State Medicaid and Children's Health Insurance Program, which now serves more than 700,000 low-income Nevadans. Medicaid is jointly administered and financed by the State and federal government. As Director Whitley mentioned, it has recently benefitted from the federal Families First Corona Response Act legislation. This has produced additional federal financing for the State's Medicaid program, the FMAP. One of the benefits of the additional FMAP funding has been that we have not had to make changes to our debility threshold. That is a requirement of the enhanced FMAP we are now receiving. We have not made and are not proposing to make any eligibility changes due to that enhanced federal financing.

Three variables affect the Medicaid program. This is a volatile time. The healthcare system is stressed, and we need flexibility. In addition to FMAP, caseload and utilization trends are important to our ability to finance the program. The Division recently completed the actuals for the month of June and has shown decreases in utilization due to COVID which resulted in significant savings. The Secretary of the DHHS has the authority to continue the public-health emergency, and DHHS has indicated they will do so. The current public emergency terminates on July 25, 2020, and we expect an announcement of enhanced FMAP to come soon. Implementation takes time, and flexibility is key if we are pretty certain additional federal funds will be coming.

We have seen an increase of 9 percent in our caseloads since February and expect to see this continue. The nature of Medicaid is when the economy contracts, Medicaid expands. These three factors are important. Unless projections change dramatically from current trends, we will have adequate funding to delay these cuts and eliminations through the end of September. We should have additional information from the federal government on the extension of the FMAP soon after that.

Medicaid is limited in its options to make these types of reductions due to the nature of the program and the federal-state overlay. These are actually rate reductions, which are one of our main levers to reduce our overall budget. The Medicaid program is an entitlement program. There are many things we cannot change about the program. These include the provision of mandatory services, elimination of eligibility, of which there are mandatory eligibility groups, and a maintenance of effort requirement associated with the enhanced federal funding. That leaves us with rate reductions as one viable option to realize the 14-percent savings. The Division has proposed a 6-percent, across-the-board rate reduction. We have projected State General Funds of $53 million through the end of State Fiscal Year 2020-2021.

We have proposed additional rate changes through Habilitation Services and a deferral of rate increases requested last Legislative Session. These pertain to hospital, Neonatal Intensive Care Unit and Pediatric Intensive Care Unit services, and we would defer these rate increases.

Another lever is in managed-care changes. Some of these take longer to realize, but knowing we are seeing decreased utilization on the fee-for-service side, we are working to ensure we are seeing similar savings on the managed-care side. There are several options we are pursuing.

We have proposed the elimination of adult dental services. We currently pay for palliative dental care, which is limited to extractions and dentures. Under this proposal, those services would be eliminated. We have also proposed capping physical therapy for adults and making changes to the hospice program related to personal care services.

The federal overlay of Medicaid requires certain mandatory services, with many optional services states can choose from, as their budgets allow, to provide as added benefits. Some of the added benefits, such a pharmacy benefits, appear essential. These are included on the list.

Fourteen percent of the Medicaid budget is $140 million, and this is the proposal we have put forward. We hope enhanced federal funding will continue, and we will be able to delay these cuts or not implement these changes in service. This goes back to the volatility of the program and the variables mentioned earlier.

SENATOR WOODHOUSE:

These cuts are painful. Please describe the dental services required for children under the Early Periodic Screening Diagnostic Treatment.

MS. BIERMAN:

Medicaid requires coverage of dental services as part of the comprehensive set of Medicaid benefits referred to as the Early Periodic Screening Diagnostic and Treatment (EPSDT) benefit for dental services for children must minimally include relief of pain and infection, restoration of teeth and maintenance of dental health. Across the board, EPSDT requires Medicaid to cover any services deemed medically necessary even if they are services not otherwise included in the State plan amendment or agreement with the Department for Medical Services regarding what is covered. This is a broad and robust benefit. The determining factor is the medical necessity determination. Any condition requiring treatment discovered during an EPSDT screening has to be covered by Medicaid.

SENATOR WOODHOUSE:

What dental services would be available for pregnant women under the proposed budget reduction?

MS. BIERMAN:

To reduce the risk of premature birth due to periodontal disease, pregnant woman will be allowed to continue with dental prophylaxis, fluoride varnish and certain periodontal and restorative services during pregnancy. An example of restorative services is a filling.

SENATOR RATTI:

What are the steps you have to go through to delay some of these cuts? Please discuss the process of updating the State Medicaid plan. The concern is this takes time, and there is a delay from the time we make a decision about cuts, and the decision ends up in a plan, to when the plan is approved by the Centers for Medicare and Medicaid Services. How does that fit into the flexibility you are asking for? We have fee-for-service Medicaid, with more direct control over costs, but many services are provided by the direct Managed Care Organization (MCO). What is the process for working with these organizations when we have reduced utilization or when we are seeing they have a capitated rate? How do those savings get achieved, or how does having additional FMAP later in the process effect that contractual environment with an MCO? Please add anything else about the process and why flexibility is important.

MS. BIERMAN:

To make a State plan amendment, the Division of Health Care Financing and Policy first posts a public-hearing notice, with at least 30 days advance notice of the meeting, before the amendment is submitted to our federal partner, the Centers for Medicare and Medicaid Services (CMS). The day after the public hearing is called, we submit the State plan amendment to CMS, who then has 90 days to approve the changes, with the effective date retroactive to the date of submission. CMS works with states to have rapid approval. Sometimes, there is a delay beyond the initial 90-day period. This is called "stopping the clock" by CMS, and they have the right and ability to do this. There is a 90-day period for approval at this point for a negotiator to mitigate federal funding.

It takes longer to realize savings for managed care. We propose to delay our managed-care risk payments, which gives us flexibility and additional time while we work on other managed-care reforms to ensure we are seeing the returns related to decreased utilization. We have to go through a process of renegotiating and recalculating our managed-care payment and having this certified and approved by CMS. We intend to employ these processes, but they take longer due to the contractual nature of our relationship with the MCO. We are planning to recalculate rates and implement a risk corridor as ways to ensure we are not losing the opportunity to collect the savings due to decreases in utilization. The ability to delay the risk-mitigation payments gives us flexibility at the federal level while we work to realize the savings on the managed-care side.

SENATOR KIECKHEFER:

Calculating your projections based on utilizations, FMAP, and potential FMAP is a complex exercise. Could you supply the data used to calculate where you are now? I am interested in seeing utilization. Is a decrease in utilization artificially driven by stay-at-home orders and lack of access going to result in increases in utilization in future months that will increase costs significantly, and is that accounted for in your projections?

MS. BIERMAN:

That is a possibility, and it is something we are closely monitoring. As COVID rates increase, there may be additional COVID-related spending. We are closely monitoring all of our increases in utilization. I would be happy to provide you with those calculations.

SENATOR KIECKHEFER:

Will our FMAP enhancement run through September because the emergency issue runs thorough the calendar quarter? Is there any indication from the DHHS regarding how long they plan to extend the emergency?

MS. BIERMAN:

The indication is it will be for an additional 90 days. We are projecting this will take us through the calendar year, but nothing is concrete.

SENATOR KIECKHEFER:

If we get the extended FMAP through December, what is the projected value in General Fund savings?

MS. BIERMAN:

The projection is a savings of an additional $30 million for the quarter.

SENATOR KIECKHEFER:
Do all of the services proposed for elimination or the rates proposed for reduction have to go through the State Plan Amendment process or can some be done administratively at the State level?

MS. BIERMAN:
They all have to go through the State Plan Amendment process.

SENATOR KIECKHEFER:
If the effort is to find flexibility to delay the State Plan Amendment process into September, would we be able to see savings from any changes? The cuts we make now are expected to take effect on August 15. Are we pushing it out another month or two months or a full quarter before we start to see savings if we have to make reductions?

MS. BIERMAN:
Our proposal would be through the end of September based on what we are seeing in our actuals, with a revised October 1 implementation date, unless we get additional FMAP and then would able to propose an additional delay.

SENATOR KIECKHEFER:
So, it will be through the end of September, and you will submit it around October 1?

MS. BIERMAN:
Instead of having it ready to go on August 15, we will do the preparation work with CMS and have an implementation date of October 1. If we learn there is additional FMAP available before that time, and have the ability and time to postpone further, that leads us to the request for additional flexibility.

SENATOR CANCELA:
We have discussed the federal processes having an effect on dollars. Please discuss the timeline for federal approval to reduce the reimbursement rates and eliminate services. Please tell us when the Department anticipates proposed budget reductions would be federally approved and implemented.

MS. BIERMAN:
It aligns with the question about the timeline for the State Plan Amendment. Since that is the process we will need to employ to get approval from the CMS to make those changes, the same timeline applies. There is a need for a public hearing 30 days in advance of the State Plan Amendment submission and additional time for CMS approval and review. The CMS process typically takes 90 days for approval. Sometimes, it is longer, and there is a 30-day period in advance of that. There is a retroactive date for that to the date of submission. If public notice is given on September 1, there could be an effective date of October 1.

SENATOR CANCELA:
I am confident the agency's plan will be approved by the CMS. If CMS does not approve all or part of the plan, has there been discussion in the Department about using General Fund dollars to initiate those changes to the plan?

MS. BIERMAN:
We have not had those conversations. Our conversations have been around continuing to work with CMS to mitigate concerns. We are looking to see if we can find additional savings within our existing budgets, such as additional utilization management controls or other savings we can take to minimize the need for supplemental appropriations.

SENATOR CANCELA:
I am interested in the $2.1-million cut for prosthetic devices for adults. Please discuss what that looks like within our Medicaid population. What effect would this cut have on a waiting list or on people who are most vulnerable in our healthcare system in terms of access to an important part of their healthcare?

MS. BIERMAN:
It is surprising that something like prosthetics is classified as an optional service, but it is. In fee-for-service for the State Fiscal Year 2019, we had a patient count of 938 individuals for prosthetics, a service count of 18,236 and 22,588 providers of prosthetic services.

SENATOR CANCELA:
Does the cut of $2.1 million zero-out that budget?

MS. BIERMAN:
That is for adults only. That is approximately $10.1 million … (unintelligible statement) … computable for the prosthetics … (unintelligible statement) … elimination.

SENATOR SCHEIBLE:
I am also asking about optional services. Would all of these be complete eliminations?

MS. BIERMAN:
Yes, these would all be complete eliminations.

SENATOR SCHEIBLE:
In normal conversation, the term "optional" means one thing, and in this context, it is a term of art. Please help us understand what you mean by "optional services."

MS. BIERMAN:
I would like to clarify my answer to your first question. This is an elimination for adults only. It will not affect the EPSDT benefit I mentioned earlier.
The Centers for Medicare and Medicaid Services, the federal agency that oversees the Medicaid program, has both mandated and optional services. This is one of the things that leads to a variation between state Medicaid agencies. States have flexibility to choose between the services CMS has designated as optional. I do not know if this is a statutory, regulatory or subregulatory requirement. I can follow up with a full listing of CMS optional and mandatory services.

SENATOR BROOKS:
What are the federal matching dollars on the proposed projected reduction of spending?

MS. BIERMAN:
There are different federal matching dollars, assistance percentage rates for a variety of eligibility categories. It is complicated, as it varies in the amount the federal government pays for services based on an individual's eligibility group.

SENATOR BROOKS:
I am looking for a gross amount and information about the largest line items.

MELISSA LAUFER-LEWIS (Chief Financial Officer, Division of Health Care Financing and Policy):
We are proposing a $137.9 million State General Fund cut, but the total cut, including federal dollars, is more like $497 million. There is a substantial amount of federal dollars at hand as well. The Federal Medical Assistance Percentage for the traditional Medicaid population is a blended percentage of approximately 65.01 percent for Fiscal Year 2021.

SENATOR BROOKS:
What is the 65-percent FMAP you are referring to in gross dollars?

MS. LAUER-LEWIS:
The federal dollars in the proposed budget reductions are $260 million. When matched with the $137 million in General Funds, the total Medicaid fund would have a reduction of $497 million for State Fiscal Year 2021.

SENATOR DONDERO LOOP:
Do you have data on the impact Medicaid reductions may have on healthcare providers who participate in Medicaid? The reimbursement rates in Nevada are already low, and we know our

Medicaid recipients have trouble accessing services. I am concerned reducing rates will further reduce the number of providers who offer those services.

MS. BIERMAN:

As a requirement of the Social Security Act, the Centers for Medicare and Medicaid Services requires states to ensure equal access to services for individuals on Medicaid, and these rates are reviewed for adequacy. There is a national study performed by the Kaiser Family Foundation that compares Medicaid fee-for-service rates to Medicare fee-for-service rates. It does not have detailed information for all provider types, but it does have rates grouped by type of service, such as all services, primary care or obstetrics care. That study found Nevada has comparatively high Medicaid provider reimbursement rates for the all services category. This does not address all providers group. The Division of Health Care Financing and Policy provides studies as required by an earlier Legislative Session and has internal studies comparing its rates to others. I would be happy to provide that Kaiser study, which is the highest-level national overview I have been able to find. I will also provide the rate-comparison studies done by the Division. At the federal level, there are protections related to access and ensuring Medicaid recipients can access services and have adequate reimbursement rates to allow that access.

SENATOR DONDERO LOOP:

Are you comfortable we will have enough providers who will accept those patients?

MS. BIERMAN:

It is a complicated question. Nevada historically has shortages of certain health professionals. That is one of the factors the CMS takes into consideration. You cannot have more providers in the state Medicaid program than you do overall, but a state must ensure it has equal access for Medicaid recipients.

SENATOR RATTI:

The current FMAP is in place through September 30. Do you have a dollar amount estimate for the additional revenue that would be generated if it were extended through the end of December? If the overall Medicaid budget cut is $140 million, how much of that amount would we be able to offset with this extension? Is this enough to get us through until December and then we will have a problem moving forward? How much of this will we be able to save with the extended FMAP?

MS. BIERMAN:

The 90-day extension of the public-health emergency and the continuation of the 6.2-percent enhanced FMAP will bring approximately $30 million into the State Medicaid program between now and the end of the calendar year. At the federal level, there is other proposed legislation, such as the Health and Economic Recovery Omnibus Emergency Solutions Act, and other FMAP extensions at a higher rate than 6.2 percent. These have not been finalized or confirmed but are on the horizon. We are keeping an eye on what is happening on the national level and hope for continued federal support to help prevent some of these reductions. The extension of the Families First Coronavirus Enhanced FMAP would bring in an additional $30 million between now and the end of the year.

SENATOR SPEARMAN:

I asked about community partnerships because of flexibility. Nevada ranks either number one or two, depending on the source, regarding suicide completion in older adults. I see occupational therapy and behavioral-health case management for the not-severely mentally ill are being eliminated. One of the things we know about suicide completion in older adults is the impact of isolation. For some of the people who receive these services, these may be the only times they have some sort of human interaction. Do you have a plan to do robust outreach to community organizations, particularly faith-based organizations, that could bridge the gap between the services that were present before the cuts and those available after the cuts? I recently counselled with someone whose 82-year-old father completed suicide. Two weeks ago, I was counselling with someone whose 16-year-old completed suicide. Is there any plan? Do you have a plan to be flexible and do robust outreach? Not what you already do, but robust outreach, especially in those communities that have been disproportionally impacted by COVID-19? When we look at these

cuts, seniors who have no one else to visit them, or whom they see, are more likely than not, based on studies I have reviewed, to at least consider suicide completion. That bothers me.

MR. WHITLEY:

We do not have a dedicated funding stream to fund that outreach or for suicide prevention. We are looking at highly-impacted populations in the home. Ms. Schmidt talked about using more of a public-health approach in her presentation. During the pandemic, much of the focus at a federal level has been on hospitals. We went upstream to nursing homes and assisted living homes as well. Upstream from that is the program Administrator Schmidt talked about, which is the 450,000 homebound individuals. There is a need for a greater focus on these vulnerable populations who have been made more vulnerable by the request they stay isolated. We are trying to address one health condition, the transmission of a virus through respiratory exposure, and asking people to stay home and isolated. This could worsen a condition they have. We are trying to address this through the home services we are providing and through case management. Could we do better? Of course we could. We could always do better in reaching populations. The deaths you mentioned are tragic and preventable if we have the wraparound services to identify early, intervene and prevent.

As you mentioned, this State traditionally has not invested a great amount of funding into behavioral health. This has been made worse during this crisis. I am doing everything I can, with the resources I have, to be responsive. We will exhaust the CARES funds we have to assist in forming outreach programs to support these folks in their homes. It is not achieved through Medicaid. These services, occupational therapy for adults and behavioral case management for nonseriously mentally ill, are not programs that address the problem you identified. The margin I have to dedicate resources to that is the CARES dollars available, and we are doing what we can. We have applied for every federal dollar made available. We are delivering direct services in a crisis on one hand and are reducing our spending on the other hand. I am doing the best I can to do that with the least amount of harm possible, but there will be harm. People's lives will be impacted by these proposed reductions.

SENATOR SPEARMAN:

I am not talking about spending money you do not have. I am talking about outreach, robust, intentional outreach. Nevada Partners is in communities that have been hardest hit by COVID. Gathering Place, Restorative Health, Mingo Behavioral Health and Faith Organizing Alliance are already in those communities and doing much of the work that would connect the services you have and bridge the gap. Is there any way you can be flexible when looking at programs already there? You do not need to spend money you do not have. There may be people on your staff who come from those communities and know people to call to help create partnerships to get this done. It is not about more money. It is about concerted, targeted efforts to get into those communities and ask how we can help you, what are you already doing. Last week, someone contacted me saying they were hired to do community-health education. They got a call from someone at the State asking to help set something up. The person was already doing what they were asked to help set up. If there was anyone in the community, on your staff or close to your staff, they would have known this person was already doing what they wanted to set up. This has to be targeted, robust and flexible. There are organizations in the community that can help fill and pick up the slack. If you do not reach out to them, it will never happen. That is not a question; it is a statement.

SENATOR CANNIZZARO:

Director Whitley, you stated there are people who will struggle, and these cuts will impact their day-to-day lives. Cuts have been proposed to private-duty nursing. Please discuss the investments in these programs to ensure people have appropriate care. Will this eventually cost more by not investing in them because of higher healthcare costs due to complications, lack of oversight or investment in supportive services? Would you discuss the impact in the long-term by not funding these things or not having the appropriate investment in them?

MR. WHITLEY:

All of these services are essential to the people who have a need for them. They are not all well organized by groups so do not all have lobbyists attached to them. They are not hospitals or nursing

homes. They are small, sometimes individual providers offering a service. They do not have a strong voice to make their case. Coming out of the last Legislative Session, we were set on a path to mature our healthcare system. Our Department had the largest increase of General Funds into focused program areas we had ever seen. We had the largest increase to mental health in a decade while still struggling with the steadiness of the Affordable Care Act. These services relate. Our goal is to keep people out of the hospital and nursing homes. If we can provide services in a least restrictive environment, a home setting, it is better for the person and more cost-effective. By pulling federally considered options out, the impact cannot be figured today because individuals are being impacted. Optometry or biofeedback may be a categorical service and may be eliminated, but it may be a cornerstone for an individual with a need. The result of that service not being available may require an individual to need a higher level of service. They may need an emergency room visit because of decompensation or complications. It is a network of services. The mandatory versus optional is almost embarrassing to discuss as such. It is only relevant to a congressional act that governs Medicaid not to the people who need the healthcare service. We will have people impacted and their lives may worsen by these services being eliminated, but I cannot quantify that for you today. I have limited spaces to make the reduction in our General Fund spending.

SENATOR CANCELA:

What are the requirements to be eligible for the 6.2-percent increase in FMAP? Do the reductions outlined today ensure we fall within the FMAP guidelines for eligibility?

MS. BIERMAN:

The requirements for the enhanced FMAP are outlined in the Families First Coronavirus Response Act. There are four requirements for a state to leverage the additional funding. The first, is to maintain eligibility standards, which Medicaid has done, and have continuous eligibility to make sure we comply with that requirement. The next is related to premiums and cost-sharing. There is limited cost-sharing in the Medicaid program in Nevada. There are no compliance issues in this area. The next requires that no one is terminated from the program. We have worked with the Division of Welfare and Supportive Services to ensure no one is terminated unless they voluntarily ask to be terminated or are no longer a resident of the State, which are federal guidelines. The last relates to optional services and whether a state can eliminate those services and enhanced federal funding under Families First Response Act. It is the opinion of CMS that a state may not eliminate optional services and collect the enhanced FMAP. This is not a current issue for Nevada since no services have been eliminated, but it could be an issue going forward. Absent CMS reversing their policy, and they have indicated they realize states are in a bind and need additional flexibility, they have indicated their original interpretation of the statute may have been too narrow. They have not yet released updated guidance or changed their position on that requirement. As it stands, states cannot both eliminate optional services and continue to collect the enhanced FMAP.

SENATOR HARRIS:

Please explain how the Medicaid reductions will specifically affect behavioral health related to the issue of housing.

MS. BIERMAN:

Under the federal statute, Medicaid is prohibited from funding housing. During the last Legislative Session, legislation was passed to implement tenancy support services. This is not Medicaid paying for housing but rather Medicaid helping to reimburse for supportive services that allow someone to find and maintain housing. That is among the list of proposed eliminations.

SENATOR HARRIS:

There are groups adversely impacted by COVID-19, and they happen to be the same people who disproportionally use the services of your department. To serve those people appropriately, staffing needs to reflect the community. Can I get a commitment from you, Director Whitley, that you will examine the diversity on your staff and ensure it is reflective of the community to better service the people you serve?

MR. WHITLEY:

I would go one step further. The State is not primarily the service provider, but we are the contractor of services. The biggest complaint I get is from those who are trying to become paneled with managed care. There are things in the development of the Request for Proposal for the next round of funding for managed care. We could do better to ensure the cultural appropriateness, color and background of the people needing the service is addressed because we know that makes a difference with access. You have my commitment for that.

SENATOR RATTI:

You discussed the painful cuts and how challenging it is to make them. You mentioned you are doing the best you can with what you have. Some cuts go to services and eliminate optional benefits, and some go to providers. Please discuss how these cuts affect the provider community. Do you have the ability to break that out? Please tell us, how much of the provider rate cut is absorbed by hospitals. We hear from hospitals they have to serve everyone who shows up, and we know that affects them. What provider categories should we be attentive to due to the fragile nature of the healthcare ecosystem?

MS. BIERMAN:

The 6-percent rate reductions are broken down into a couple of large provider types. Hospitals are 42 percent; professionals, 26 percent; behavioral health, 12 percent; long-term support and services, 11 percent, and 9 percent is other. I can follow up with more granular definitions about what falls into each of those if you would like.

SENATOR RATTI:

What categories of providers are you particularly concerned about as related to their bottom line being affected by the rate reductions? I am grateful for the providers who enthusiastically feel it is part of their mission to serve low-income individuals who are on Medicaid but will dermatology, primary care or other areas be a problem? Where are we struggling to have the providers we need and where a rate cut might affect the level of care we can provide in this State?

MS. BIERMAN:

One provider type is skilled-nursing facilities. Promoting home and community services and rebalancing is one of our priorities, but we know skilled-nursing facilities play a critical role in our healthcare delivery system, especially now in the time of COVID-19. It appears our rates are already low. This is one area that comes to mind.

Preliminary information from the Kaiser report show our reimbursement rates for primary care are pretty high compared to other Medicaid programs around the Nation. We want to do all we can to support and promote primary care. Based on that report, it appears Nevada is already in the higher range of states. Some of our primary providers are not in the straight reduction, some are federally required to get prospective payments, such as federally qualified health centers and rural-health clinics.

SENATOR RATTI:

Please send us a link to the Kaiser report you have referenced. Perhaps, we can also have it as an exhibit for another day so it is available to the public.

SENATOR SEEVERS GANSERT:

This morning we had a presentation by Director Brown on the overall budget, and she shared information about transfers. She also mentioned remaining reserves. For example, we do not know what is left in the Attorney General Settlement Account. The Employment Security Principal and Interest account supposedly has $14 million remaining, and there are reserves in the Public Employees Benefit Program (PEBP). There is $29 million in revenue from the CARES Act and $10 million from Tax Amnesty. We need to be able to look at those because throughout this budget process we are going to need to make choices. Are those numbers accurate? Is there more money we can take from reserves? The $29 million from the CARES Act seems low. I realize you cannot replace General Fund money, but are we looking at all opportunities? When you look at the DHHS, we were able to provide more funds. Director Whitley said they received the greatest increase from the last Legislative Session. There are important things on this list, important services. I want us

to make sure we are okay with our original assumptions. If we have the opportunity to help when it comes to things like adult optometry, prosthetic devices, dental services or rates, we may want to do that.

Will you be able to plan on whether we can use the projected $30 million if there is an extension of the increased FMAP rate within the next few days? If so, what are your priorities regarding potential cuts? Where would you put the money so it would have the greatest impact?

MR. WHITLEY:

The first priority would be the flexibility. The United States Department of Health and Human Services has until July 25 to sustain the emergency order allowing for the enhanced FMAP. We would know before then about the enhanced FMAP extension for another 90 days, which would take us through December 31. I can provide prioritization of the service reductions, but it is difficult, and I will likely get it wrong for some people. We have looked at this broadly. Dental is important, then the other services with rates. Doing math on a page may be simple for those doing budgets, but does turning something down amount to turning it off? Does reducing a rate lose providers? The nuance of this will be considered, and we will work to provide this as resources become available. Should we get the enhanced FMAP, or should the utilization tell another story about costs, we can restore things or not cut things. I will do what I can to provide you with that information.

SENATOR SEEVERS GANSERT:

It will be difficult to balance things, and I appreciate that information. We may be able to write legislation that would provide a contingency if we do not know what this will look like until July 25. I would like to know what the reserves are in the different accounts after making the transfers outlined this morning. I would also like to know how much we spend down and how much we typically receive in programs like Healthy Nevada so we can balance what goes in and out and maintain an adequate balance in the reserves.

SENATOR KIECKHEFER:

Please walk us through the 1915(b) waiver regarding pharmacy benefits and the network and specialty pharmacy network details. I am not familiar with that and do not know the mechanism for it.

MS. BIERMAN:

The 1915(b)(4) waivers are used to waive freedom of choice of providers. The specialty pharmacy is something we are looking at as a way to find savings in our Medicaid program. I will need to get back to you with additional information on the timelines. It is a lengthier process than originally anticipated. If accessible, I will follow up with additional information later today.

SENATOR HAMMOND:

We have talked about the 6-percent cuts and the $140 million in cuts that equal $500 million in total dollars coming into the State and the economy. What will this do to our recipients and those practitioners who, as Director Whitley mentioned, were just getting ready to provide these services as part of our healthcare delivery? How often do we check eligibility? Is this something that is checked when a report is sent to Washington D.C., or is it something done monthly? When will we know the numbers are changing? That will help me with the bigger picture.

MR. WHITLEY:

Eligibility is centralized for Medicaid, the SNAP and the Temporary Assistance to Needy Families and for the consumer. It feels like one application. The … (unintelligible statement) … frequency is a little bit different. It has been annually for Medicaid and, prior to COVID, twice a year for SNAP. We update monthly and post our caseload for each of those service program areas including the growth. We have a legislatively-approved budget that projects out, and we compare it to actuals. Administrator Bierman mentioned a 9-percent increase in Medicaid, and we look at that in comparison to what was budgeted. I can pull that out and present it in any way. I am confident if there is fraud in Medicaid, it is not on the part of the consumer. We usually see fraud from a provider. People do not usually try to demonstrate poverty to get Medicaid. We do not see that in any substantial way that affects our budget.

SENATOR HAMMOND:
I am most concerned about people moving in and out of the State, not fraud. Do you have a number on that? My colleague asked about utilization earlier. Can you put those two statistics together and get them to us?

MR. WHITLEY:
Absolutely.

SENATOR CANNIZZARO:
We will be in recess subject to the call of the Chair.
The Committee will come back to order.

SENATOR WASHINGTON:
I represent District 4, which is a mixed district. There are many Hispanics, Blacks and Caucasians who live in my district. As I look at your staff, I see no reflection of me, which is my first concern. I want everyone to look at this realistically. We have the Texas Casino and the Fiesta Casino which have been closed indefinitely, and people who have been getting unemployment will have to apply for welfare. Where are my constituents supposed to go now, knowing there are all of these budget cuts?

MR. WHITLEY:
I am proud of our Welfare and Supportive Services Division for being adaptive to eligibility if someone is unemployed and does not have resources. If they apply for Medicaid, we will enroll them and prompt them to see if they are eligible for the SNAP or Temporary Assistance for Needy Families (TANF). The eligibility for those programs is 100-percent federally funded. For food assistance programs, it is set at 200 percent of the poverty level. The TANF program is cash assistance and is for people who are at 100 percent of the poverty level. Those services have not been cut. Our pivot with eligibility for these programs, typically considered welfare programs, has been quick in order to make people eligible. Sometimes, it is the same day with Medicaid if they do the application online, over the phone or in person. I am proud of our ability to process and make people eligible. Is it enough? No. If someone does not meet the criteria because they are on unemployment and slightly above the level, we do not have a ready-made State response other than referral to food pantries and other services. I am proud of our eligibility workers and their ability to process applications in a timely manner for the most vulnerable in our State. If there is something specific in the area you represent where we could do more directed outreach, we have done that before. We worked with the Culinary Health Clinic when they continued health services for people laid off. If there is criticism about how providing services and where we could do better, as a public servant, I am obligated to do better. I would be happy to help your district in any way I can.

SENATOR OHRENSCHALL:
I have seen how effective psychosocial-rehabilitation services and basic-skills training services can be when working with children. I do not know if they are as effective for adults, but I imagine they help many adults live either independently or semi-independently and achieve the great results I have seen in children. How many adults receive basic-skills training and psychosocial-rehabilitation services? How many do you forecast will lose these services if they are eliminated? Is there anywhere else these adults can turn for these services if they are not covered?

MS. BIERMAN:
We have data on psychosocial rehabilitation for adults. The patient count was 878 in the State for Fiscal Year 2019. The patient count for biofeedback was 6,050 for that same fiscal period.

SENATOR OHRENSCHALL:
Can you give me the numbers for basic-skills training?

MS. BIERMAN:
The patient count for State Fiscal Year 2019 was 1,174.

SENATOR OHRENSCHALL:

If this is eliminated, is there anywhere in the community these people can turn for these services without Medicaid coverages, or will they not receive services?

MS. BIERMAN:

We cover behavioral-health services. We have mental-health service priority requirements at the federal level. These two services play a critical role, but there are other behavioral-health services that remain available. I am not sure if there is anything else on the public or behavioral-health side that may help us with some of the services that remain available.

MR. WHITLEY:

Division of Public and Behavioral Health reductions include freezing positions primarily at the Southern Nevada Adult Mental Health, Northern Nevada Adult Mental Health and at our rural clinics. We are reliant on Medicaid in this area as we bill them for clinical services. This is an area that has been one where the expansion of Medicaid allowed Nevada to rely more heavily on systems, such as managed care, to develop broader systems than just the State service system. We do not pay that well in a market where we have State salaries. Many of our reductions put forth at the end of the last fiscal year were a result of salary savings. We are holding these positions vacant. The individuals covered by Medicaid continue to have coverage and can access healthcare. We are a safety-net provider and will continue to ensure they have coverage and can access healthcare. Some of this is taking credit for positions that are hard to fill, and we would likely have reversions in because of that difficulty to fill.

Other areas include sweeps of reserves in Alcohol Tax, Healthcare Quality and Compliance Penalty Sanction, and Problem Gambling.

SENATOR PICKARD:

In 2019, we made cuts. Of the states that permit gambling, we are last in the Country in terms of funding for problem gambling. Given the magnitude of gaming that occurs in our State, does this eliminate the ability to respond? How much of the total budget does the $1.6 million represent?

LISA SHERYCH (Administrator, Division of Public and Behavioral Health):

Problem gambling funds cover prevention, public awareness, treatment, evaluation, workforce development and research. With the funds remaining after the cuts, there would be 25 percent left in the budget. There is the possibility to focus the funding on treatment services. There is an advisory committee on problem gambling that may best determine how to use the remaining funds to balance benefit and risk and give recommendations to do the least amount of damage in the long term.

SENATOR PICKARD:

Would the $1.6  cut reduce this to 25 percent of the original funding or the total estimated budget remaining? How much was the original budget, and how much does the $1.6 represent?

MS. SHERYCH:

My fiscal staff is working that number out.

MR. WHITLEY:

The dedicated funding for problem gambling needs to be put into context. Addiction is a behavioral-health issue, and there is priority under the Affordable Care Act with programs like Medicaid. Many commercial plans cover addiction services, not dedicated to gambling, but the underlying issue of addiction is covered by Medicaid. All states are looking at where services are categorically earmarked and enhance, but also where coverage exists within the health insurance of a health plan. Given the earlier discussions about totally eliminating a service versus billing an insurance company or Medicaid to recover the cost, we see it as a viable reduction, not an elimination. It is a program that focuses on prevention and early intervention, which is not covered by commercial insurance or Medicaid.

MS. SHERYCH:
For Fiscal Year 2020-2021, the appropriation is $2.1 million. There would be $600,000 remaining after the reduction which represents approximately 25 percent of that amount.

SENATOR PICKARD:
Do we have an idea of how much is spent trying to address problem gambling in Nevada through Medicaid or other avenues? It is safe to assume we have more gaming activity in this State than any other, yet we are last in the Nation for dealing with this program. I do not want us to go to a place where we cannot address it at all. I sense this is where we are going. Do you have an idea how much is spent through other avenues?

MS. SHERYCH:
I do not have those numbers available, but I will provide them to you after the meeting.

SENATOR RATTI:
I would like to discuss the reduction to Senate Bill 263 of the 80th Session, the vaping prevention funds. This bill had a $5 million allocation over the biennium that included sub grants to agencies. This provided for direct prevention and statewide campaigns and larger contracts. Over the biennium, what were those funds spent on and what would the $1.5 million cut remove?

MS. SHERYCH:
There are six statewide partners including the three local health districts. Each receives funding from this appropriation. If the providers are unable to receive the dollars, they are unable to roll it over, as outlined in the Legislative bill. Youth vaping activities and media activities related to creating strong prevention campaigns tailored to Nevada youth will be reduced if not eliminated. This may also affect staff or cause a reduction in staff and their time working to eliminate youth vaping.

SENATOR RATTI:
Please give me a summary offline of the funds already expended, specifically what would not be fulfilled that was in the original plan.

MS. SHERYCH:
I will do that.

SENATOR RATTI:
The reason I am concerned is we were beginning to see a positive change in behavioral health. Please discuss the southern and northern Nevada campuses and the vacancies being held open. How does that impact services? Is there a reduction in behavioral-health services available in those two communities?

MS. SHERYCH:
Northern Nevada Adult Mental Health Services (NNAMHS) is holding vacancies, and the current workforce will have to fill any gaps. There is the possibility of increased overtime to address emergent needs. We have no waitlist at that site and continue to link people to other community entities that can provide necessary services. Many people who come to either NNAMHS or Southern Nevada Adult Mental Health Services (SNAMHS) have insurance. They connect with community entities who can provide therapy, counseling, medication clinic assessments or other services. SNAMHS has a waitlist for its medication clinic. We are continuing to work through that to determine who can be referred to other services in the Las Vegas area. Many people have insurance, and it is a matter of connecting them to other resources. We are looking to reduce residential services at SNAMHS. There would be 270 individuals who would no longer receive housing through that agency. Each of those individuals will continue to receive service coordination, and we will continue to provide linkage, referrals and connection to other entities. We work with Catholic Charities and Share Village, which was formerly Veteran's Village, in Las Vegas to coordinate services and housing. We have requested CARES Act funding for this highly impacted, at-risk population. We are hopeful this may be a solution to address the housing issue for this budget piece.

We have no cuts for our forensic services across … (unintelligible statement). That would be like Lake's Crossing and Stein, which is part of SNAMHS. With the constraints we are facing, we will allocate staff, to the best of our ability, to address any needs that may come up for the positions we are holding.

SENATOR RATTI:

Would these cuts, paired with the cuts to substance-use treatment and mental health discussed in the Medicaid budget, overlaid with housing, SLA, tenancy support, Community-Based Living Arrangement program and other programs, be a reversion to a place where if a person needs behavioral-health services, one almost needs to be part of the criminal justice system to get them? It feels like we are heading toward a perfect storm for individuals who are at risk of experiencing homelessness, or whom we are trying to help from being homeless. Is that accurate or a fair representation?

MS. SHERYCH:

That is a fair representation. These are difficult decisions to make. I was hopeful next Session would be a great one based on the last one. Yes, our focus will primarily be the justice-involved population.

SENATOR CANCELA:

While we are not at the top of funding problem gambling, we are also not at the bottom. We are number 13 out of the 40 states that fund problem gambling. That is not something we should be proud of, but that is where we are. Over the last few Sessions, we have changed the way resources to assist with problem gambling are funded. This used to be connected to slot machines and is now a General Fund allocation. As you look at making cuts to this program, is there room for negotiation to revert to the previous funding mechanism or to determine a way to protect the treatment portion while perhaps eliminating the awareness portion? I am concerned as we see our economy continue to stagnate or get worse, we will see folks who will not be able to access treatment either because their insurance does not cover it, or because they do not know where to go. Are there creative ways to cut less out of that program?

MR. WHITLEY:

Any programs that supplement or enhance an insured or covered product need to be focused on a direct service. Studying things is important, but if there is a line of people who have a need, we do not need to study something to know the need is there. Having a deliberate focus on these funds to supplement direct services would be my recommendation. There will be people who disagree. There will be academics who think we should study it. I am not negating the importance of data, but if there are people who need services and have a hard time accessing them, as the Director of Health and Human Services, that has primacy focus.

SENATOR KIECKHEFER:

I appreciate your commitment. How many people does the Community Treatment Center in Las Vegas serve? How many hospitals or law-enforcement diversions happen because that center is in place? What parts of the program will be affected or eliminated in coming months and years with a 68-percent funding cut for the mental-health court?

MS. SHERYCH:

We currently have no one in the Community Treatment Center (CTC) program. Those funds were not accessed in the last fiscal year. We had discussions last year with a potential provider who was interested in the CTC funding, but a formal proposal was never received. Since the funds were not accessed, there is no impact. We then began to experience a budget shortfall in category 1, causing us to redirect those funds for the shortfalls. Since there is no provider receiving those funds, there is no impact.

There are dollars being reduced for mental health, but this does not affect any individuals. We are using tiers and looking at individuals in the top tier. As regards to mental-health court, even though dollars are being reduced, they are not specifically tied to individuals. I can provide further clarification with specifics if you would like.

SENATOR KIECKHEFER:
I would appreciate that. I do not understand where the money is going if it is not going to help people specifically.

MS. SHERYCH:
The legislative-approved caseload for the mental-health court is 75. There are 54 individuals in the program so there are savings from the reduced caseload. This is part of the reason for the reduction.

SENATOR SCHEIBLE:
My questions are about the position freezes at SNMHS and NNMHS. The people to whom we are providing services obviously need them. I am equally concerned about the people who provide these services. The staff at the DHHS, and throughout the State government, are working hard with little. How will position freezes impact employees of SNMHS and NNMHS? How long have these positions been open? How many positions are open? Are hardworking Nevadans expecting someone to come in and help with these positions to lighten their load, or have they been doing this extra work for a long time? How deep will the shortfall be?

MS. SHERYCH:
Some positions, such as nursing, clinical and licensed social workers, or mental-health counselors, have been vacant for months. These are difficult positions to recruit for and fill here in Nevada as was discussed by Director Whitley. Many of our staff have been with us for years and have been through previous furloughs. They have had to do more with less. There is a concern about morale and burnout, but our goal is to minimize that as much as possible. I cannot say enough how great our staff is. Our committed staff does not come to work just for the paycheck but to make a difference in people's lives. We want to maximize that energy and support our staff when we see there are difficulties or morale issues. I will provide you details relating to the length of these vacancies for each position after this meeting.

SENATOR SCHEIBLE:
Does this mean you will not fill any future vacancies?

MS. SHERYCH:
They will not be filled if they are among the positions identified for these cuts. If we have other positions become vacant through attrition, retirement or other reasons, we will recruit for those as we have for the last couple of months. As positions become vacant, if they are not part of a reduction, we are filling them.

SENATOR SCHEIBLE:
I want to ensure people are not doing more work than they previously did because one or more team members were lost and now that work is redistributed. People could leave the Department due to stress. Will you be able to replace workers if this happens?

MS. SHERYCH:
I hope people stay with us. There needs to be fairness regarding workload. We may look at waitlists to determine if there is more work than what people can do. Hospitals are our focus as well. If staff is being diverted from outpatient to inpatient, we need to ensure there is not an added impact to the community based on lack of staffing for the 24-hour hospital.

SENATOR PICKARD:
Many metrics are used for problem gambling. I was recently briefed by the University of Nevada, Las Vegas, and the International Gaming Institute and was told that Nevada generates the least amount of dollars to support this issue. Does Medicaid cover gambling addiction? I thought it was tied to clinics where doctors were present. Does Medicaid cover addiction-recovery programs?

MR. WHITLEY:
Yes, Medicaid covers addiction. It is not specific to gambling, but it is dealt with as a behavioral-health issue. If that is not known, it is an area we could do better in sharing with the

public and helping the providers who are specialists in gambling addiction navigate the complex billing systems for commercial, private and publically-funded insurance like Medicaid. It is treated as an addiction, and the underlying addiction is treated as a covered service.

SENATOR PICKARD:
I have heard that unless there are co-occurring addictions, such as a drug addiction as well as a gambling addiction, gambling addiction would not be covered. If there is an avenue to do this, I have people who would be interested in talking to you about this in the future.

MR. WHITLEY:
We did not reduce our certified behavioral-health clinics. These are safety-net providers who include primary care and are geared toward people with substance abuse or behavioral-health issues. Those were put into the Governor's budget, supported by the Legislature and continue to be expanded in the State. I will provide a written update on the safety-net providers. They cannot deny services to anyone regardless of ability to pay, documentation or citizenship status. They receive an enhanced rate from Medicaid, much like federally-qualified health centers. This went untouched in this crisis, and we need it more than ever. They exist in this State and need an increase, and we continue to support them.

SENATOR RATTI:
Are the community triage centers cut, or is the State contribution to these centers cut in this bill?

MR. WHITLEY:
This service is reimbursable, although their budgets may not layout the denominator of how much is happening in the community. It is done differently in Clark and Washoe Counties. I need to provide context about that to this Body.

SENATOR RATTI:
I am referring to the legislation where the jurisdictions provide a third, the hospitals provide a third and the State provides a third.

MR. WHITLEY:
That format was approved for funding in the budget. Those contributions have not always been there, and we have not always funded it. I would like to show you the role the State plays and how much service is happening and where. I do not have enough detail to answer your question.

SENATOR RATTI:
I would appreciate the follow up.

MS. SHERYCH:
The CTC funding for SNAMHS is being cut. We do not have a provider accessing those funds. We are requesting CARES Act dollars to fill the portion the State or Nevada Emergency Medical Services would pay for in the north with the hopes the program will continue.

SENATOR RATTI:
Is it correct we are cutting it from the State General Fund and hoping CARES Act dollars already allocated will be awarded to your division and be able to backfill that, or that future legislation at the federal level may help us out?

MS. SHERYCH:
Yes, that is correct.

SENATOR RATTI:
CARES Act dollars the State has already been allocated. Is that correct?

MS. SHERYCH:
Yes.

MR. WHITLEY:
In the Division of Welfare and Supportive Services, the greatest reductions are related to the CARES Act building fund and the cost of staffing for eligibility workers. We are also achieving a reduction in General Fund match for child support. The final category is administrative reduction.

SENATOR HARRIS:
My question relates to the CARES Act dollars used to meet payroll expenses for human-services employees primarily dedicated to mitigating or responding to the COVID-19 public-health emergency. Which positions were determined to be eligible to be paid under this provision and which did not fit?

STEVE FISHER (Administrator, Division of Welfare and Supportive Services):
We have continued to provide essential-eligibility services to Nevadans impacted by COVID-19. Soon after the United States Department of Treasury put out their guidance on CARES Act reimbursement funding, we determined we had staff who were substantially dedicated to responding or mitigating the COVID-19, public-health emergency. Those are our eligibility staff. They are our frontline, essential staff who are providing Medicaid benefits to seek testing and treatment to low-income families who have been impacted by COVID-19, and SNAP benefits to address food insecurity for those who have lost their jobs. Based on the guidance definitions and the frequently asked questions provided by the Department of Treasury, those were the positions that met the definition for the CARES Act relief reimbursement funds.

SENATOR HARRIS:
How many positions did you determine were eligible for this?

MR. FISHER:
I do not have an exact number, but it is over 1,000. It is 1,115 or in that range. I can get you an exact number.

SENATOR HARRIS:
How many positions are there, not people?

MR. FISHER:
The type of positions are eligibility workers and eligibility supervisors.

SENATOR PICKARD:
Regarding the reduction of the General Fund match for child support, are you talking about the State's General Fund match, and can you elaborate on that? Will this jeopardize any IV-D funding the State receives from the federal government for enforcement of child support orders?

MR. FISHER:
This has to do with the Division of Welfare and Support Services State's share of child support collections made on behalf of families receiving assistance through the TANF program. We exceeded our projections on the State amount of collections received. During the last Legislative Session, we projected a shortfall in the State share of collections and asked the Legislature for General Funds. We have since exceeded our projections and collected more State share of collections. We no longer need those General Funds, and they can be reverted.

SENATOR PICKARD:
I missed this was coming through the TANF side as opposed to the IV-D program.

SENATOR RATTI:
I did not realize we had that many workers saved by the CARES Act dollars and welfare cuts. What happens when the CARES Act dollars run out? I am thinking of the Healthy Nevada sweeps. Do we fall off a steep cliff when those CARES Act dollars are no longer available?

MR. FISHER:

We have asked for CARES Act dollars to cover those eligibility positions from July through December 2020. After that, we are budgeted with General Fund dollars to continue to support those eligibility workers through the remainder of the Fiscal Year.

SENATOR RATTI:

If the revenue does not recover for Fiscal Year 2022-2023, we would have half of the money we need to maintain the same level of support services.

MR. WHITLEY:

We are relying on 100-percent CARES Act funding to cover the positions now. This relieves us from having to do the State General Fund match to the eligibility workers. We would resume that. If the economy continues to decline or worsens, when we build our budget and need to achieve a reduction, we will need to revisit this. Like with other programs, we are trying to get through the moment with the resources we have and do the least amount of damage in terms of eliminating positions.

Lastly, the Division of Child and Family Services, the reductions in this budget are primarily achieved through reducing incentive payments to Clark and Washoe County social services in the area of child welfare, maintaining vacancies and a technology reduction resulting in a reduction in the General Fund.

SENATOR PICKARD:

We are reducing the number of beds in the juvenile-correction facilities. Will this displace people in those beds, or will the juvenile-justice hearing masters and judges avoid putting juveniles in these facilities? How will this work? Please elaborate.

ROSS ARMSTRONG (Administrator, Division of Child and Family Services):

For the last decade, there has been a push across the country to reduce the number of young people locked up in correctional care. That has occurred in Nevada as well. Do we have people who will be displaced? As of last week, our statewide population is 155 youth, and our average daily census for the 2019 calendar year was 157. With 160 beds, we have enough room to meet the need. A couple of times a year, there is a spike in counties admitting youth to us so there may be a longer waiting time getting into one of those beds. The correctional beds were cut, but we made sure to not cut funding to counties that work on prevention. We did not cut funding to parole. They do the aftercare to prevent them from going back into the facility. We maintained all of our children's mental-health beds. Many of the youth we see have complex mental-health needs better suited for a mental-health facility. Although we reduced the correctional-care beds, we maintained other options for youth who need care.

SENATOR KIECKHEFER:

We spent a significant amount of time last Session discussing staffing needs in these facilities. We focused on the Prison Rape Elimination Act (PREA) and came up with new staffing models to ensure compliance. Please discuss the process you used to arrive at this reduction and whether the goals we set in that Legislative Session, including the PREA targets, are still on track. Will we be in compliance as we make these changes?

MR. ARMSTRONG:

We spent quite a bit of time discussing the PREA compliance. The daytime ratio is 1 to 8, and the nighttime ratio is 1 to 16. Bed reductions are in chunks of 16 for easy management.

To address staff capacity and burnout, we are not just freezing positions and asking employees to deal with potentially the same number of youth we now serve. We have made sure to right-size the capacity of each facility with the number of staff needed to meet the PREA requirements. Caliente has had difficulty staffing up to the 112 that was approved last Session. If all of their beds are filled, they have regularly been able to staff at 80. These numbers will maintain the PREA compliance we worked hard to achieve last Session and maintain sufficient beds needed for our youth.

SENATOR GOICOECHEA:

I am concerned about the Caliente Youth Center. It has been one of our better youth facilities. With the 40-percent reduction in beds, what will happen to C.O. Bastian School, which provides education to those students? With that reduction, they will not be able to staff the school.

MR. ARMSTRONG:

Funding for the schools at both Summit View and Caliente Youth Center is based on the Average Daily Attendance (ADA). A reduction of youth living at the facility will reduce the ADA for the school districts for those schools and reduce the need for staffing based on the reductions. Caliente is below that 112 staffing number so there is already a hit to C.O. Bastian School. This is a tricky relationship. The population of this school is a big chunk of the school district's ADA; whereas at Summit View, the youth we have there is a small portion of the Clark County School District. We regularly review the education contract and agreement between Caliente and C.O. Bastian School. There will be a reduction, but it will not be too dramatic from where it is today, based on what the population is versus what the budgeted capacity was last Session.

SENATOR GOICOECHEA:

We do not have a large faculty at that facility, and any reduction to it will have a huge impact.

SENATOR OHRENSCHALL:

Thank you for what you do to help children who are caught up in the juvenile-justice system and committed to a State facility. You mentioned freezing 53 positions. If they are duplicative and not needed, that does not worry me. Are any of these positions therapists, drug treatment specialists, mental-health counselors or others that are vital and would benefit youth under State care and help reform their behavior? Please describe the 53 vacant positions.

MR. ARMSTRONG:

These positions are all in the group-supervisor series, which is the juvenile justice equivalent of a correctional officer. There is not a reflection of freezing a teacher where we operate our own school. We did not freeze any of the mental-health counselors.

The reforms out of the 2017 Legislative Session have our system working on a validated needs and risk assessment and are working to ensure only those youth who need to be removed from the community and placed in correctional care are those coming to our care. So far, the numbers are good. There are few low-risk youth in our facilities and more medium-risk youth. When we looked at which positions to freeze, we looked at those needed for PREA compliance, custody and control staff. None of the therapeutic staff or services that go along with helping youth divert themselves from additional juvenile-justice involvement or eventual and costly adult correctional care.

SENATOR OHRENSCHALL:

It is good to hear none of the 53 positions are therapeutic positions. The Caliente Youth Center is the only one that houses girls. What is the population of girls now, and do you think lowering the number of beds will work with the numbers coming in from the counties?

MR. ARMSTRONG:

We have 22 girls at Caliente Youth Center. That population number fluctuates quite a bit. In operationalizing these cuts, contingencies are in place for expanding the number of girls and reducing the number of boys, if needed. The other two facilities are all boys and can absorb some of the demand. We will be able to assist the girls at this facility. Many of these girls are victims of commercial sexual exploitation of children. We have legal framework from the last Session that the Interim Committee is working on with us regarding wraparound services for these young women. That way they are not treated like criminals but rather treated for the immense trauma they have experienced. Our hope is to continue to reduce the population of girls coming to us. Montana was recently able to shut its correctional-care facility for girls and has a couple that need that care. We would like to see fewer girls in our juvenile-justice care system and, instead, have them get the trauma care they need out in the community.

SENATOR SCHEIBLE:

Please explain the expenses paid through the Child Welfare Incentive Fund in Washoe and Clark Counties.

MR. ARMSTRONG:

Our child welfare programs have a patchwork of funding coming from federal Social Security Section 40 funding, a block grant for Washoe and Clark Counties and caseload subsidies specific for adoption and foster care. None of these is touched. In 2011, the Legislature established the Incentive Funding in NRS Chapter 432B. Each year, those two counties apply and submit plans to improve or innovate their child welfare systems. If they meet their benchmarks, they receive the funding. It is not always tied to innovation, but that is a mechanism to provide a monetary incentive for the agencies to improve and find new and unique ways to serve children and families. It is the most flexible funding and is not tied to direct caseload, service or going directly to a family. It provides General Fund money that can be used in a flexible way. This is why this funding source was selected to be looked at for child welfare.

SENATOR KIECKHEFER:

What will access to Children's Mental Health, the Wraparound in Nevada program and Children's Clinical Services look like with the reductions in the proposal before us?

MR. ARMSTRONG:

Children's Mental Health was saved from our original 14-percent cut when we were going to have to cut 60 positions. We were able to get it down to 11. In the rural Wraparound in Nevada program, there are clinical people in child welfare whom we think can serve the families. We have a great collaboration with the Division of Public and Behavioral Health regarding mental-health services in rural Nevada. The cuts are evenly split north and south for early childhood and clinical. Those programs have 16 people on the waiting list currently. This provides an opportunity to look and see if we are providing the services we need to provide to embrace our role in helping stand-up community providers.

Director Whitley discussed the Certified Community Behavioral Health Systems and Federally Qualified Health Centers that provide to customers of the Division of Child and Family Services (DCFS) and Children's Mental Health realm. They may be better served with community providers who can provide more holistic services to the child and family. Based on the adjustment from what it initially looked like, we will need to identify whom we are serving, whom we can match with already established community services and whom we need to serve at DCFS to tap into clinical resources not only within our Children's Mental Health group but also throughout DCFS.

SENATOR RATTI:

Do we have confirmation from the federal government that how we are interpreting the CARES Act fund is actually how it can be spent? I realize this is a fluid situation, but I have heard these funds cannot be used to match or backfill budgets. Do we have the guidance that what we are saying can work? What level of certainty do we have?

MR. FISHER:

I have a high level of certainty. I have worked with all of our federal partners, such as CMS, United States Department of Agriculture/Food and Nutrition Service, and let them know what we are doing. They directed my staff to communicate with the Department of Treasury (DOT) for confirmation. I connected with State Treasurer Conine, who meets with the DOT staff on a periodic basis, and he was able to run questions by their staff. The DOT provided guidance to us but not direct confirmation. The guidance they provided was if our employees dedicate a substantial amount of their time to mitigate or respond to COVID-19, they can be eligible for CARES Act relief reimbursement. That is good news from the DOT. Our Deputy Attorney General, who has confirmed CARES Act relief funds can be used for this purpose, has also reviewed the guidance. I confirm our eligibility workers are substantially dedicated to mitigate or respond to the COVID-19 public-health emergency.

SENATOR RATTI:

If there is anything you can share as a written summary of that, I would appreciate it.

MR. FISHER:
Absolutely.

SENATOR SEEVERS GANSERT:
I would like to revisit highlights about the Division of Public and Behavioral Health. There are top-level numbers for the Northern and Southern Nevada Adult Mental Health agencies. Those agencies provide a variety of services. The Northern Nevada Adult Mental Health Agency has the Mobile Outreach Services Team (MOST) who rides with law enforcement and are on the ground to assist those who have mental-health issues. With the law-enforcement conflicts we have regarding how to best respond to those with mental-health issues, I want to ensure funding for the MOST team is intact and funds were not cut for this entity. I do not know if there is a comparable entity in southern Nevada, but when there is a mental-health issue, having someone available on a call who is not always law enforcement is helpful. I do not know if you do triage, but I want to know if the MOST dollars are intact and if a similar entity exists in southern Nevada.

MS. SHERYCH:
There is a funding swap for the MOST program with CARES Act funds to cover it. The program will be intact this Fiscal Year. There is a similar program in southern Nevada, and it will be intact this Fiscal Year.

SENATOR SEEVERS GANSERT:
Is there still capacity to help whoever needs help through the mental-health courts?

MR. WHITLEY:
Yes. We do not solely fund specialty court, and it is operationalized differently in Clark County, Washoe County and Carson City. It is made up of a variety of funding streams. We do a better job presenting the overall funding that goes to a service when we build out budgets, and we could do a better job providing that to you, including our block grant.

Sometimes, it is convenient for the judge to have a dedicated funding stream. We have worked hard to get clients who are eligible for Medicaid enrolled and make judges familiar with the service system that exists long after the specialty court. That is a priority service area. It is an "up-stream" if we can intervene in the criminal justice system. The Mobile Outreach Services Team is law enforcement on the street. Mental-health court is in the jail and for those clients who are eligible. This is representative of one funding source among many.

SENATOR SEEVERS GANSERT:
It is difficult to evaluate some of these programs. They are buried further down than what is presented to us. Other programs like outpatient services, medical assistant treatment and drug treatments, where are all of these landing? It seems as if they are under both Northern Nevada Adult Mental Health Agency and Southern Nevada Adult Mental Health Agency. Would you please provide some information and give us a breakdown so we know whether those programs will be significantly impacted? Some of the folks in here drive the numbers toward law enforcement and prison. If we can help people up front, everyone is better off.

On the motion of Senator Woodhouse, seconded by Senator Parks, the Committee did rise and report back to the Senate.

## SENATE IN SESSION

At 5:49 p.m.
President Marshall presiding.
Quorum present.

### REPORTS OF COMMITTEE

*Madam President:*
Your Committee of the Whole has considered matters relating to the State's budget shortfall.
NICOLE CANNIZZARO, *Chair*

INTRODUCTION, FIRST READING AND REFERENCE

By the Committee of the Whole:

Senate Bill No. 1—AN ACT relating to projects of capital improvement; revising the funding for certain projects; and providing other matters properly relating thereto.

Senator Cannizzaro moved that the bill be referred to the Committee of the Whole.

Motion carried.

By the Committee of the Whole:

Senate Bill No. 2—AN ACT relating to education; authorizing the Board of Regents of the University of Nevada to waive or modify certain requirements for eligibility to receive a Governor Guinn Millennium Scholarship in response to a state of emergency or declaration of disaster; and providing other matters properly relating thereto.

Senator Cannizzaro moved that the bill be referred to the Committee of the Whole.

Motion carried.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Cannizzaro moved that the Senate resolve itself into a Committee of the Whole for the purpose of considering matters relating to the State's budget shortfall, with Senator Cannizzaro as Chair and Senator Ratti as Vice Chair.

Motion carried.

IN COMMITTEE OF THE WHOLE

At 6:47 p.m.

Senator Cannizzaro presiding.

Senate's budget shortfall considered.

The Committee of the Whole was addressed by Cordelia Alexander-Leeder; Adam Barrington; Dr. Bo Bernhard, Executive Director, International Gaming Institute, University of Nevada, Las Vegas; Senator Brooks; Jared Busker, Associate Director, Children's Advocacy Alliance, Las Vegas; Senator Cannizzaro; Jennifer Cantley, Nevada Environmental Justice Coalition; Janet Carter; D'vesheia Cromwell; Erica Cury, Maxim Healthcare Group; Senator Denis; Eddie Diaz, Community Engagement Director, Libre Initiative; Patrick Donnelly, Nevada State Director, Center for Biological Diversity; Alan Feldman, Chair, Advisory Committee on Problem Gambling; Char Frost, Chair, Clark County Regional Behavioral Health Policy Board; Stephanie Goodman, Executive Director, The Dr. Robert Hunter International Problem Gambling Center; Tiffany Greenameyer, Deputy Director, Office of Finance, Office of the Governor; Alfredo Guerra; Becky Harris, former Senator; William Hartwell; Jaron Hildebrand, Executive Director, Nevada State Medical Association; Allisa Howard, Owner, Minority Health Consultants; Jan Jones-Blackhurst; Senator Kieckhefer; Brian Kleven, Nevada Market

Chief Financial Officer, Dignity Health, St. Rose Dominican; Gerald Lechner; Paula Leeber; Alex Leeder; Annette Magnus, Executive Director, Battle Born Progress; Laniqua McCloud; Vera Miller; Michael Moeimi; Senator Ohrenschall; Heidi Parker, Executive Director, Immunize Nevada; Senator Parks; Ward Patrick, Administrator, State Public Works Division, Department of Administration; Dena Polce; Wisclet Rouzard; Christine Saunders, Policy Director, Progressive Leadership, Alliance of Nevada; Senator Settelmeyer; Senator Spearman; Steven Spurlock; William Stanley, Southern Nevada Building Construction Trades Council; Frank Summers; Catherine Thorpe; Unidentified Testifier; Bill Welch, Nevada Hospital Association.

SENATOR CANNIZZARO:
We will now open the hearing to public comment.

CHRISTINE SAUNDERS (Progressive Leadership, Alliance of Nevada):
As you have heard, there are difficult choices before you. Communities already suffering from underfunded schools and loss of affordable healthcare will be devastated by additional State budget cuts. In a time of crisis, shared sacrifice is essential. That means calling on corporations to pitch in. Every Nevadan deserves access to quality education and healthcare. You have the possibility of making that a reality if you act boldly and raise revenue instead of making these cuts.

DEAN POLCE:
I am an anesthesiologist representing the State Society of Anesthesiologists. We have been down the road of budget cuts before. In 2010, the Medicaid conversion factor for anesthesiologists was cut 45 percent. At that time, the comments were revenue was down and when revenue was back up, the rate would come back up. In ten years, that has not happened. These cuts, which are never part of a COLA, will cause our rate to stay flat over time. In our medical group in southern Nevada, we take care of all of the congenital heart programs for children in the State, including outreach programs; that is 53-percent Medicaid. We do 85 percent of the maternal fetal health and deliveries. We do almost all of babies between ages 0 and 4; that is 56-percent Medicaid. I understand there will be tough decisions to be made between revenue and cutting programs, but we have already cut spending for some programs, and it has never come back.

It is difficult to recruit positions for this State, and you have heard that before. These cuts will have dire consequences. As a result of the COVID-19 crisis, we are now working through the ICUs. We are seeing patients who are extremely sick, sicker than they have been because they stayed home for two months and are presenting now. We are seeing prolonged deaths that evidenced-based medicine could have prevented two months ago. Please make the best decision you can in this difficult situation.

STEPHANIE GOODMAN (Executive Director, The Dr. Robert Hunter International Problem Gambling Center):
Only 25 to 30 percent of our clients qualify for Medicaid. It is not a viable solution for us to use Medicaid. Now, more than ever, we feel the impact and the importance of gaming in our community. Nevada has established itself as a top leader in gaming, and recently we have made great strides as the top leader in problem gambling. The impact of this lockdown has been a nightmare, and you must consider several things.

Please do not consider helping problem gambling to be a discretionary need. This debilitating addition affects 6 percent of our population. This published DSM 5 addiction lives in the same part of the brain as alcohol or drug addiction. We help people daily with our intensive outpatient program. These are mothers, sons, professionals and working Nevadans. To eliminate our funding by 75 percent is an insult to our State and to the people who live here and support the gaming industry. We understand cuts are necessary, but we ask you not to disproportionately cut the program. Continue to support those who do not gamble for fun.

Dr. Robert Hunter, our founder, said if you build a beautiful ski resort where everyone is enjoying the slopes and amenities, you had better have a small clinic at the bottom of the hill to treat those who sprain an ankle or break a leg. The problem-gambling community is that small clinic for Nevada's problem gamblers. We need you to keep us funded with a workable deduction to continue helping Nevadans.

STEVEN SPURLOCK:

I say "no" to any new taxes. Please make any cuts possible before taxing Nevadans who are already hurting since COVID-19.

D'VESHEIA CROMWELL:

I want to say "no" to any taxes. Nevadans are already hurting. It is important for you to use the money you have wisely as opposed to making locals suffer by raising taxes.

WILLIAM STANLEY (Southern Nevada Building Construction Trades Council):

Speaking as a member of the Building Trades Council representing people who work in southern Nevada, we are opposed to any cuts to already budgeted and approved capital-improvement projects. Since the beginning of the COVID-19 epidemic, the construction industry has helped carry this State through. Any cut to construction will throw the industry into the same downward spiral we suffered from 2008 to 2017. We urge the Senate to review the capital-improvement projects and understand they fund the State in ways other projects do not. The funds invested in infrastructure and capital-improvement projects multiply throughout the economy at 2.75 percent.

BECKY HARRIS (former Senator):

Thank you for your robust discussion on problem gambling. I would like to echo the comments made by Ms. Goodman. While serving as a State Senator, I had the opportunity to visit Dr. Hunter's clinic and learned firsthand about the lack of resources in our State for people who suffer from problem-gambling addiction. I was able to step into their shoes as they went through counselling sessions, and I am concerned about the lack of mental-health services, particularly those concerning problem gambling. I urge you to revisit the budget and look at not making such a deep cut to problem gambling. We have families in crisis and vulnerable populations who are seeking assistance for gambling addiction. They rely on the promises made in gaming licensee's properties that problem-gambling resources are available to them. They need to be able to access those resources. I urge you to look at how much you are cutting from problem gambling and find extra funds to help these people as they navigate the challenges brought on by COVID-19.

WILLIAM HARTWELL:

I am calling to express my dismay at the proposed 75-percent cut to the State's problem gambling fund. I have been a faculty member at the Desert Research Institute (DRI) since 1991 and am a professional cellist and founding member of the Las Vegas Philharmonic. I have been a soccer and volleyball coach. The accomplishment I am most proud of is to say I am a person in long-term recovery from a gambling problem. For me, that means I have not felt the need to make a bet since September 14, 2007. Despite many attempts to stop gambling, I nearly destroyed my family and myself before I was willing to admit I needed help. That help came in the form of professional treatment at the International Problem Gambling Center in Las Vegas.

In 2007, I was one of the early benefactors of Nevada's problem gambling plan. Without that service, I am unsure where I would be today or if I would even be alive. As a direct result of that treatment, I was able to heal the damaged personal and financial relationships I had caused. I have dedicated my life since to service in the State of Nevada on this issue.

At DRI, I have conducted research and outreach on problem gambling in Nevada tribal communities. As a musician at the Philharmonic, I have connected many colleagues in need of treatment or information with Nevada's problem-gambling services. After many years of volunteering, I now consult to the Nevada Counsel on Problem Gambling in the area of community engagement and to the gaming industry in the area of responsible gaming. Since 2012, it has been by honor to serve at the pleasure of three Governors on the State Advisory Committee on Problem Gambling. Neither my personal recovery nor my subsequent contributions would have

occurred without the treatment I received through the State Problem Gambling Fund. My State employee insurance would not have paid for it nor was I eligible to qualify for Medicaid.

Please ensure the reduction in funding for our mental-health services, particularly in the area of problem gambling, are, at worst, no less than average budget reductions in other areas. Cutting the availability will result in an increase in individuals who will be a greater burden on Nevada's health services and safety net. Those costs will greatly exceed the cost of having treated them for their gambling problem. It will also cost some Nevadans their lives.

DR. BO BERNHARD (Executive Director, International Gaming Institute, University of Nevada, Las Vegas):

As the premiere academic team in the world, each year, the University of Nevada, Las Vegas, International Gaming Institute advises governments on six continents. With remarkable consistency, they have a single question when contemplating whether to allow Nevada's businesses to open up casino-resorts in their backyards: what are you going to do about problem gambling? For many years, Nevada has taken pride in its status as the gold standard in the global gaming industry, but if this Legislature enacts a disproportionate 75-percent cut to the problem-gambling fund, while making 20-percent cuts elsewhere, we are ensuring our reputation takes a major hit. Our status as a gold standard is not a trophy on a mantle that we proudly look upon. It is the foundation of our State's economic development. There are tens of thousands of employees who rely on Nevada's gaming companies to sell their products and services around the world. These revenues return to a company with a Nevada address, and the tax implications are obvious to us all.

Treatment works. Nine out of ten Nevadans who enter treatment for problem gambling get better as measured in workplace, family and school improvement. These clinics are doing lifesaving work. Without this funding, our State will lose these lifesavers. As leaders of our State, maintain our status as a global capital and ensure we do not awaken to headlines stating problem-gambling funds are slashed to near zero.

GERALD LECHNER:

I am speaking for no taxes, no tax increases and no consideration of a State tax. People are suffering and can barely maintain a reasonable lifestyle under these circumstances. I urge you to oppose new taxes, tax increases or consideration of a State tax.

CHAR FROST (Chair, Clark County Regional Behavioral Health Policy Board):

Nevada is ranked 51st in mental-health care according to the most recent Mental Health America report. In past economic downturns, mental and behavioral healthcare have taken multiple hits in Nevada. In recent years, we have seen a glimmer of hope things could soon improve to the point we might make it to the rank of 50th. No doubt, COVID-19 is a physical-health pandemic. Any physician, however, will tell you there is a direct link between physical and mental health. This is more evident when compounded with job loss, food insecurity, housing uncertainty, social isolation and the myriad of other things we have experienced since COVID-19 has taken over.

Mental and behavioral health crosses all racial, religious and socioeconomic levels. It does not discriminate regardless of age or sex. Any cuts to adult or child mental-health services will negatively affect our most vulnerable citizens.

You will make difficult decisions during this Special Session, with many of these cuts to areas with crossover populations. There were discussions earlier about cuts proposed by the Aid to Families with Dependent Children (AFDC). While these issues are difficult to discuss, many individuals served by AFDC have co-occurring mental-health and behavioral-health issues and will be doubly impacted. This program also serves children who may or may not have a co-occurring mental-health condition and attend public school. These difficult decisions will lead to difficult and potentially untenable realities for many Nevadans today, tomorrow and well into the future.

WISCLET ROUZARD:

Nevada has lost a tremendous amount of tourism and tax revenue due to the COVID-19 crisis. Our Legislators should not place an unbalanced budget on the shoulders of their constituents.

Remember our sacrifices before supporting any taxes that would further burden us financially. Nevadans have sacrificed enough. As we pick up the pieces from the economic harm done by COVID-19, now is not the time to burden us with additional taxes. What makes Nevada a place people throughout the country want to come to is our lack of State income tax. To take people's labor and pass it to a pet project or other issues across the State is not right. Vote "no" on any taxes, tax increase and any consideration of a State income tax.

EDDIE DIAZ (Community Engagement Director, Libre Initiative):

Unemployment is at an all-time high. Families are hurting, and it appears there will not be a bailout coming to Nevada. We should not burden our families further. I have been here four years and love this State. I came from California, and Nevada was different because it did not have the high taxes I paid in California. Please do not add new taxes, increase taxes or consider a State tax.

ALAN FELDMAN (Chair, Advisory Committee on Problem Gambling):

The earlier presentation by the DHHS concerning cuts to the Problem Gambling Fund was troubling. They might have sought input from our committee before making this recommendation. While we knew cuts were coming, they are proposing a disproportionate cut of 75 percent for Fiscal Year 2021 leaving a total of only $600,000.

The Director suggested the fix would be to bill insurance or Medicaid, thereby making these cuts not an elimination but a reduction. This is simply untrue. The State is currently the payer of last resort. State funds are not distributed unless the treatment provider exhausts any private insurance or Medicaid reimbursement, and only a small percentage of those seek services to qualify for Medicaid. He further said Medicaid covers addiction as a behavioral-health issue, although not specifically gambling addiction, and Medicaid could be billed as long as it is billed under a different category. This is a questionable practice, but it still only applies to a small number of patients. He stated Community Health Centers were an option, and they cannot turn anyone away from care. This is not a viable option because these centers do not screen for problem gambling nor do they employ a single, certified problem-gambling counselor to treat patients.

There is nowhere else to turn. Medicaid as a source of additional funding is a dead end. Both Medicaid and insurance are already factored into the current $1.1 million budget for treatment. Community Health Centers do not have the capability to address the issue. The recommendation of the Department to make a 75-percent cut to this budget is not justifiable, and the recommended fixes are not viable. Cutting the budget is understandable. A cut of 20 to 30 percent has been long anticipated. We appreciate anything you can do to support a reasonable budget cut to this vital program.

JAN JONES-BLACKHURST:

At the Gaming Commission hearing today, we considered the new merger of the El Dorado and Caesars. We discussed the importance of integrity, what we stand for and what we bring to the community. I was reminded we have long been the gold standard in gaming. Anywhere I go in the world people want to talk about responsible gaming, what it means to us and how we manage it here in Nevada.

Although you need to make difficult decisions and major cuts, I ask you to consider keeping cuts at a reasonable level regarding the responsible gaming budget. Having the research and the ability to provide care to our citizens, and the resources to share with those around the world in putting together a comprehensive, responsible gaming program, is part of our legacy. I am proud of Nevada, whom we are and what we stand for. We stand for the gaming industry. A 20- to 30-percent cut is reasonable rather than a 75-percent cut. It allows us to continue our legacy of leadership, integrity to stand for something important that identifies Nevada and the Nevada gaming industry.

ALISA HOWARD (Owner, Minority Health Consultants):

Our infrastructure and healthcare system are in financial trying times. The Senator from District 1 and others have brought up valid points regarding marginalized communities not serviced adequately during the COVID-19 pandemic. In health and social services, these communities are disproportionately impacted, not just now, but historically. As a public-health worker, my opinion is these communities are always thought about last. When it comes to funding,

these communities are not cared for as part of the whole community but rather as a separate section. While running a state-funded, minority Human Immunodeficiency Virus program at a community nonprofit, I saw this firsthand. When budget problems present themselves, minority programs are the first dismantled, leaving the community without resources once again. In public health, it is our duty to fight for equity and equality for all communities. I am a voice for those communities and here to give you valuable suggestions on how to be better public servants.

A couple of entities called me regarding companies to work with and how to start a community-health worker program in response to COVID-19. As honorable as this was, it was three months too late. Communities of color are dying. I appreciate being a resource and a voice for community-health workers and minority communities, but funding needs to be a part of these inquiries. As a consultant, we do not get funding. Help is wanted and needed, but there is no funding attached to it. As budgets are considered, please keep this in mind. Minority-focused companies are here to help serve these communities where you are not. Make organizations, like hospitals and health districts, partner with smaller, community-based organizations who are doing the work and look like the community they serve, rather than just give them funds for everything that happens and have those funds eaten by inflated salaries without serving the communities. Make them accountable for their numbers and the social work they provide. Do not keep giving them funding year after year without accountability.

FRANK SUMMERS:

I am against any new taxes and do not want you to consider a State income tax. I am a single father of three. I live with my children in Las Vegas, and my family lives in California. One of the reasons we moved here and considered living here permanently was due to there being no State taxes. I could not afford to stay in California and be a single father of my three boys. I hope we keep this great State the way it is.

ANNETTE MAGNUS (Executive Director, Battle Born Progress):

I am standing outside. We were not allowed to stand inside with other organizations in support of increasing revenue instead of making devastating cuts that will last generations. I am a native Nevadan and over the years have seen cuts to mental health and other services. We have never recovered from those cuts and systematic underfunding, and we will not recover now if you do not increase revenue. I ask you to stop kicking this can down the road. We have to look at all of the options to raise revenue, diversify our economy, and stop balancing the budget on working Nevadans and our children. It is not fair to our students, educators, parents or others to make sacrifices while Nevada's billionaires sacrifice nothing and continue to increase their net worth.

The federal government has not given us what we need to help fill this gap, but, in this State, we have never raised revenue the right way. That must change now. We cannot cut Medicaid. We cannot cut the Supplemental Nutrition Assistance Program. We cannot cut mental-health services. We cannot cut healthcare programs. We cannot cut education. We cannot hurt Nevada's workers. I understand the crisis we face, but now is not the time to back down. We cannot continue to cut programs as the only solution to our many budget issues. Thank you for what you are doing, we look forward to continuing to work with you.

PAULA LEEBER:

We must protect and continue to fund the Western Interstate Commission for Higher Education (WICHE) and the Professional Student Exchange Program (PSEP). It is imperative we bring our young professionals back to Nevada to honor their service requirement especially in our rural communities. WICHE and PSEP are essential programs to fund.

JENNIFER CANTLEY (Nevada Environment Justice Coalition):

I am a native Nevadan, a mother of three children and a survivor of domestic violence. I have rebuilt my life, with three young babies on my hip, without much help. Even with fulltime work, I can barely afford to pay my bills let alone pay for a surprise hospital stay or a new disease. It took a long time for me to ask for help with Medicaid. It took my son to be hospitalized for six weeks due to a hole in his heart for me to finally apply for Medicaid. I later found out he also has asthma, as do I and another son. I have hydrocephalus, which is high-pressure fluid around

my brain. This has taken me out of my normal amount of work. On top of this, with COVID-19, if I did not have Medicaid, I could have possibly hemorrhaged and died if unable to get help.

I consult for low-income families. Studies show low-income families are at higher risk due to COVID-19. They have a hard time asking for help and are afraid of the bills. We are putting them in more danger. Medicaid-for-all can save our State money. I pray the Senate thinks long and hard before making cuts on this. We must rebuild, renew, redress, repair, restore, rethink and rework because justice is in every breath.

LANIQUA MCCLOUD:

I am opposed to raising or implementing any new taxes. Nevada should not have to continue suffering.

BILL WELCH (Nevada Hospital Association):

I would like to acknowledge the horrendous challenge before the State of Nevada, the Governor, his staff and this Legislature in trying to reconcile a budget decimated by the COVID-19 pandemic. There is a cut in Medicaid funding of $65 million dollars. Of that, $33 million will affect hospitals. That is considering slightly more than 50 percent of Medicaid cuts. That $33 million cut to Nevada hospitals will amount to an excess of $100 million annually in payments once federalized and matched with federal money. Adding that to the already uncompensated cost of Medicaid, we project the uncompensated costs of Medicaid for Nevada hospitals in the coming year will exceed $500 million even after deducting supplemental or disproportionate share of payments. We understand we need to be part of the solution. I am not asking you to cut other budgets more to offset what needs to be done. We are prepared to be a partner with the State. You also need to consider the impact of COVID-19 on our hospitals. We ask that new funds, those identified in the budget, FMAP monies or COVID-19 relief, offset budget shortfalls and be reallocated proportionately to restore the cuts that will ultimately be made.

HEIDI PARKER (Executive Director, Immunize Nevada):

We know decisions will be difficult and proposed cuts will be painful, as many rely on these essential programs and services. We thank you, the teams at Health and Human Services and the Division of Public and Behavioral Health, and our local health authorities who are working overtime to protect Nevadans during this crisis within an already underfunded public-health system. We have a specific and significant concern about any reduction to prevention funding, or reductions that may affect access to care or disproportionately affect communities of color and those living below the poverty level. This is crucial to address outbreaks of vaccine-preventable diseases during this COVID-19 health crisis, especially since we head into a potentially difficult influenza season. Routine vaccinations have dropped significantly since March, and funding cuts could exacerbate this already difficult situation facing both providers and patients.

Much of the COVID-19 focus and funding coming into Nevada is short-term and time-limited spending. As you discuss these budgets, you need to consider a long-term strategy for adequately funding public health after this pandemic and plans for future COVID-19 vaccination efforts. We look forward to continuing to work with our State leaders and public-health colleagues in addressing these critical needs for our State.

MICHAEL MOEIMI:

I am a lifelong resident of Nevada and a military veteran for the past 18 years. Enough people are hurt by this pandemic, both physically and financially. I have friends who are at high risk of losing their homes or apartments. They cannot feed their children or keep them clothed because of the problems with unemployment. I know dealing with budget issues is going to be difficult, not a job I envy, but we have to keep in mind the people who are at the bottom and hit the hardest.

CORDELIA ALEXANDER-LEEDER:

I am a fourth generation Nevadan. I accepted a conditional Western Interstate Commission for Higher Education (WICHE) funding offer, and I am attending Washington State University's College of Veterinary Medicine in the fall. The professional student exchange program funding offered by WICHE is vital for me and other students across our State. With no in-state option for veterinary school, Nevadans who aspire to become veterinarians must leave the State to receive

training. We were counting on this funding. It is devastating we may lose it with the total elimination of funding listed on the proposed reduction chart under BA 2681. Without WICHE's Professional Student Exchange Program (PSEP) funding to offset the burden of out-of-state tuition, veterinary school will be out of reach for far too many talented and intelligent students. Professionals supported by WICHE return to Nevada to serve their communities, alleviate workforce shortages and contribute to a robust economy. Veterinarians are integral to public health in Nevada. WICHE's veterinarian medicine PSEP should remain funded to ensure the health of Nevada.

JARON HILDEBRAND (Executive Director, Nevada State Medical Association):

We are concerned about the serious impact 6-percent cuts will have on our medical providers in the State. I have sent a letter for public comment that is a survey of financial hardships we felt throughout this pandemic. With the 6.2 percent enhanced FMAP on Medicaid we expect to receive through the end of the year, plus caseload and utilization services analysis, it may be possible to eliminate the 6-percent cuts. We stand to work with the State Medicaid office, Governor Sisolak and the Legislature to resolve any concerns and find a solution we all can live with.

VERA MILLER:

I am calling attention to the murder of Miciah Lee, an 18-year-old suicidal teen, shot to death by the Sparks Police Department on January 5, 2020, during an emergency intervention, and all cases of police murder. I urge the Senate to take the issue and crisis of police brutality seriously, and pursue action inside and outside of this Special Session. COVID-19 is not the only pressing public-health crisis in our Nation. The Governor talked about defining a path forward. We the people you are supposed to represent have clearly defined the path for you, our path and our destination. It is cutting funds from partial entities instead of cutting essential healthcare and educational services. I demand you put more effort into defunding the police who locally have killed hundreds of people in our community. Support legislation that will concretely change policing, such as the suspension of paid administrative leave for officers under misconduct investigations, reducing the size of police forces, withdrawing participation in militarization programs and others.

Even if it is not directly applicable here, I also demand the abolishment of Immigration and Customs Enforcement (ICE). When we talk about police brutality, we are also talking about the brutality of ICE and ICE detention, especially in the wake of COVID-19. ICE has been terrorizing our community far too long. They tell students to return to their home country if classes are online. This is unacceptable.

Police brutality is a local and national issue. There are heartbreaking, unjust stories just like that of Miciah Lee in every city and county in the Country. Suicide by cop should not be a viable way to complete suicide. There were only 29 days in 2019 when people were not shot and killed by police across the Nation. We are tired of the lies and excuses heaped on our community. It is time to defund the police and put funding into other solutions. In this Special Session, we are telling you to divest from ICE, divest from … (unintelligible statement) … and divest from mines.

We have heard a lot about taxes during public comments especially about taxing mines. Invest in our communities and our health and welfare. Unprecedented times call for bold, new unprecedented measures.

PATRICK DONNELLY (Nevada State Director, Center for Biological Diversity):

We have heard a lot about taxing mining. My organization supports the idea of reducing the deductions mining is allowed to take. This can be done without amending the *Nevada Constitution*. It is a question of justice. The mining companies reaping profits from Nevada's public lands are largely owned by out-of-state owners. The board of Barrick Gold, for example, has Newt Gingrich as a member. The former Prime Minister of Spain and the former Prime Minister of Canada are also on that board. These are some of the most powerful and wealthiest people on earth reaping profits from Nevada. They paid less than 1 percent of that profit to the State of Nevada to support our citizens, our healthcare, our social services, our mental-health care or other services to the State. The time has come for them to pay their fair share. It is unjust to balance the budget on the backs of the people of the State of Nevada while the wealthiest, richest

and most powerful people in the world make a bonanza off our public lands without paying their fair share. Please work on the mining-tax issue and reduce their deductions.

ADAM BARRINGTON:

I am calling on behalf of the American Federation of State, County, and Municipal Employees, Local Union 4041. I am a proud union member and a proud State worker. I will reiterate what was just said, we have massive corporations and predatory robber barons who take advantage of the loose tax structure in the State of Nevada. Corporations have enjoyed over $1.6 billion of subsidies in the past 10 years, $60 million in subsidies in 2019 alone. Governor Sisolak just vetoed cuts to corporate subsidies. This shows which side the government and the Legislature of Nevada must be on because in general, State workers are some of the lowest paid in our State in terms of healthcare and education, the infrastructure in Nevada is starving, and you are talking about cutting more. These miners are robber barons who continue to make large profits at the expense of the people of Nevada.

The City of Reno spends $75 million on police when there are over 1,000 homeless residents. This is unacceptable. The money is there. You do not have to take it out of the institutions that are caring for the most vulnerable citizens in Nevada. This is a question of morality. Do you think it is moral, in a state where we have $1.6 billion in subsidies going to predatory corporations to subsidize these same corporations because they do not pay their workers enough? We pay $40 million a year to subsidize them through Medicaid and other programs. It is criminal, and the Legislature needs to address this. We need to take money from the richest, most powerful and predatory corporations, the casino mobsters. That is where the money is. Demand more federal money. If they can bail out massive corporations with trillions of dollars, why can they not bail out local and state governments? It does not make sense; it is a racket.

ALEX LEEDER:

This is a strange and difficult time for the citizens of Nevada. It is important to protect the Professional Student Exchange Program (PSEP) funding. Since Nevada does not have an in-state veterinary program, the Western Interstate Commission for Higher Education (WICHE) and PSEP funding is vital to our students who would otherwise be unable to take on the debt burden that comes with attending an out-of-state veterinary school. Veterinarians are vital to the public health of Nevada. The WICHE program provides they return to Nevada to serve the citizens in this State. Please preserve the WICHE and PSEP funding.

CATHERINE THORPE:

When we look at the national unemployment rate, the United States has the highest rate at 28 percent. With many people struggling, it does not make sense to raise taxes now. With most of our citizens working in the entertainment industry, raising taxes a miniscule amount could be detrimental and hurt millions of people.

JANET CARTER:

I am joining those who are asking the Nevada Legislature to take the bold but necessary step of raising revenue. This does not mean adding an income tax or causing undue hardship to the people of our State. We can do this by making large corporations in certain industries like mining pay their fair share. To cut health and human services, particularly Medicaid, in the midst of a pandemic is unconscionable. We must remember that although Medicaid utilization is down since the shutdown began, it is going to rebound sharply once people feel safe returning for "so-called" routine healthcare. I say "so-called" because unfortunately, many little problems these patients found that they did not go to the doctor for will now have become bigger. This does not include the as-of-yet to be determined long-term effects of COVID-19. We are learning these can be devastating even in otherwise healthy patients. When planning future budgets, we may experience increased healthcare costs. We need to plan for this going forward.

I am also concerned about the cuts to Medicaid providers. Many practitioners, particularly those in primary care, already operate on a thin margin. Some medical offices are struggling to keep their doors open during this difficult time. If their reimbursements are cut, they may decide to leave practice all together or leave Medicaid as a provider.

I am mostly retired now, but have been a Medicaid provider in rural Nevada in Elko County. Many of my patients had a difficult time finding access to providers, particularly Medicaid providers, in that area. If some of the few providers that are there leave, these people will be left with virtually no access to healthcare. We cannot tolerate this happening to any Nevadan. I have been a proud Nevada resident for over 40 years, and I have never been so afraid for the future of our State and our people. Please make the difficult choice to raise revenue to overcome some of these budget shortfalls. It is a difficult job, but I have faith it can be done.

JARED BUSKER (Associate Director, Children's Advocacy Alliance, Las Vegas):

As the Senate works to balance the budget during this difficult time, the Children's Advocacy Alliance asks you to consider our children and families when making these difficult decisions. The COVID-19 pandemic has put additional pressure on our children, causing many to be only a meal away from hunger, a lifted-eviction moratorium away from homelessness, or an unemployment check away from destitution. As mentioned by previous speakers, we have concerns about how these cuts will affect the access to care of our children. Our children need your support now more than ever. We look forward to working together over the next few days to ensure our children are safe and healthy both in the short- and long-term.

BRIAN KLEVEN (Nevada Market Chief Financial Officer, Dignity Health, St. Rose Dominican):

Over the span of the last several years, our entities have provided high-quality service to the Las Vegas area during two large-scale, emergency events. The first was the tragic shooting on Route 91, and the second is the current COVID-19 pandemic. Amidst all of this, we have never hesitated to answer the call to help. Whether it is our physicians, registered nurses, respiratory therapists, lab technicians or Emergency Medical Technicians in the field, we have always been there for our residents and visitors in Nevada. We understand this is an unprecedented time, and it requires difficult decisions. The proposal that considers reducing Medicaid reimbursement to hospitals in the very industry that is working to keep thousands of Nevadans alive during this pandemic seems irrational.

From a distance, people may think hospitals are doing well during this pandemic, but we are struggling greatly. Whether it was the stopping of elective surgeries that have still not come back to pre-COVID-19 levels, or the lack of individuals coming to emergency rooms for care they desperately need, we are still 35 percent below normal emergency-room activity levels. This is causing great financial hardship to hospitals and healthcare entities throughout the State. Although we have received some federal relief funding through the CARES Act and may receive some from the Federal Emergency Management Agency, it will not close the gap nor be enough.

We know people are suffering. As the only not-for-profit, faith-based system in Nevada, we made the decision to not bill in-patient admissions for COVID-19-related care as a way to help our patients. This recent budget proposal to cut Medicaid reimbursement is disheartening. The 6-percent cut to Medicaid reimbursement would take us backwards and put a vulnerable population at risk. We know Medicaid recipients are disproportionately affected by COVID-19. Hospitals have stepped up during this pandemic, and we ask that no cuts to Medicaid be made. This would be a hit of millions of dollars to us. We are here to support you no matter what, but please do not cut Medicaid reimbursement.

ERICA CRURY (Maxim Healthcare Group):

Maxim Healthcare Group is a national provider of home healthcare and private-duty nursing services to medically compromised and vulnerable patient populations. Our goal is to keep patients in their homes, which many have mentioned is a cost-effective alternative to institutionalization and the safest option while we flatten the curve of this pandemic. The DHHS and their team propose elimination of the adult private-duty nursing benefits. A 6-percent reduction and rollback of rates is counterproductive to the State's effort to prevent the spread of COVID-19 as it will force these fragile patients into emergency rooms, skilled-nursing facilities, long-term care or other institutional settings. This will result in a greater cost to the State than the anticipated $1 million in cost savings.

Maxim appreciates the challenge you face and asks you to maintain the funding for these vital home-health and private-nursing services that are essential to the healthcare of Nevada. These

optional benefits are an effective cost containment for the State and are crucial during these unprecedented times.

ALFREDO GUERRA:
I am a young Nevadan and would love to stay in Nevada my entire life. I am opposed to any new taxes including an income tax.

UNIDENTIFIED TESTIFIER:
I would like to say "no" to any taxes, period.

SENATOR CANNIZZARO:
We will now hear testimony on the budget shortfall and solutions to it.

WARD PATRICK (Administrator, State Public Works Division, Department of Administration):
When the COVID-19 pandemic began, the State Public Works Division (Division) was asked by the Governor's Finance Office to look at opportunities for cuts in the General Fund anywhere within the Capital Improvement Plan (CIP). In March 2020, there were 192 active, authorized CIP projects, predominantly from the 2017 and 2019 CIP bills. The authorized funding includes $156 million in General Funds in these projects; $341 million in General Obligation Bonds and $280 million in other money, for a total of $780 million in authorized projects from the last two Sessions. At that time, the unspent portion of the $156 million in General Funds was approximately $100 million. Considering recent action by the IFC—completed project General Fund reversions—in this item today, approximately $100 million of General Funds will have been extracted from the CIP. This proposal has been completed thoroughly, strategically and in close communication with the Governor's Office of Finance. The Treasurer's Office was involved, their statutes reviewed and bond counsel consulted.

There were many challenges for the Division during the early stages of the pandemic. These included the construction season beginning in northern Nevada and the determination that construction was an essential business in Nevada. We put contracts on hold to make this proposal. Those construction-contract holds have been released and are proceeding. The projects not subject to this proposal are also proceeding.

All General Funds in the CIP were considered as a possibility to be reverted or swapped with General Obligation Bonds. The result of having all-hands-on-deck since March 2020 yielded the entitled CIP, Fiscal Year 2020-2021, General Fund Budget Reductions and General Obligation Bond Budget Reductions.

There are 35 projects having General Fund reductions in this area, if the Governor recommends approval of this proposal to make available $72,599,117.45 for purposes other than the CIP. Many of the items within this recommendation are affected by the goal of keeping institutions and government functioning. Without building systems functioning, prisons would be without physical necessities and key government buildings could be without heat, light, air conditioning and other building functions. Approved priorities from the State Public Works Board for funding projects were utilized in this process. Keeping existing facilities operating has been a long-standing goal of our Board, with institutions and offices of governance being the highest priority. This is known as taking care of what we have. In this case, we used the priorities in reverse, not to fund CIP, but to remove General Funds from the CIP.

There were two maintenance projects short of funds. It is recommended these be referred to the 2021 CIP review process. Nearly all departments contributed to the solution with a contribution to the General Fund or General Obligation Bond reduction.

I will now review canceled General Fund projects. The first is the University of Nevada, Las Vegas Engineering building, project 19-C30. Next is a Department of Corrections (DOC) surveillance system replacement at Casa Grande Transitional Housing (19-M-24), a Health and Human Services panic alarm system at Dini-Townsend Hospital (19-M27), a Veterans Services Pavilion Renovation project at Northern Nevada Veterans Memorial Cemetery (19-M27) and a DOC project to install recreation yard fencing at Southern Desert Correctional Center (SDCC) and High Desert State Prison (19-M48). This process was a challenge, as the Capital Improvement Program consists of much-needed projects. The maintenance projects are repairing or replacing

failed, partially failed or failing systems, and it is difficult to recommend canceling any of these type of projects.

Six of the ten projects in the CIP General Fund handout are scope reductions. Two are for the Department of Conservation and Natural Resources, two for the Department of Administration and two from the NSHE. These projects are all important to Nevada. Project 19-M53, park facilities maintenance and Americans with Disabilities Act upgrades at Fort Churchill State Park, will be reduced from through construction to through full design, which is also known as construction documents. Project 19-M59 will have a funding swap not a scope reduction.

Project 19-P01, advance planning for the Grant Sawyer Building remodel, will be reduced in scope from through full design to through schematic design. The Grant Sawyer Building has not been receiving needed upgrade and rehabilitation funding for building systems. This 224,000 square-foot State office building opened in January 1995, and the building systems are mostly original. The central plant has been upgraded, and the roofing has been replaced, but the balance of systems including heating, plumbing, electrical, ventilation and air conditioning, door access controls, architectural finishes and other building systems are in poor condition. The building should be remodeled. Decreasing the scope of this project keeps the option open to fund the balance of the design, along with construction, next Session. This reduction in scope will delay the corrective measures in this building another 18 months, however, and funding construction will likely be considered in the 2023 Session. This would move the remodel and opening of the building from calendar year 2025 to late calendar year 2026.

Project 19-P08 is the advanced planning for a Department of Natural Resources heavy-equipment shop and renovation in Elko. This will be reduced from full design to schematic design. Project 19-P70 is planning for the Great Basin College Welding Lab expansion in Elko. This will be reduced in scope from through full design to through schematic design. Project 19-P71 is planning for Western Nevada College Martlette Hall refurbishment in Carson City. This project will be reduced similarly from through full design to through schematic design. Project 19-S05, the statewide paving program, will be reduced from maintaining paving on seven sites to three sites. Two Elko projects and the Carson City Stewart Street parking lot rehabilitation project will have construction completed. These three construction contracts are currently executed and underway.

The remaining projects are proposed to continue with General Obligation Bonds replacing General Funds. This is referred to as a swap of General Funds with General Obligation Bonds. Project 17-M01 has a reference to $1,319,778 of General Fund. This was approved as part of the Fiscal Year 2020 reductions at the June 25 meeting of the IFC. This proposal for consideration is limited to the $214,271 swap of General Funds with Bond Funds from Project 17-M70.

General Obligation Bond reductions make $38,965,600.35 in bonds available to swap for General Funds. There are additional projects recommended to be cancelled as well.

Project 17-M66, plumbing-fixture water-control renovations in housing units 1 through 4 at SDCC, will be reduced from through construction to through full design. Project 19-C16, renovation of collections storage building 19 at the Stewart Facility, will be reduced from through construction to a full cancellation. Project 19-M36, Visitor's Center renovations, Valley of Fire State Park, will be reduced from through construction to a full cancellation. Project 19-M50, comfort station replacement at the Valley of Fire State Park, will be reduced from through construction to a full cancellation.

There is also scope to be reduced in this area. Project 19-M70, exterior renovation of the Nevada State Capitol and Annex building, will be reduced from through construction to through full design. Project 19-M14, construction of water wells and water systems at various fish hatchery sites, will be reduced from through construction to through full design. Project 19-M20, replacing the flooring at the Caliente Youth Center multi-purpose room, will be reduced from through construction to through full design. Project 19-M30, central plant renovation of the Attorney General's office building, will be reduced from through construction to through full design. Project 19-S01, the statewide roofing program will be reduced. This means the Lovelock Correction Center housing units 1 and 2 and the two buildings at the Carson City Railroad Museum will only be completed if funding is available.

Four projects have identified where General Obligation Bond savings is recommended to be removed from the project and the authorized and required scope will be completed following these

bond savings projects. Project 17-S01, the statewide roofing program, had savings due to cost-containment efforts. Based on intermittent use by the National Guard, the Division of Environmental Protection reduced the size of the septic tanks and tile field needed for Project 19-C02, the Readiness Center completion. Project 19-C19, the Education Academic Building at Nevada State College, had savings due to favorable subcontractor bids. Project 19-C28, the Health and Sciences Building at College of Southern Nevada, also had savings due to favorable subcontractor bids.

The remaining ten projects are completed. These projects, at the time of evaluation, were going through the final closeout and payment process. They plan to remain active after the specified General Obligation Bond amounts are transferred. Projects recommended to be cancelled or have scope reduced will be considered in the 2020-2021 Capital Improvement process.

SENATOR PARKS:

Please explain how the administration prioritized and approved the Capitol Improvement Project revisions for consideration as part of the overall budgetary reduction proposal.

MR. PATRICK:

The Public Works Board requires that the State takes care of what it has, which implies maintenance is done before new construction projects. That was part of the consideration. The Board has priorities for construction projects and maintenance projects. High priority projects are those having legal requirements or mechanical, electrical or other building functioning systems that have failed or are failing. These priorities are applied to the types of buildings and programs in the State. Projects that are a high-priority to keep in the CIP are prison projects where 24-7 surveillance is required, mental-health buildings and governance buildings, such as the Grant Sawyer Building, Capitol building and others. A lower priority is given to those, such as State Parks. Department of Agriculture food programs would be a high priority because they need to be maintained, but office buildings would be considered lower priority. This is similar for the Nevada Division of Forestry. A high priority would be to maintain firefighting and dispatch and a lower priority to ensure nursery facilities are operating and well-maintained.

SENATOR BROOKS:

Is it correct you have a CIP budget of roughly $800 million for Fiscal Year 2021?

MR. PATRICK:

The authorized projects from the 2017 CIP and 2019 CIP budgets are approximately $870 million, and each CIP is authorized for four years.

SENATOR BROOKS:

Of the project funds that have not yet been spent, there are $28 million worth of canceled projects. The rest is from trading General Fund money for debt and from savings realized for projects already constructed. Of the $28 million, almost 100 percent is for projects in southern Nevada. Is that just the luck of the draw, or were no other projects besides the $20 million University of Nevada, Las Vegas, project and $8 million in miscellaneous projects considered and passed on to make these cuts?

MR. PATRICK:

We first looked for General Fund money and what was available. Every project funded with General Fund money was looked at as an opportunity to cancel following the priorities, or replace the funding with the bond funding from another project. If the total of canceled projects is $28 million and only one project is $20 million of that, it will be the highest percentage in that location. Project 19-M25, the installation of the panic-alarm system at Dini-Townsend Hospital in northern Nevada, was also cancelled and cut $810,265, but location was not considered in this process.

SENATOR BROOKS:

Between General Fund reductions and General Obligation Bond reductions, you show $120 million, including the swaps that take place in that process. Of that amount, what is a reduction and what is the State going to spend, not taking into consideration moving the line item

from General Fund to General Obligation Bond? How much less will we be spending of the $800 million budget than we would have otherwise?

MR. PATRICK:
There are four projects where we have accumulated savings.

SENATOR BROOKS:
I am looking for the total amount, canceled plus savings.

MR. PATRICK:
The projects savings total approximately $23 million.

SENATOR BROOKS:
It is $23 million of savings and $28 million of canceled projects. Is that correct?

MR. PATRICK:
That sounds right.

SENATOR DENIS:
I am worried about safety issues for some of these cancelled projects, such as the panic-alarm system at Dini-Townsend Hospital.

MR. PATRICK:
The Dini-Townsend Hospital was built 20 years ago and did not have a panic-alarm system in it. In 2007, the panic-alarm system funded, and then removed as part of the sweep in the downturn of the economy 12 years ago. Although there are concerns for safety in this facility, it has been operating without a panic alarm since it was built in the late 1990s.

SENATOR DENIS:
We have done some of the planning related to the $2 million for the University of Nevada, Las Vegas, School of Engineering. Is that correct?

MR. PATRICK:
That is correct. The planning was funded under project 17-P07. This has gone through full design, is plan-checked and ready to bid with the drawings on the shelf.

SENATOR DENIS:
When it is funded in the future, will more planning be required at an additional cost?

MR. PATRICK:
That would depend on when the project is refunded. This may be driven by changes in code, as these changes occur every six years and were just updated in 2018. If the project funds much later, there may be engineering systems or mechanical-electrical systems that are archaic and not available. We would choose to revisit the design to ensure we are putting in state-of-the-art systems.

SENATOR DENIS:
Are there issues related to safety with postponing the Grant Sawyer Building improvements until Fiscal Year 2025-2026?

MR. PATRICK:
In the 2019 CIP, we have budgeted for the fire-alarm system at $600,000, which is a major safety concern that will be relieved when this project is implemented. It is under design now and is planned to be done and expedited knowing it is likely this project will be deferred. Under Buildings and Grounds, the State Public Works Division has maintenance projects in both Cap 12 and 14. If this can is kicked down the road past the 2021 Session, funding will need to be placed in the operating budget of Budget Account 1349.

The Division has a history of replacing mechanical systems in a 20- to 25-year period. The systems in this building are now 25 years old and in need of replacement. A component of that remodel project is a $10 million line item to upgrade the mechanical systems. During the last few

years, we had a sewer-line failure in the building when the cafeteria was not operating. We had to cut through the concrete and install less than 100 feet of new sewer pipe in the building. One concern is the steel pipe that is eroded may be through the core of the building. There is the possibility the sewer pipe may need to be replaced in the core circulation areas of the building.

SENATOR DENIS:
It sounds like we are crossing our fingers and hoping nothing will go wrong before we do what we are planning to do so we do not have to do this twice. Is that right?

MR. PATRICK:
That is true. Reducing the scope of this design does not preclude funding the remodel project for construction next Legislative Session. It will need to be looked at then. This planning project had a design contract of $5 million, and the overall project was over $8 million. When the General Obligation Bond swap is considered, reducing the scope back to its schematic design makes almost all of the $8 million available.

SENATOR KIECKHEFER:
The Board of Regents issued bonds as part of their share for construction of the Engineering Building at University of Nevada, Las Vegas. They will have to refund those bonds or reallocate them to other projects with our withdrawal of $20 million from this project and the cancellation of it. Do we have any role or responsibility for those bonds, or it is up to the Board of Regents to determine how to deal with it?

TIFFANY GREENAMEYER (Deputy Director, Office of Finance, Office of the Governor):
It is possible the NSHE could reallocate those bonds to other qualifying projects.

SENATOR KIECKHEFER:
Is that entirely up to the Board of Regents? Do we not have a role in that decision?

MS. GREENAMEYER:
We do not have a role in that.

SENATOR KIECKHEFER:
I thought we booked project 19-M08, the Higher Education Coordinating Commission and Secondary and Higher Education Cess, under deferred maintenance, worth almost $8.9 million as a savings in Fiscal Year 2020. Am I incorrect about that?

MR. PATRICK:
There are two Higher Education Coordinating Commission and Secondary and Higher Education Cess projects, which are NSHE maintenance projects. The first is project 17-M01 where NSHE used $1.3 million as savings for their budget reduction. I am unsure about 19-M08. I thought they may have done this for both projects. You are correct.

SENATOR KIECKHEFER:
I will confirm that with our staff. The reduced scope on project 17-M66 for the Southern Desert Correctional Center has been on the books since 2017. Is there a reason it has not been built-out?

MR. PATRICK:
This is one of the two projects we bid, and it has come in way over budget. It was our intent to cancel the project and rework it even aside from the COVID-19 pandemic and the downturn of the economy. Canceling the project will allow it to go through the Fiscal Year 2020-2021 CIP planning process and be adequately funded and considered on its merits against the other projects during this process.

SENATOR KIECKHEFER:
During the Session, there were many discussions about the Education Academic Building and the Health Sciences Building at Nevada State College and the College of Southern Nevada. Those have obviously come in significantly under budget, as did the Readiness Center, which were all in the 19 CIP. These are worth more than $22 million in savings because they were over budgeted. Is there something happening in terms of how we are bidding these projects out, or are we

expecting to see additional significant savings from other projects where we may realize greater savings than we were estimating?

MR. PATRICK:

We went through that quite a bit. In challenging times, there was double digit inflation during the planning process that leveled out while the projects were awaiting approval. Those projects bid on time and that helped save money. They had well-done designs, which help contractors provide better bids. We were gun-shy due to the big projects from the 17 CIP all had either major reductions in scope. The Readiness Center, for example, was reduced by the IFC from 90,000 square feet to from 70,000 to 80,000 square feet. We asked for a booster shot in the 19 CIP of $8 million for the South Reno, Department of Motor Vehicles and $3 million for the Readiness Center. We were gun-shy because the estimates were coming in low based on the 17 CIP. Based on seeing bids in the State, price escalation was leveling out during the time the projects were estimated and up for approval.

We are in the heat of the construction season and doing bids for the 19 CIP in February, March and April. We are seeing an increased number of bidders on many projects and lower pricing. The construction community is still busy and competition will be lower. On certain projects, we have up to eight bidders which helps drive the overall cost of the projects down. We hope to see better pricing as we go forward.

SENATOR OHRENSCHALL:

What will the practical effect of the delay be on the roofing project at Lovelock Correctional Center, Project 19-S01? Are the Housing Units 1 and 2 that you mentioned will be affected, ones that house adults or teenagers?

MR. PATRICK:

I am not sure where the youth offenders are being housed at Lovelock Correctional Center. Our roofing people say they are getting eight bidders on some recent bids. This is a statewide program, and there is some flexibility. Priority-one projects are those the State Public Works Division is committed to completing. Priority-two projects are those that will be done if there are savings in priority-one projects. This concept will exist if the $2.35 million in statewide bonds are reassigned to other projects. If we have savings in the 19 CIP, we may be able to complete either or both of the projects at Lovelock and the Carson City Railroad Museum.

SENATOR BROOKS:

I commend you for doing what you needed to do to get the prices down on the Nevada State College and the College of Southern Nevada projects. We had a lot of concern about the change in budget from Fiscal Year 2017 to Fiscal Year 2019, and you were able to contain the costs at the time when we needed it most. I appreciate it. It is important to note, in the Fiscal Year 2020 and Fiscal Year 2021 budgets, the IFC has created significant sacrifices only in the budget for University of Nevada, Las Vegas (UNLV), close to $50 million. UNLV is taking the brunt of the budget crisis in their construction category. While there is no choice in this hard time, we recognize and understand that when there is a recovery, we will be coming back and asking to complete these projects.

SENATOR SETTELMEYER:

During IFC meetings, my colleague from Senate District 3 and I had many discussions about a proposed 2,000 square-foot storage building for the Stewart Indian Museum. Is that on the list, or is that still going forward?

MR. PATRICK:

That is project 19-C16, renovations of collections storage building 19, Stewart Facility. This proposal is to cancel that project so it is zero-percent complete. It will be brought in among the other requests for the 2021 CIP and advanced on its own merits.

SENATOR SETTELMEYER:

My memory is that the project was closer to $2 million, but I may have misremembered.

SENATOR SPEARMAN:
Have you looked at what the economic multiplier may be for the jobs saved because of the projects you will be doing?

MR. PATRICK:
We are a lean-construction procurement machine at the State Public Works Division and are working to plan, design and construct the buildings. We will leave the multipliers of workforce development up to actuaries and others.

SENATOR SPEARMAN:
It would be good to have that information, particularly in light of the other cuts we have discussed. If there is an economic multiplier, some scenarios may not take so long during the recovery. Please figure out what that economic multiplier is.

On the motion of Senator Woodhouse, seconded by Senator Parks, the Committee did rise and report back to the Senate.

## SENATE IN SESSION

At 8:56 p.m.
President pro Tempore Denis presiding.
Quorum present.

### REPORTS OF COMMITTEE

*Mr. President pro Tempore:*
Your Committee of the Whole has considered matters relating to the State's budget shortfall.
NICOLE CANNIZZARO, *Chair*

Senator Cannizzaro moved that the Senate adjourn in memory of Nevada Highway Patrol Sergeant Ben Jenkins, who died in the line of duty, until Thursday, July 9, 2020, at 9:00 a.m.
Motion carried.

Senate adjourned at 8:57 p.m.

Approved: MOISES DENIS
*President pro Tempore of the Senate*

Attest: CLAIRE J. CLIFT
*Secretary of the Senate*