

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Ninth Session  
June 5, 2017**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 10:09 a.m. on Monday, June 5, 2017, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/79th2017](http://www.leg.state.nv.us/App/NELIS/REL/79th2017).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Maggie Carlton, Chair  
Assemblyman Jason Frierson, Vice Chair  
Assemblyman Paul Anderson  
Assemblyman Nelson Araujo  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Irene Bustamante Adams  
Assemblywoman Olivia Diaz  
Assemblyman Chris Edwards  
Assemblyman John Hambrick  
Assemblyman James Oscarson  
Assemblywoman Ellen B. Spiegel  
Assemblyman Michael C. Sprinkle  
Assemblywoman Heidi Swank  
Assemblywoman Robin L. Titus

**GUEST LEGISLATORS PRESENT:**

Senator Moises Denis, Senate District No. 2  
Senator Nicole J. Cannizzaro, Senate District No. 6  
Senator Joyce Woodhouse, Senate District No. 5  
Senator Kelvin Atkinson, Senate District No. 4

**STAFF MEMBERS PRESENT:**

Cindy Jones, Assembly Fiscal Analyst  
Sarah Coffman, Principal Deputy Fiscal Analyst  
Brody Leiser, Senior Program Analyst

Minutes ID: 1457



Janice Wright, Committee Secretary  
Lisa McAlister, Committee Assistant

After a call of the roll, Chair Carlton asked the audience to silence their electronic devices and identify themselves for the record. She opened public comment for the individuals in Las Vegas.

Anthony Nunez, Principal, William E. Orr Middle School, Clark County School District, testified in opposition to Senate Bill (S.B.) 430 (1st Reprint). The bill began as legislation to repeal the Achievement School District (ASD), but the amendments aggressively expanded the ASD. [Assembly Bill 448 of the 78th Session established the Achievement School District within the Department of Education, and authorized the conversion of certain public schools to achievement charter schools.] More time should have been allowed to analyze the results of existing local interventions that improved education before selecting students for migration to ASDs. Mr. Nunez maintained that the bill was promoted as a way to increase parent and community voice, but individuals could only use their voice to opt into the ASD. There was no way to opt out of an ASD.

Mr. Nunez stated that he was concerned that the Legislature might take steps to improve education without allowing the chance to fully develop existing strategies. He asked the Committee not to support S.B. 430 (R1). He believed that existing initiatives, especially within the Clark County School District (CCSD) Turnaround Zone, could help many schools. Nine weeks ago, he was appointed Principal of William E. Orr Middle School, and he had big plans. He asked for the opportunity to execute his plans at William E. Orr Middle School to make it successful before any consideration of migration to the ASD.

Roxanne James, Principal, Jerome D. Mack Middle School, testified in opposition to S.B. 430 (R1). She represented 1,230 students, families, and the community of Jerome D. Mack Middle School. She had the proclamation that was sent to her last week identifying her school as an outlier for innovation and change. Her school had just been nationally recognized for its innovation. Jerome D. Mack Middle School was a school chosen to be converted to ASD last year, but by a narrow margin of two votes was not converted. She had done nothing but work on change for the past five years. Change was slow. She understood that the students who came to her school four years behind in their learning needed more than three years to catch up. Senate Bill 430 (1st Reprint) would take her school out of the CCSD and convert it to the ASD, which was unfamiliar with the needs of the community. The bill contained considerable language about replacing the existing principal. She was a nationally recognized mentor of national principals. She had a staff of teachers who were nationally board-certified. Senate Bill 430 (1st Reprint) went against what she had been doing for five years. Change was slow and looked different, but the students were thriving.

Louis Markouzis, Principal, Zel and Mary Lowman Elementary School, testified in opposition to S.B. 430 (R1). He agreed with the comments made by the previous testifiers.

He had concerns because the Legislature approved a number of initiatives during the 78th Session (2015), including the Victory and Zoom school models for low-performing schools. Additional funds were provided to low-performing schools and for the reorganization of the CCSD. The goal was to create the New Nevada economy. He expressed concern that S.B. 430 (R1) was another opportunity for the state to take over schools under the umbrella of an A+ school. The state would monitor and create its own pocket of schools, even though so many initiatives were already in place. His school was a second-year Victory school, and there were some amazing things happening at many other schools in the Turnaround Zone. He believed that the reorganization and current initiatives in place resulted in great improvements that would continue, and he wanted the opportunity to continue.

Alaina Criner, Principal, Matt Kelly Elementary School, testified in opposition to S.B. 430 (R1). She agreed with the comments of the previous testifiers. She highlighted the amount of disruption that this bill would cause to the learning environment and the chaos and pandemonium it would bring into the school community. One of the most challenging aspects of the ASD's timeline for vulnerable schools was the disturbance that it caused. Teachers were concerned whether they would have a job next year. They wondered whether their school would be converted to the ASD. Schools converted to the A+ option would no longer be in the CCSD. The conversion created a challenge and hardship on principals trying to hire high-quality talent for schools because teachers were fearful about their job security. A conversion put a school in a bad state of flux for more than six months, which was nearly three-quarters of the entire school year. She said it was difficult to work in an environment of stress, not knowing whether your school would be converted, but you were still challenged to do your best. Additional funds were provided for professional development, and she asked the Committee to reconsider the proposed language in S.B. 430 (R1).

Betsy Giles, Director, National Board Certification for the Clark County Education Association, testified in support of Senate Bill (S.B.) 547 (1st Reprint). Throughout Nevada, and certainly in Clark County, schools grappled with the challenge of staffing high-need schools with high-quality teachers. The Nevada Plan to Ensure Equitable Access to Excellent Educators (Nevada Educator Equity Plan) was submitted by the Department of Education on June 1, 2015. The Nevada Educator Equity Plan identified the predominate root problems as high teacher turnover, inadequate professional development, a weakened professional culture, and persistently low student achievement. The National Board for Professional Teaching Standards program sought to address those systemic problems through rigorous and relevant professional development. She supported the salary increases for the professional growth plan.

Ms. Giles explained that more than a decade of rigorous research had shown that national board-certified teachers were more effective at improving student learning than their noncertified counterparts. The effect was even greater for minority and low-income students. Given this evidence, it was crucial that national board-certified teachers reach the students who needed them the most. Currently, 50 schools were slated to become part of national board professional development schools next year. Eighty percent were designated high

need by Title 1. Over 700 teachers and counselors were estimated to pursue board certification in the coming year. A recent Washington state study showed that board-certified teachers produced strong growth gains of an extra month and a half of additional instruction. Harvard University reported teachers in the Los Angeles Unified School District gained two months of additional math instruction. The achievement gap could be closed quickly when school cohorts of 10 to 35 teachers were collaboratively pursuing national board certification. She said that 80 percent of those 50 schools served the highest-need communities. Locally, the University of Nevada, Las Vegas served as the research group. Last year's results showed the following for board-certified teachers: 95 percent reported an increase in job satisfaction, 98 percent reported an increase in collaboration, 82 percent reported an increase in understanding how to teach diverse student populations, and 85 percent reported an increase in how to teach minority students.

Ms. Giles was proud to say that CCSO had been recognized as a national model for embedding professional development in the work of schools. She left the Committee with a final vision of the result of making professional development and board certification the norm in teaching. The guarantee from the teaching profession to Nevada families would be clear: Students would be taught by an accomplished practitioner of teaching who had been trained by expert practitioners and whose practices had met the highest standards of the profession. She thanked the Committee for its time, consideration, and support of S.B. 547 (R1) and the National Board Certification program. She appreciated the Legislature's decision to support the salary incentive for rigorous professional development that would transform student achievement, especially for students in the highest-need communities.

Tiarre Tenario, parent of a student at Richard C. Priest Elementary School, testified in opposition to S.B. 430 (R1). She served as the Parent Teacher Association (PTA) President at Priest Elementary School. She knew many parents lacked the ability to attend meetings, express concerns, or fully understand the literature or language in the bills. It was simply unfair that parents were not provided adequate time and resources to fully comprehend what was being presented to them. She knew that her school community deserved a chance to see the current reorganization to its conclusion. The Turnaround Zone community had been shaken by the ASD bill [A.B. 448 of the 78th Session]. She refused to believe that A+ schools or ASDs possessed some knowledge of which the thousands of educators in the CCSO were oblivious. She said S.B. 430 (R1) was not the answer. Hiring businesspersons to run the schools was not the answer. Unlicensed teachers were not the answer. In addition, racially discriminatory criteria were not the answer. She requested the immediate dismissal of S.B. 430 (R1).

An unidentified woman in Las Vegas stated many individuals in the room wanted to testify. She wanted to confirm that there would be an opportunity to testify in support of, in opposition to, or neutral on each bill that the Committee heard today.

Chair Carlton explained that the opportunity to testify was provided on each bill that was heard by the Committee. She always asked for testimony in support of, in opposition to, or neutral on every bill. She could not guarantee a hearing on every bill that was in front of her because of the time constraints of the final day of the 79th Session (2017).

Pat Hickey, Executive Director, Charter School Association of Nevada, testified in support of S.B. 430 (R1). The bill represented an attempt to provide tools to the CCSD and the Department of Education to prevent the schools from being converted to an ASD. He represented charter schools, but if that were all he cared about, he would agree with opponents who said just let the bill die. However, if the bill died, schools would be right back where they started. School districts and the Department of Education would lack the ability to transform schools without having to go to the extreme step of having them included in the ASD. As a member of the State Board of Education, he had supported the principal of a middle school who opposed the conversion of that school to the ASD. She noted that Senate Bill 430 (1st Reprint) provided tools for the CCSD, in cooperation with the state, to find options and alternatives rather than having to convert schools to an ASD. The bill represented the bipartisan support of individuals in not only the Senate, where it passed unanimously, but also groups including the Guinn Center for Policy Priorities and others that worked closely to make this bill help students and avoid converting schools to the ASD.

Chair Carlton closed public comments. Committee members would be moving in and out during the day to various conference committees, and the Assembly Committee on Taxation would meet at approximately 11 a.m. She would try to keep working through the day as long as members were available to hear bills. She asked for the presentation of the Capital Improvement Program bill [Senate Bill 546].

**Senate Bill 546: Authorizes and provides funding for certain projects of capital improvement. (BDR S-1187)**

Brody Leiser, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the full money committees closed the 2017 Capital Improvement Program (CIP) on May 20, 2017. Senate Bill (S.B.) 546 would put into effect the 2017 CIP as closed by the money committees. He could provide a detailed presentation of the bill section by section or provide a high-level overview of the CIP.

Chair Carlton said the Committee had reviewed the CIP details in earlier hearings and only needed the high-level overview.

Mr. Leiser stated that 93 projects were funded in the 2017 CIP in S.B. 546. The total funding was \$354.1 million. The bill included the following major funding sources to support the program: \$201.4 million in general obligation bonds, and \$48.3 million in agency and donor funds to support the Nevada System of Higher Education, Department of Tourism and Cultural Affairs, Department of Wildlife, and Department of Administration projects.

The bill included \$48 million in State General Fund appropriations, \$36.5 million in federal funds for the Office of the Military projects, and \$12.1 million in excess funding that was reallocated from projects approved in prior CIPs.

Mr. Leiser explained that \$229.1 million would support 11 construction projects, including project 17-C04 at a cost of \$42 million to construct a new 57,825-square-foot facility in south Reno for the Department of Motor Vehicles. Project 17-C05 included \$37.1 million to construct a new 78,000-square-foot National Guard Readiness Center in North Las Vegas. Project 17-C06 included \$84.7 million to construct a new 86,242-square-foot engineering building at the University of Nevada, Reno. Project 17-C13 included \$36 million to advance construction of the new Northern Nevada Veterans Home in Sparks.

Mr. Leiser mentioned some of the new planning projects that were included in S.B. 546. Project 17-P04 included \$541,783 for advance planning of a Southern Nevada Fleet Services Maintenance Facility at the Grant Sawyer State Office Building site in Las Vegas. Project 17-P06 included \$1.5 million for the advance planning of a new housing unit at Southern Desert Correctional Center. Project 17-P07 included \$4.4 million for the advance planning of a new Health Sciences Building at the College of Southern Nevada. Project 17-P08 included \$3.5 million for advance planning of a new academic building at the Nevada State College.

Mr. Leiser added that the 2017 CIP also included 66 maintenance projects for a total cost of \$97.4 million, and 11 statewide projects for a total cost of \$17.3 million. He said the establishment of the property tax levy of 15.45 cents was included in S.B. 546 for debt service to repay general obligations of the state from prior bond issuances and any bond issuances to support the bonds needed to pay the 2017 CIP costs in each year of the 2017-2019 biennium. The bill also included an additional 1.55-cent levy that had to be used exclusively for the repayment of the bonded indebtedness issued after the approval by the voters of Question 1 on the November 2002 ballot. The approval of Question 1 by the voters authorized the issuance of bonds not to exceed \$200 million to protect, preserve, and obtain the benefits of property and natural resources of the state. The total property tax levy of 17 cents for debt service remained unchanged from the levy approved for the current 2015-2017 biennium. He noted that the bill became effective upon passage and approval.

Chair Carlton asked for any questions from the Committee. Senate Bill 546 was the jobs bill that put individuals to work, and the bill generated paychecks. The bill had been reviewed in its individual pieces in previous hearings. She asked for any testimony in support of, in opposition to, or neutral on the bill. Hearing none, she closed the hearing on S.B. 546 and opened the hearing on Senate Bill 550.

**Senate Bill 550: Makes an appropriation to a disbursement account for costs relating to a human resource management information system for the Clark County School District. (BDR S-1231)**

Nicole Rourke, Associate Superintendent, Community and Government Relations, Clark County School District, presented Senate Bill (S.B.) 550. The Clark County School District (CCSD) requested the Legislature allocate \$17 million to CCSD for the cost to purchase a new human capital management information system. According to Ms. Rourke, the new system was critical to CCSD's enactment of the reorganization allowed under Assembly Bill (A.B.) 394 of the 78th Session. The reorganization required full transparency in the school budgets. The existing human capital management system was 25 years old. She asked the Committee to imagine a black screen with a little blinking green cursor, and that was what the current system looked like. The CCSD employed two of the last programmers left in Nevada who knew Common Business-Oriented Language (COBOL), and both individuals were close to retirement. The CCSD purchased its system from another state and kept it operational through programming over the past 25 years. The system was not synchronized to the other CCSD systems, and it handled payroll differently from the recruitment system and the placement system. All those projects had to be performed manually.

Ms. Rourke explained that under the reorganization, CCSD was required to assign staff to all the various places where they worked. She cited an example: an English language learner facilitator who worked in five schools should be assigned to those five schools for full transparency to show where the salary was allocated and where the facilitator worked; the salary could not be allocated now by the existing system. Some of the complaints about the central budget were a reflection of the limited tools that were available to CCSD. The District could only budget staff in a central budget even though some employees worked in various schools. This problem existed for the maintenance department, the landscaping department, and all the different functions needed for schools to operate. All the departments had to be centrally budgeted because the system was unable to allocate them to the proper schools based on the lack of tools to complete the task. She was present to ask for those tools.

Ms. Rourke noted that in the past, CCSD had budgeted to replace its system but was unable to do so. Cuts were made to the budget because the District lacked sufficient funds to pay for all its needs. Efforts were made to keep the budget cuts as far away from the classroom as possible, although that was not always feasible. The human resource system had been included in the CCSD budget and cut many times. Right now, CCSD had about 1,200 individuals in the categories that she mentioned. The District needed a system to ensure that it could increase transparency, ensure compliance with federal and state laws, and save manager and human resource time by automating the work. The CCSD needed to improve its control, placement, and budget costs. The new system would allow CCSD to be more efficient. A four-year time period was included in the bill to allow CCSD to hold the vendor accountable during the project to meet the benchmarks. After the vendor completed

certain benchmarks, CCSD would release certain progress payments. Two years might be too strict a limit; therefore, the District asked for four years with the ability to carry forward the funds. The CCSD would provide regular reports on its progress to the Interim Finance Committee (IFC).

Chair Carlton asked whether there were any questions on the bill.

Assemblywoman Titus appreciated the difficulties of changing human resource systems. She continually heard about the cost of doing that and the importance of keeping all the information in places where it could be easily identified. She commented that \$17 million was a large amount of money. She asked whether CCSD had already signed a contract with a vendor.

Ms. Rourke said CCSD lacked a signed contract with a vendor. The District issued a request for proposal (RFP), and the RFP had closed. The bids were still under consideration, but no awards had been made. The CCSD lacked the funds to make an award. The District had conducted a competitive bid process.

Assemblywoman Titus said she appreciated section 2 of the bill that required CCSD to report to IFC at six-month intervals. She said it was a good idea for other entities that had requested money to make similar reports. She wanted to follow the money trail to know how the funds were being spent.

Chair Carlton said there was a conceptual amendment that was proposed for the bill. She followed a process that would allow the Committee to take action on this bill while the Legal Division, Legislative Counsel Bureau, drafted the amendment. The bill would be running on dual tracks to ensure it could be processed before *sine die*.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Fiscal staff was aware of a proposed conceptual amendment that included a \$5 million appropriation to the Washoe County School District (WCSD). The appropriation would be available in fiscal year (FY) 2018 and could carry forward to FY 2019. The money would be used for a one-time purchase of vehicles, school buses, refurbishing or replacing computers in classrooms, and other one-time information technology needs.

Chair Carlton asked for any testimony in support of, in opposition to, or neutral on the bill.

Paul J. Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber of Commerce, testified in support of S.B. 550. He understood that \$17 million was a large price tag, but he knew it was essential for CCSD to move forward with its reorganization.

Chris Daly, Deputy Executive Director of Government Relations, Nevada State Education Association, testified in support of S.B. 550. He understood that the new human resource system would allow CCSD to be more transparent in its budget and identify employee work

locations that related to different departments from which the salaries were drawn. Transparency was important as the reorganization moved forward. He also supported the amendment to provide equity for WCSD.

Ed Gonzalez, Lobbyist and Policy Analyst, Clark County Education Association, testified in support of S.B. 550. The long meetings about the reorganization concluded that three important things needed to be addressed by the Legislature. One was the computer system, another was the language in A.B. 394 of the 78th Session, and the third was making sure everything was completed.

Lindsay Anderson, Director, Government Affairs, Washoe County School District, testified in support of S.B. 550. The WCSD had no nexus to this bill until the conceptual amendment was added, and she supported the amendment.

Brent Husson, President, Nevada Succeeds, testified in support of S.B. 550. He had an opportunity to see some of the struggles involved in completing a major reorganization because he was a member of the community implementation council that was established by A.B. 394 of the 78th Session. The human capital management system was a big part of the struggles faced by CCSD. The Committee had been presented with testimony that explained those struggles. The real problems with the human capital management system prevented CCSD from being as productive as possible. The \$17 million was a lot of money that would be recouped quickly in the return on investment from improved workflows and better processes within the system.

Kenneth Evans, President, Urban Chamber of Commerce, testified in support of S.B. 550. He was also a member of the community implementation council that was established by A.B. 394 of the 78th Session. He understood that an adequate information technology infrastructure had to be in place to achieve maximum participation and benefit.

Caryne Shea, Vice President, Honoring Our Public Education (HOPE) Nevada, testified in support of S.B. 550. The HOPE organization represented about 1,000 families in Clark County. It was imperative to make the CCSD reorganization as successful as possible. She wanted to continue the vision set forth by the Legislature. She appreciated that the Legislature supported this bill as a way to show its continued support for the reorganization.

Chair Carlton asked for any further testimony in support of, in opposition to, or neutral on the bill and, hearing none, closed the hearing on S.B. 550. She said the Committee would begin its work session on the two previous bills and Senate Bill 553. All three bills could be processed and moved to the Assembly floor as soon as possible.

**Senate Bill 553: Authorizes and provides funding for the advance planning of the College of Engineering, Academic and Research Building and to complete planning and begin construction of a new building for the Medical School at the University of Nevada, Las Vegas. (BDR S-1244)**

Chair Carlton said this bill was heard the previous day, and there was a proposed conceptual amendment on the bill.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the conceptual amendment would be to complete the planning and begin construction of the new Medical School at the University of Nevada, Las Vegas (UNLV). The State General Fund appropriation of \$25 million would pay those costs and would match an anonymous donation of \$25 million for that same purpose to begin that project. The total cost of the project was estimated at \$100 million.

Chair Carlton understood that the money would come to the Interim Finance Committee (IFC) and then be requested by the Medical School at UNLV.

Ms. Jones confirmed that Chair Carlton's understanding was correct. The \$25 million would be appropriated to a restricted account within the IFC Contingency Account, and those funds could be requested by UNLV after confirmation that UNLV had received the \$25 million donation.

Brody Leiser, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, confirmed that Ms. Jones was correct. He added that in response to questions following the February 28, 2017, hearing of the Nevada System of Higher Education (NSHE) budgets, the total construction costs for the new medical building would potentially range from \$100 million to \$200 million depending on the scope of the final project. The building might be designed and built to accommodate 120 students or 180 students, and some other items were also being considered.

Chair Carlton recalled that conversation. She asked for any further questions on the bill and, hearing none, said the Committee would consider Senate Bill 546.

**Senate Bill 546: Authorizes and provides funding for certain projects of capital improvement. (BDR S-1187)**

Chair Carlton said Senate Bill 546 was the Capital Improvement Program (CIP) bill. The bill was approved by the Senate without any amendments. She asked for any questions on the bill and, hearing none, said she would accept a motion to do pass the bill.

ASSEMBLYMAN FRIERSON MOVED TO DO PASS SENATE BILL 546.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Edwards, Oscarson, and Titus voted no. Assemblymen Araujo and Benitez-Thompson were not present for the vote.)

Chair Carlton said she would present the floor statement on the bill.

**Senate Bill 550: Makes an appropriation to a disbursement account for costs relating to a human resource management information system for the Clark County School District. (BDR S-1231)**

Chair Carlton said Senate Bill (S.B.) 550 was just heard by the Committee. The bill included a \$17 million State General Fund appropriation for a human resource management system for the Clark County School District. The bill had a proposed conceptual amendment of a \$5 million appropriation to Washoe County School District for vehicles, buses, and computers in fiscal year (FY) 2018, and the appropriation could be balanced forward to FY 2019.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, clarified that the vehicles were school police vehicles. The amendment provided a \$5 million appropriation in FY 2018, but no additional funds in FY 2019. A question arose about whether the amount that was not expended in FY 2018 would be available in FY 2019.

Chair Carlton summarized that the \$5 million appropriation in FY 2018 could be balanced forward to FY 2019. The vehicles were school police vehicles. The other costs were for one-time expenditures for information technology. She said S.B. 550 was not amended before it was presented to the Committee. She asked for any questions on the bill and, hearing none, said she would accept a motion to amend and do pass the bill.

ASSEMBLYMAN SPRINKLE MOVED TO AMEND AND DO PASS  
SENATE BILL 550.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Araujo and Benitez-Thompson were not present for the vote.)

Chair Carlton asked Assemblywoman Diaz to present the floor statement on the bill.

**Senate Bill 553: Authorizes and provides funding for the advance planning of the College of Engineering, Academic and Research Building and to complete planning and begin construction of a new building for the Medical School at the University of Nevada, Las Vegas. (BDR S-1244)**

Chair Carlton said the bill was heard the previous day, and a proposed conceptual amendment on the bill was received. Senate Bill 553 appropriated \$25 million for the

Medical School and placed the funds in the Interim Finance Committee (IFC) Contingency Account in a restricted account to be requested after the \$25 million anonymous donation was received. Chair Carlton asked for any questions on the bill and, hearing none, said she would accept a motion to amend and do pass the bill.

ASSEMBLYMAN SPRINKLE MOVED TO AMEND AND DO PASS  
SENATE BILL 553.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Araujo and Benitez-Thompson were not present for the vote.)

Chair Carlton asked Assemblywoman Spiegel to present the floor statement on the bill. She closed the work session and opened the hearing on Senate Bill 391 (2nd Reprint).

**Senate Bill 391 (2nd Reprint): Provides for awards of scholarships by community colleges in the Nevada System of Higher Education. (BDR 34-815)**

Senator Moises Denis, Senate District No. 2, presented Senate Bill (S.B.) 391 (2nd Reprint). The bill created the Nevada Promise Scholarship. It was difficult to understand the meaning of this bill until the details were analyzed. Senate Bill 391 (2nd Reprint) would increase the rate of high school graduates who went to college. The bill was a "last dollars" scholarship, meaning it would be available to all recent Nevada high school graduates and would pay for mandatory tuition fees to attend a state community college minus any state or federal financial aid they received. The bill required students to complete their Free Application for Federal Student Aid (FAFSA) and pay any tuition fees to attend a community college that were not paid by state or federal financial aid. The scholarship was only for recent high school graduates and required high school seniors to apply for the program by November.

A student was required to meet with a mentor, attend college meetings, apply for financial aid, complete 20 hours of community service, and be eligible to attend community college in the immediate fall semester. Once in college, students had to enroll continuously in at least 12 college credits, meet with their mentors, apply for financial aid, and complete 20 hours of community service each semester to retain the scholarship for up to six consecutive semesters. In addition, once students were in the program, they had to maintain a 2.5 grade point average (GPA). This bill was a workforce development tool as much as it was an education policy initiative to create a college-going culture in Nevada and help remove barriers that prevented many of the students from ever entering postsecondary education. Far fewer Nevada high school graduates continued directly to college when compared with the national average. That disparity became even worse when the statistics of economically disadvantaged students were considered.

Senator Denis said that Nevada trailed the national postsecondary attainment rate of 37 percent of working age adults who had achieved some level of postsecondary attainment.

Nevada also trailed the nation in the number of FAFSAs filed. According to a recent report from United Way of Southern Nevada, the average FAFSA submission rate for regular high school students in Clark County was 24.8 percent. Less than one quarter of the high school students not attending magnet or other academies completed the FAFSA, and only 11 high schools in Clark County had a FAFSA completion rate of more than 60 percent. That meant Nevada left millions of federal dollars unclaimed that could be used to help pay for students to obtain postsecondary education or work-force training.

Senator Denis continued to explain that a 2014 study identified \$19 million in federal Pell grants that eligible Nevadans could have received to help pay for their education had they only applied. The loss of federal funds affected the education and skill level of Nevada's workforce in its capacity to attract and grow new businesses. The largest part of Nevada's and the nation's labor market required middle-skill jobs, which necessitated education beyond high school but not a four-year degree. By 2024, 48 percent or nearly one-half of Nevada's job openings would be middle-skill jobs. That was why the creation of a Nevada Promise Scholarship now was critical to create the college-going culture needed to build the skilled workforce necessary to make the New Nevada a reality.

Senator Denis mentioned that Nevada currently had the Governor Guinn Millennium Scholarship Program, which was a merit-based scholarship that paid \$40 per credit at community colleges for eligible Nevada high school graduates who maintained the required grade point average (GPA). The state also offered the Silver State Opportunity Grant, a need-based award for the lowest-income achievers who did not require any remedial courses and could take 15 credits each semester at a community college. Those scholarships were excellent tools, but they were not enough. Nevada needed a systematic approach to fix the "leaky pipeline" and create a college-going culture. The Nevada Promise Scholarship would serve as the intervention to motivate and compel the majority of the high school students who lacked a 3.25 GPA, were not college ready, had the minimum expected family income, and could take 15 credits a semester to go beyond high school to obtain a solid foundation of skills and training. Students who did not receive a full Pell grant, Silver State Opportunity Grant, or Governor Guinn Millennium Scholarship could be eligible for the Nevada Promise Scholarship as a backup plan by meeting the program requirements to increase their chances of career success. With a mentor provided by the college and a chance to engage in community service, those young men and women could thrive in Nevada and obtain meaningful careers. The expected outcomes included:

- increased college placement.
- increased college success and retention.
- increased graduation and transfer rates.
- increased community service.
- increased federal financial aid dollars coming into the state.

The program would partner with the various chambers of commerce and economic development entities to increase job placement as well.

Senator Denis added that the program cost was \$3.5 million and would benefit at least 3,000 students and assist all community colleges. Several fiscal notes had been submitted on the bill. The College of Southern Nevada and Truckee Meadows Community College agreed to absorb the administration cost to help begin the program. Fiscal notes were submitted by Great Basin College and Western Nevada College. Senator Denis decided not to turn this into a pilot program that would only benefit one or two schools. He proposed a conceptual amendment, submitted as [Exhibit C](#), that would allow each community college to decide on or before December 31 of each year, whether it would participate in the Nevada Promise Scholarship program and post notice of its decision on its internal website.

Chair Carlton asked for details about a proposed amendment that showed an April 1 date.

Senator Denis responded that the April 1 date should be changed to read December 31. While he had been sitting in the audience waiting to present this bill, Fiscal Analysis Division staff of the Legislative Counsel Bureau advised him that the April 1 date should be changed to December 31. He agreed he would change the date to December 31 in his proposed conceptual amendment ([Exhibit C](#)) to S.B. 391 (R2).

Chair Carlton said her understanding of the correct language would be that each community college could decide on or before December 31 of each year, whether it would participate in the program and post the notice of its decision on its internal website.

Senator Denis confirmed Chair Carlton's understanding was correct. He continued that the provisions of the bill that currently applied to all community colleges would be revised to apply only to participating community colleges. The community colleges had a choice to opt into the program. Senate Bill 391 (2nd Reprint) would also authorize community colleges to accept gifts, grants, and donations to cover administration costs for the Nevada Promise Scholarship program. The bill already contained language to allow the colleges to accept gifts and grants. However, some individuals were interested in donating to the program, and they wanted to see a commitment from the state.

Senator Denis had held a discussion with Mark A. Curtis, Ph.D., President of Great Basin College, which had suffered many recent budget cuts. Great Basin College was unable to afford the administration costs of the program and submitted a large fiscal note. The discussion included the possibility that the business community might be willing to help with mentoring and some of the other needs. Other educational institutions might be able to help track the hours, services, and other data needed for the students. Great Basin College was unable to track the data. Senator Denis did not want to exclude Great Basin College from the program if Mr. Curtis could obtain the means to pay for the program. The purpose of the conceptual amendment was to allow that choice to be made by the colleges. Others were present to testify on the bill.

Chair Carlton asked for any questions on the bill or the conceptual amendment.

Assemblyman Edwards asked about the final price tag for the bill. Senator Denis said the total cost was \$3.5 million.

Chair Carlton asked for any testimony in support of the bill.

Nancy E. Brune, Executive Director, Guinn Center for Policy Priorities, testified in support of S.B. 391 (R2). The Guinn Center began researching Promise Scholarship programs across the nation in 2015. As part of its research, the Center conducted a statewide survey of community college students in Nevada last summer to better understand the students and determine the possible demand for a Promise program. Several high-level findings from its student survey underscored the potential demand for a Promise program in Nevada, which would complement the existing opportunities provided by the Governor Guinn Millennium Scholarship and the Silver State Opportunity Grant. Less than 30 percent of students enrolled in community college took 12 credits or more, and a little more than 70 percent of the students took fewer than 12 credits. The primary reason students did not enroll in at least 12 to 15 credits was that they worked full-time. Thirty-one percent of students did not apply for financial aid. A potential Promise scholar would need to complete a FAFSA to address the financial aid requirement. Ninety percent of students had never used or participated in a mentoring program, which was a critical piece and drove the success of Promise programs around the country. When asked how their institution could help students succeed academically, 48 percent of students said they needed financial assistance. Students agreed that there was a significant need for a Promise program in Nevada given the demands of a New Nevada economy.

Ms. Brune stated that S.B. 391 (R2) was as much a workforce development bill as it was an education bill. By 2020, almost half of the jobs in Nevada would require a postsecondary degree or certificate, but less than a four-year college degree. That was a troubling statistic because Nevada had such low rates of educational attainment. Several states and cities around the country had launched Promise programs to fund tuition and fees for students enrolled in community colleges. The data showed that Promise programs positively affected the number of students who pursued community college education by aiding college affordability.

Ms. Brune noted that national research revealed that FAFSA filings had increased, and the number of students who applied for loans had decreased. Evaluations of Promise programs also revealed that the programs improved the college enrollments and college completion rates, especially for low-income and minority students. Specifically, Promise programs were correlated with higher graduation rates, lower dropout rates, higher retention rates, higher GPAs, more first-time freshman students, and faster rates of program completion. Research suggested that there was both a need and a demand for Promise programs in Nevada to improve college-enrollment and college-completion rates.

Michael Richards, President, College of Southern Nevada, testified in support of S.B. 391 (R2). The objective of the bill was to close the educational attainment gap in Nevada. The keys to the program were the GPA requirement, the mentoring requirement,

and the community service requirement. Nationally, the Promise programs had a proven record and increased educational participation, student retention, and student success. He asked the Committee to endorse the bill.

J. Kyle Dalpe, Ph.D., Interim Dean of Technical Sciences, Truckee Meadows Community College, testified in support of S.B. 391 (R2). The Committee had heard the statistics and information on the bill. He looked forward to embracing and putting the program into effect to increase the number of graduates in the pipeline of a trained workforce in Northern Nevada.

Paul J. Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber of Commerce, testified in support of S.B. 391 (R2). The Chamber believed it was important to support students enrolled in community colleges to add to economic development efforts. He thanked Senator Denis for his work.

Michelle Montoya, Coordinator, Writing Center, Truckee Meadows Community College (TMCC), testified in support of S.B. 391 (R2). She managed the tutoring center at TMCC. Ms. Montoya believed that the mentoring component would include connecting students to resources. She staffed the tutoring and learning center with over 50 peer tutors who were ready to meet the demands of the students to help them maintain their 2.5 GPA.

Craig Stevens, Director of Intergovernmental Relations, Community and Government Relations, Clark County School District, testified in support of S.B. 391 (R2). He appreciated Senator Denis bringing the bill forward. It was difficult to express how excited many of the high school principals were about this type of program, especially at the high-risk schools. He believed that the mentoring aspect was especially good because he wanted to invite and integrate individuals into the school system. The Promise program was another incentive to help students who never thought they could afford college.

Peter Guzman, President, Latin Chamber of Commerce, testified in support of S.B. 391 (R2). He had supported Senator Denis from the beginning of S.B. 391 (R2), and the bill was a real game changer by adding the mentoring component. The Latin Chamber was anxious to help the College of Southern Nevada with the Nevada Promise Scholarship program.

Dr. René Cantú, Jr., testified in support of S.B. 391 (R2) and read his written testimony.

My name is Dr. René Cantú, Jr., and I am the Executive Director of Jobs for America's Graduates Nevada (aka, JAG Nevada). I come before you today to reaffirm our support for Senate Bill 391, which would establish and fund the Nevada Promise Scholarship.

Simply stated, the Nevada Promise Scholarship would greatly benefit students like those served by JAG Nevada by closing the affordability gap for students and their families. Back on April the fourth, three JAG Nevada students, Jamiroqual Tucker and Reaiah Lincoln of Legacy High School and

Jennifer Rubio of Moapa Valley High School, provided compelling testimony before another legislative committee in support of Nevada's Promise. Were it not for this being finals week, these same students and others might have been able to appear today in support of this important legislation.

The support for the Promise Scholarship is statewide. I just returned from a partnership trip to Elko, Nevada where we met with K-12 and higher education officials, and the support for the Promise Scholarship was strong among the Great Basin College officials that I met with. The future students of Truckee Meadows Community College, Western Nevada College, College of Southern Nevada, and Great Basin College all stand to receive greater access to employment opportunity through the Promise Scholarship. Hence, in support of these students and many others, I urge this body to support the Promise Scholarship. JAG Nevada is committed to support students after they leave high school by ensuring that JAG Specialists across Nevada will serve as mentors for their follow-up students as they navigate their first year in college. Thank you for the opportunity to address you. I wish you a restful end of session.

Ken Evans, President, Urban Chamber of Commerce, testified in support of S.B. 391 (R2). The Urban Chamber agreed with its colleagues at the Latin Chamber, and they were ready to provide mentors and other types of support to move the Promise program forward. He thanked Senator Denis for bringing this game-changing initiative forward, as well as President Richards for providing a platform at the College of Southern Nevada.

Sylvia Lazos, Policy Director, Educate Nevada Now, submitted [Exhibit D](#), her letter in support of S.B. 391 (R2). She presented [Exhibit E](#), which was page 2 of the Nevada Report Card, a school superintendents' picture of the "leaky pipeline" that existed in Nevada. [Exhibit E](#) was titled "Too few of Nevada's students are Career Ready." She noted that only 46 out of 100 Nevada students were enrolled in Nevada System of Higher Education institutions. That number in New Jersey was 76 for purposes of comparison. That showed how far Nevada ranked below the other states. She supported the Promise program and said the state needed more programs like Promise. A minimum of 12 credits was required to maintain the Nevada Promise Scholarships and the Silver State Opportunity Grants, and she believed that was the proper number of credits.

Constance J. Brooks, Ph.D., Vice Chancellor, Government and Community Affairs, Nevada System of Higher Education (NSHE), testified in support of S.B. 391 (R2). She appreciated the inclusive process to get this bill to fruition. He had worked with each of the community colleges, as well as the staff at NSHE, to ensure that the bill would be a success. Collaborative efforts were the most effective way to ensure that the students were best served and that the state reached its attainment goals. She viewed S.B. 391 (R2) as a wonderful complement to the policy levers in place. Over the last five to ten years, joint efforts helped increase college attendance. This was good legislation, and NSHE was excited to be a part of it. The colleges had varying levels of resources to administer the program. The conceptual

amendment was significant, and she thanked Senator Denis for being sensitive to the varying levels of resources that the community colleges had throughout the state. She looked forward to participating in the program and watching its success over time.

Ricky D. Gourrier, Sr., Government Affairs and Community Relations Manager, Communities in Schools Nevada, testified in support of S.B. 391 (R2) and submitted [Exhibit F](#), a letter dated June 4, 2017, to Chair Carlton authored by Dr. Tiffany G. Tyler in support of S.B. 391 (R2). He thanked Senator Denis and all of the community colleges that had come together to support the bill. He understood the importance of mentoring and assessment.

Chair Carlton asked for any further testimony in support of, in opposition to, or neutral on the bill. Hearing none, she closed the hearing on S.B. 391 (R2) and opened the work session on the bill. The amendment proposed by Senator Denis would require the community colleges to determine by December 31 whether they would participate in the Promise program. The amendment revised the language that currently applied to all community colleges and restricted it to only those colleges that decided to opt into the program, authorized the community colleges to accept gifts, grants, or donations to help cover the administration costs of the program, and corrected the date from April 1 to December 31. Chair Carlton asked for any questions on S.B. 391 (R2) and, hearing none, said she would accept a motion to amend and do pass the bill.

ASSEMBLYMAN SPRINKLE MOVED TO AMEND AND DO PASS  
SENATE BILL 391 (2ND REPRINT).

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

THE BILL PASSED. (Assemblymen Anderson, Benitez-Thompson, and Frierson were not present for the vote.)

Chair Carlton said as soon as she received the amendment, the bill would be reported to the Assembly floor. She would present the floor statement. She said the Committee would need to recess soon because some of the remaining bills were Senate bills, but the Senators had been called to the Senate floor. She looked through the remaining bills and noted that Senate Bill 49 (2nd Reprint) could be heard, and she opened the hearing on that bill.

**Senate Bill 49 (2nd Reprint): Revises provisions relating to funding for pupils with disabilities. (BDR 34-405)**

Lindsay Anderson, Director, Government Affairs, Washoe County School District, presented Senate Bill (S.B.) 49 (2nd Reprint). She submitted [Exhibit G](#), a two-page document prepared by the Washoe County School District (WCSD) explaining S.B. 49 (R2). The bill began as an effort to acknowledge all the special education students across the state. A couple of years ago, the state changed the way special education was funded in Nevada.

Originally, a 13 percent cap was put on weighted funding to limit the overidentification of special education students. That cap put downward pressure on school districts with special education student populations in excess of 13 percent. The WCSD served all students, including all special needs students, but those costs came at the expense of its general fund. The amended bill addressed the needs of all students and maintained financial and administrative accountability.

Ms. Anderson referenced the chart on page 1 of [Exhibit G](#), which showed an outline of all of the percentages of special education students across the country. Massachusetts had a special education student population of 17.5 percent, and was viewed as a national model of one of the best-performing states for public education. Texas was at the bottom of the list with 8.6 percent of its students in special education classes. Texas imposed an 8 percent cap on funding its special education. Thus, over time, Texas had its special education percentage decrease to 8 percent. The U.S. Department of Education told Texas to remove its cap as parents complained that their students were not served because the school districts underidentified their special needs students. The point of the chart was to show that there was not a right number. A 13 percent national average did not recognize the unique situation that Nevada might have.

Ms. Anderson said that [S.B. 49 \(R2\)](#) provided full funding to special education students up to the 13 percent cap and then a partial allocation to those student populations over 13 percent. The Clark County School District recommended more of a tiered model similar to the model used in other states in the country. She presented an amended version of [S.B. 49 \(R2\)](#) as [Exhibit H](#). The funds to pay for the additional allocation were included and supported by the money committees in closing the K-12 budgets. She considered [S.B. 49 \(R2\)](#) as a companion bill to some of the other special education reform bills. Assemblyman Oscarson worked with Senator Heidi S. Gansert, Senate District No. 15, on several pieces of legislation to increase accountability and require school districts to serve special education students. [Senate Bill 49 \(2nd Reprint\)](#) confirmed that the state supported the goal that all students in special education would be served, and an additional contribution would be made on their behalf. The WCSD superintendent was present the previous day to make her closing statement about this bill because she was passionate about special education students. Unfortunately, she could not be present today. Ms. Anderson thanked the Committee for its consideration.

Chair Carlton asked for any other testimony in support of the bill.

Erik Jimenez, representing Willow Springs Treatment Center, testified in support of [S.B. 49 \(R2\)](#). He referenced section 1.2 of the bill. In 2013, Senator Debbie Smith championed a solution to a problem at the Center. Willow Springs operated a psychiatric hospital, and children treated in the hospital might remain there for an average of six to eight months. Those children were unable to attend school during their hospital stay. The Center opened a private school to prevent those children from falling behind in their schoolwork. Senator Smith sponsored [Senate Bill 344 of the 77th Session](#) (2013) to allow the Center to recoup some of its costs from the Department of Education. The Center worked with the

Department during the interim and realized that it lacked the language necessary to apply for special education units. The Center had worked with Senator Joyce Woodhouse, Senate District No. 5, on Senate Bill 25 of the 78th Session (2015). That bill allowed the Center to apply for unused special education units to go directly to its school. Unfortunately, with the change to a weighted funding formula, the Center realized during the interim that it needed another change. The Center worked with Will Jensen, Director, Office of Special Education, Department of Education, on that change. Senate Bill 49 (2nd Reprint) clarified that change in section 1.2 of the bill. It allowed the Center to receive a percentage of the weighted funding for the days its students were in the hospital.

Sylvia Lazos, Policy Director, Educate Nevada Now, said she had testified in support of the bill at the earlier hearing before the Senate Committee on Finance. However, her goal was fairness in the school finance formula. A cap on the number of special education students who were financed seemed to be an arbitrary restriction. She asked the Committee to support the financial education of every child regardless of whether the school district had a special education student population in excess of the national average.

Nicole Rourke, Associate Superintendent, Community and Government Relations, Clark County School District, testified in support of S.B. 49 (R2). She thanked the Washoe County School District (WCSD) for working with the Clark County School District. Senate Bill 49 (2nd Reprint) was a good compromise to serve all students. Special education students should be funded for their needs.

Mary Pierczynski, Ed.D., representing the Nevada Association of School Superintendents and the Nevada Association of School Administrators, testified in support of S.B. 49 (R2). She appreciated that the WCSD presented this bill. The amendment was helpful for special education students throughout the state. She had talked with Will Jensen, Director, Office of Special Education, Department of Education, and felt confident that this was a good compromise to help everyone.

Natha C. Anderson, President, Washoe Education Association, also representing the Nevada State Education Association, testified in support of S.B. 49 (R2). She was a teacher from Washoe County who was unaware of the 13 percent cap for funding for special education students. The Washoe County School District tried to insulate its teachers from the financial problems to allow them to concentrate on the daily work teachers did with their students. Occasionally, that was difficult to do because of the financial hardships faced by the District. She knew that WCSD would continue to try its best to keep budget cuts away from the classroom as much as possible, but any additional funding would be greatly appreciated.

Jessica Ferrato, representing the Nevada Association of School Boards, testified in support of S.B. 49 (R2). This bill was a move in the right direction to identify accurately all special-needs students in the state.

Chair Carlton asked for further testimony in support of, in opposition to, or neutral on the bill. Hearing none, she closed the hearing on S.B. 49 (R2). She said the Senate was meeting in chambers, and therefore the Committee on Taxation could not meet. She had no more bills that could be processed until the Senators were available to present their bills. When the Committee could reconvene, her intention would be to work on Senate Bill 121 (1st Reprint), Senate Bill 167 (2nd Reprint), and Senate Bill 257. She said the Committee would reconvene after the Assembly floor session. If any amendments were received on the bills discussed this morning, those would be processed in a meeting behind the bar as quickly as possible. Those would be the top three bills to watch, and she would see what else could be processed as the day progressed. She thanked everyone for their flexibility.

Chair Carlton recessed the meeting at 11:24 a.m.

Chair Carlton reconvened the Committee meeting behind the bar at 3:45 p.m. All Committee members were present. She asked the Committee to consider Senate Bill 539 (1st Reprint) and opened the hearing on the bill.

**Senate Bill 539 (1st Reprint): Revises provisions relating to prescription drugs.  
BDR 40-1217)**

Senator Nicole J. Cannizzaro, Senate District No. 6, said she was present to answer any questions the Committee might have on Senate Bill (S.B.) 539 (1st Reprint). She said the previous bill on this subject was Senate Bill (S.B.) 265 (3rd Reprint), which was vetoed by the Governor.

Chair Carlton said S.B. 539 (R1) required the Department of Health and Human Services to compile a list of not less than 100 prescription drugs most commonly prescribed to residents of Nevada. The Division of Insurance, Department of Business and Industry, had presented a fiscal note that was later removed. She asked for any testimony in support of the bill.

Assemblyman Sprinkle said the issues addressed in S.B. 539 (R1) had been vetted during testimony on S.B. 265 (R3) in hearings before the Assembly Committee on Health and Human Services.

Chair Carlton asked for any testimony in opposition to the bill.

Daniel Howle, representing Eli Lilly and Company, testified in opposition to S.B. 539 (R1). Senate Bill 539 (1st Reprint) would not lower the cost of insulin. The bill would result in significant litigation costs for the Office of the Attorney General. The cost of compliance with the requirements of the bill would also be significant. The drug companies would have to produce hundreds of documents and provide those to the Attorney General's Office. Confidential and proprietary information would be contained in those documents, and the

release of proprietary information would create serious problems. It was likely that the drug companies would react by eliminating their refunds, which would disappear. The cost of insulin would probably increase by 100 to 200 percent. This bill was not a cost savings measure.

Paul Young, GPA Deputy Director, R&R Partners, representing Pharmaceutical Care Management Association, testified in opposition to S.B. 539 (R1) and agreed with the comments of the previous speaker.

Tyre Gray, Fennemore Craig, PC, representing CVS Pharmacy, testified in opposition to S.B. 539 (R1) for all the reasons stated by the previous testifiers.

George Ross, President, Legislative and Government Affairs, The McMullen Strategic Group, representing Biotechnology Innovation Organization, testified in opposition to S.B. 539 (R1) for all the reasons stated by the previous testifiers.

Thomas Boyer, Director, Government Affairs, Novo Nordisk, testified in opposition to S.B. 539 (R1). He submitted a letter dated June 5, 2017, to the Chair and Members of the Assembly Committee on Ways and Means ([Exhibit I](#)) in opposition to S.B. 539 (R1).

Rocky Finseth, President, Carrara Nevada, representing Carrara Group Association Management, testified in opposition to S.B. 539 (R1).

Chris Ferrari, Ferrari Public Affairs, representing Pfizer, Inc., testified in opposition to S.B. 539 (R1).

Jessica Ferrato, representing Pfizer, Inc., testified in opposition to S.B. 539 (R1).

Chair Carlton asked for any testimony that was neutral on the bill, and there was none. She asked for any questions on the bill and, hearing none, said she would accept a motion on the bill.

ASSEMBLYMAN ARAUJO MADE A MOTION TO DO PASS  
SENATE BILL 539 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

Assemblywoman Titus said this was not a good bill and would hurt many individuals. The bill was well intentioned but would not benefit her patients.

Chair Carlton called for the vote.

THE MOTION PASSED. (Assemblymen Anderson, Edwards, Hambrick, Oscarson, and Titus voted no.)

Chair Carlton recessed the behind the bar meeting at 3:55 p.m.

Chair Carlton reconvened the meeting in a work session at 5:17 p.m. in Room 3137. She wanted to process Senate Bill 49 (2nd Reprint).

**Senate Bill 49 (2nd Reprint): Revises provisions relating to funding for pupils with disabilities. (BDR 34-405)**

Chair Carlton said she believed that Senate Bill (S.B.) 49 (2nd Reprint) was amended with the mock-up proposed amendment. She asked whether the problems had been corrected with the amendment.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that a mock-up proposed amendment corrected a problem in the draft of the original amendment that was considered previously. She said section 1.2, subsection 2, lines 16 through line 20, clarified what funds were available to hospitals for children who received education and whose hospital stays were seven school days or longer. The revised language read as follows, "If the child is a pupil with a disability, the hospital or facility is also entitled to a corresponding percentage of the statewide multiplier included in the basic support guarantee per pupil pursuant to NRS [*Nevada Revised Statutes*] 387.122."

Chair Carlton asked for any questions on the bill and, hearing none, said she would accept a motion to amend and do pass S.B. 49 (R2).

ASSEMBLYMAN SPRINKLE MOVED TO AMEND AND DO PASS  
SENATE BILL 49 (2ND REPRINT).

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Anderson and Frierson were not present for the vote.)

Chair Carlton asked Assemblyman Sprinkle to present the floor statement on the bill.

**Senate Bill 300 (1st Reprint): Makes an appropriation to the Department of Education for a program of peer assistance and review of teachers. (BDR S-4)**

Chair Carlton said Senate Bill (S.B.) 300 (1st Reprint) needed to be processed. It was her intention to amend the bill. She had a discussion with the sponsor, Senator Moises Denis, Senate District No. 2, about amending the bill. The bill made a State General Fund appropriation to the Department of Education for an allocation to the Clark County School District and the Washoe County School District to carry out a program of peer assistance and review (PAR) for teachers. The amendment would add a third category of \$100,000 for the other 15 counties effective in fiscal year 2019. The amounts appropriated were as follows:

Entity	FY 2018	FY 2019
Clark County School District	\$1,000,000	\$1,000,000
Washoe County School District	\$200,000	\$200,000
Department of Education (for rural school districts)	\$0	\$100,000
Total	\$1,200,000	\$1,300,000

The same funding mechanism provided to the Clark County School District and the Washoe County School District would allow the rural school districts to decide whether to establish the PAR program. The smaller counties that wanted to establish this type of program would have a year to establish it and then come to the Legislature to have it funded. The PAR program had been successful and benefited the teachers.

Assemblyman Oscarson said he was grateful to Chair Carlton and Senator Denis for recognizing the benefits of the PAR program and allowing the rural school districts to have an opportunity to participate if they chose to do so.

Chair Carlton asked for any questions on the bill and, hearing none, said she would accept a motion to amend and do pass as amended S.B. 300 (R1).

ASSEMBLYMAN SPRINKLE MOVED TO AMEND AND DO PASS AS  
AMENDED SENATE BILL 300 (1ST REPRINT).

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

Assemblywoman Diaz wanted to ensure that the Department of Education would receive data from the school districts that established PAR programs to allow the state to evaluate the effectiveness of the programs in the different school districts in the future. She hoped the Department would gather and collect that data.

THE MOTION PASSED. (Assemblymen Anderson and Frierson were not present for the vote.)

Chair Carlton asked Assemblywoman Diaz to present the floor statement on the bill.

Chair Carlton opened the hearing on Senate Bill 121 (1st Reprint).

**Senate Bill 121 (1st Reprint): Directs the Legislative Commission to appoint a committee to conduct an interim study concerning problems regarding the behavioral and cognitive care needs of older persons. (BDR S-63)**

Senator Joyce Woodhouse, Senate District No. 5, presented the bill and explained that Senate Bill (S.B.) 121 (1st Reprint) created a long overdue interim study to examine, research, and make recommendations regarding the behavioral and cognitive care needs of older persons. She sponsored this bill to address a demographic shift that Legislators could not ignore, and that was the aging of Nevadans. The rapid increase in the older population

showed no signs of stopping. The first baby boomers turned 65 years old in 2011, and millions more would reach that age by 2030. Individuals lucky enough to reach such a mature age in the 21st Century were also living longer than ever before. Those facts had serious policy implications. Older persons had unique cognitive, health, and medical needs that the health and social support systems might not be prepared to address.

Senator Woodhouse commented that older persons with behavioral and cognitive needs were among the most treasured and valuable assets in the state. Those who cared for older persons often lacked the information, resources, and knowledge related to the behavioral and cognitive diseases of their loved ones. Caregivers, including family members who had taken on the labor of love to care for their family members with cognitive and behavioral problems, also struggled to obtain the necessary training to care for their loved ones in a beneficial manner. With the tremendous growth of the older population, Nevada saw more and more individuals afflicted with cognitive and behavioral diseases. It was more imperative than ever to identify gifts, grants, programs, and other services that might be used to benefit the older population and to study the many facets of the important problem, which had touched thousands of Nevada families.

Senator Woodhouse stated that S.B. 121 (R1) provided that the Legislative Commission would appoint a committee to conduct an interim study concerning the needs related to the behavioral and cognitive care of older persons. The resolution authorized the committee to consult with numerous experts in the field of behavioral and cognitive care of older persons. The care of persons with behavioral and cognitive health needs required a financial commitment from caregivers and family members. This interim study was required to research, examine, and identify potential sources of available state funding that were available to support evidence-based statewide community programs to aid caregivers. The interim study would analyze the provision of education and training of health-care professionals in the screening, diagnosis, and treatment of behavioral and cognitive diseases prevalent in older persons.

Senator Woodhouse hoped that this bill would be one of the studies funded by the Legislature with results to be presented to the 80th Legislative Session (2019). The aging population deserved to be cared for with dignity and respect, and this was especially true of the seniors who suffered from behavioral and cognitive disorders. The interim study was a step in the right direction to ensure that older persons received the needed care and to provide much-needed assistance to those family members and caregivers who contributed selflessly to care for the growing older population.

Chair Carlton asked for any questions on the bill. She questioned whether the study would be one of the six interim studies authorized by the Legislative Commission.

Senator Woodhouse responded that if this bill was approved, the study would be one of the six studies to receive appropriations from the 79th Session (2017).

Chair Carlton asked for any testimony in support of, in opposition to, or neutral on the bill. Hearing no testimony, she closed the hearing on S.B. 121 (R1). She said she would check the list of the studies to see how many had been approved. She opened the hearing on Senate Bill 167 (2nd Reprint).

**Senate Bill 167 (2nd Reprint): Makes an appropriation for the creation and maintenance of school gardens. (BDR S-834)**

Chair Carlton asked whether anyone could present the bill. Hearing no response, she said she would hold the bill. She opened the hearing on Senate Bill 257 (2nd Reprint).

**Senate Bill 257 (2nd Reprint): Revises provisions relating to the welfare of children. (BDR 38-662)**

Jon Sasser, Statewide Advocacy Coordinator, Washoe Legal Services, and Legal Aid Center of Southern Nevada, presented Senate Bill (S.B.) 257 (2nd Reprint). The original bill contained an expensive fiscal note for the many needs of the child welfare system, but the bill was amended and there were no costs associated with the bill. Section 4 created the Normalcy for Foster Youth Account in the State General Fund. The funds could be used to provide monetary support to certain caregivers of foster children to allow the children to participate in certain activities. The funds would permit foster children to experience a life more similar to other children. Foster children would have reasonable access to participate in extracurricular, cultural, and personal enrichment activities and could go to proms, play sports, and do other normal activities. The initial General Fund appropriation for that function was removed, and now the fund could accept gifts, grants, bequests, and contributions for that purpose.

Jared Busker, Policy Analyst, Children's Advocacy Alliance, said section 2.5 of the amendment changed the foster child bill of rights to allow for reasonable participation in extracurricular activities. Section 5 provided civil and criminal immunity for a person with whom a child had been placed for approving or allowing the child to participate in extracurricular activities, as long as the person acted in accordance with the reasonable and prudent parenting standard defined in federal law.

Chair Carlton asked for any further questions on the bill and, hearing none, asked for any testimony in support of, in opposition to, or neutral on the bill. There was none. She closed the hearing on S.B. 257 (R2) and opened the hearing on Senate Bill 167 (2nd Reprint).

**Senate Bill 167 (2nd Reprint): Makes an appropriation for the creation and maintenance of school gardens. (BDR S-834)**

Erma Fernandez, representing Assemblywoman Bustamante Adams, testified that Senator Patricia Farley, Senate District No. 8, was present at the Senate floor session and was unavailable to present this bill. Ms. Fernandez stated she would testify and present Senate Bill (S.B.) 167 (2nd Reprint), which supported the creation and maintenance of school

garden programs in Nevada's Title 1 schools. Assemblywoman Bustamante Adams and Senator Farley sponsored the bill. Senator Joyce Woodhouse, Senate District No. 5; Senator Becky Harris, Senate District No. 9; Senator Yvanna D. Cancela, Senate District No. 10; and Senator Nicole J. Cannizzaro, Senate District No. 6, also joined as sponsors of the bill. Section 1 of the bill appropriated State General Funds of \$410,000 in fiscal year (FY) 2018 and \$205,000 in FY 2019 to the State Department of Agriculture for the purpose of creating and maintaining school gardens. The funding would be administered by the State Department of Agriculture to provide grants to Title 1 schools that met certain qualifications. Grants would be up to \$10,000 each in FY 2018 and up to \$5,000 each in FY 2019 to maintain the gardens.

Ms. Fernandez explained that the reason the appropriation was made to the State Department of Agriculture rather than the Department of Education was that the school nutrition programs in Nevada were administered by the State Department of Agriculture. To qualify for grant funding, each school had to meet the minimum qualifications. A school had to create and maintain a school garden and develop a curriculum including the following components:

- It was tailored to pupils of the appropriate grade levels at the school.
- It was written specifically for Nevada and its desert environment.
- It complied with the standards of content and performance for a course of study in science adopted by the State Board of Education pursuant to *Nevada Revised Statutes* (NRS) 389.520.
- It used experimental learning or project-based learning to teach science, technology, engineering, arts, and mathematics.
- It was designed with the assistance of teachers and other educational personnel with experience at the appropriate grade levels at the school.
- It involved supervised learning experiences for the pupils at the school in the classroom and an outdoor garden.

Ms. Fernandez continued that the tactile learning experiences should include assistance from members of the community who had experience with food education, such as local farmers and local chefs, and could provide students with the ability to operate a farmer's market to sell the produce from the school garden and an opportunity for students to see how a meal was cooked using the produce grown from the school garden. Generally, for each school, \$7,000 supported the cost of building the garden program. The remaining funds supported a farmer for 12 months of the year to maintain the gardens weekly and administer workshops

and activities for the program. No federal funding was available to support this type of program. Federal funding from the Children's Nutrition Program operated by the U.S. Department of Agriculture was not authorized to support the construction of school gardens or greenhouses.

Chair Carlton asked for any questions on the bill and, hearing none, asked for any testimony in support of the bill.

Nicole Rourke, Associate Superintendent, Community and Government Relations, Clark County School District (CCSD), testified in support of S.B. 167 (R2). The CCSD currently had 150 gardens at elementary, middle, and high schools. The District had expanded the opportunities for several partners, including Green Our Planet, Cooperative Extension, and other entities to assist with building gardens and creating lesson plans for gardens. All the work was curriculum-based, and she was proud of the projects that the schools had completed. The CCSD had developed a guide for each garden for its maintenance and upkeep so when school personnel changed, a record existed of the accomplishments of the garden, its status, what needed to be done to continue its growth, and the entire associated curriculum. The teachers at Desert Oasis High School used the garden program as an exciting vocational training opportunity for autism students. She wanted to show some photographs of the gardens, but she understood the Committee was short on time.

Chair Carlton asked for any further testimony in support of, in opposition to, or neutral on the bill and, hearing none, closed the hearing on S.B. 167 (R2) and opened a work session. She would hold Senate Bill 121 (R1) until she could confirm the list of the interim studies that had been approved. When appropriate, that bill would be processed at a meeting behind the bar. She said she would process Senate Bill 167 (R2) and Senate Bill 257 (R2).

**Senate Bill 167 (2nd Reprint): Makes an appropriation for the creation and maintenance of school gardens. (BDR S-834)**

Chair Carlton asked whether the Committee had any questions on Senate Bill 167 (2nd Reprint) for the creation of school gardens. The bill was just heard and contained an appropriation. Hearing no questions, she said she would accept a motion to do pass the bill.

ASSEMBLYWOMAN SWANK MADE A MOTION TO DO PASS  
SENATE BILL 167 (2ND REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Anderson and Frierson were not present for the vote.)

Chair Carlton asked Assemblywoman Swank to present the floor statement on the bill.

**Senate Bill 257 (2nd Reprint): Revises provisions relating to the welfare of children. (BDR 38-662)**

Chair Carlton said the Committee just heard this bill. Senate Bill 257 (2nd Reprint) provided funding to allow foster children to participate in extracurricular, cultural, and personal enrichment activities. There were no amendments on the bill. Chair Carlton asked for any questions on the bill and, hearing none, said she would accept a motion to do pass the bill.

ASSEMBLYWOMAN DIAZ MADE A MOTION TO DO PASS  
SENATE BILL 257 (2ND REPRINT).

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Anderson and Frierson were not present for the vote.)

Chair Carlton asked Assemblyman Araujo to present the floor statement on the bill.

Chair Carlton said she would recess the meeting to allow the Committee members to continue the work on the Assembly floor. She was still waiting for some information on one of the bills, and it could be addressed later. She recessed the meeting at 5:40 p.m.

Chair Carlton reconvened the meeting behind the bar at 6:39 p.m. All Committee members were present. She opened a work session on Senate Bill 121 (1st Reprint).

**Senate Bill 121 (1st Reprint): Directs the Legislative Commission to appoint a committee to conduct an interim study concerning problems regarding the behavioral and cognitive care needs of older persons. (BDR S-63)**

Chair Carlton said this bill was heard by the Committee earlier in the evening and was presented by Senator Joyce Woodhouse, Senate District No. 5. Senate Bill 121 (1st Reprint) directed the Legislative Commission to appoint a committee to conduct an interim study on problems regarding the behavioral and cognitive care needs of older persons in Nevada. Chair Carlton had verified that the list of interim studies approved so far had not reached the limit. There was no amendment to the bill. She asked for any questions on the bill and, hearing none, said she would accept a motion to do pass the bill.

ASSEMBLYMAN FRIERSON MADE A MOTION TO DO PASS  
SENATE BILL 121 (1ST REPRINT).

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Carlton said she would present the floor statement on the bill.

Chair Carlton recessed the behind the bar meeting at 6:42 p.m.

Chair Carlton reconvened the meeting at 9:56 p.m. in Room 3137. All Committee members were present. She said the only bill the Committee would consider was Senate Bill 554, which was an emergency request from the Assistant Majority Leader of the Senate. She opened the hearing on Senate Bill 554.

**Senate Bill 554: Revises provisions relating to transportation network companies. (BDR 58-1247)**

Senator Kelvin Atkinson, Senate District No. 4, presented Senate Bill (S.B.) 554. The bill revised the provisions related to transportation network companies (TNCs). He explained that TNCs such as Uber and Lyft provided app [application] based ride services. The 78th Session (2015) passed several bills that authorized and regulated TNC operations in Nevada. The TNCs flourished and thrived throughout the state. He sponsored this bill in an ongoing effort to review and improve the operations of TNCs in Nevada.

Senator Atkinson recalled that at the beginning of the 79th Session (2017), the Department of Business and Industry reported that there were approximately 57,000 TNC drivers in Nevada. He believed that the Legislature still lacked an accurate count of all the TNC data points necessary to guide it to make informed decisions in all areas of TNC operations. The Legislature needed an accurate number of TNC drivers. That data was important as the Legislature considered the dynamic transportation problems that faced the state. The TNCs classified their drivers as independent contractors, not employees. Drivers used their own cars, did not wear uniforms, and worked whatever hours they pleased. In Nevada, independent contractors engaged in business within the state had to register their own business with the Office of the Secretary of State. He said the business registration requirements should be applied fairly.

Senator Atkinson recalled that Assembly Bill 175 of the 78th Session and Assembly Bill 176 of the 78th Session were approved and required a TNC driver to obtain a state business license similar to any other independent contractor in Nevada. All TNCs were required to notify each of their drivers of the state business license requirement, and the TNCs agreed to comply. He had worked with representatives of the TNCs on the provisions in S.B. 554 to address their concerns.

Senator Atkinson continued that section 1 of S.B. 554 required a TNC driver to provide verification to the TNC that he or she held a valid state business license within six months of entering into an agreement with a TNC. The driver had to submit verification annually that he or she had a valid driver's license and provide his or her identification number assigned by the Office of the Secretary of State upon issuance of a state business license. The driver's agreement with the TNC ended if he or she failed to comply with those requirements.

Senator Atkinson commented that subsection 3, section 2 of S.B. 554 required the Nevada Transportation Authority (NTA) to provide a list of the names of TNC drivers to the

Office of the Secretary of State to enforce the existing laws related to the state's business registration. That information had to be kept confidential by the Office of the Secretary of State. Section 3 of the bill required that any driver who had an agreement with a TNC that was in effect on October 1, 2017, was required to provide the first verification that he or she held a valid state business registration on or before the anniversary date of his or her registration. The TNCs agreed to make the bill effective on October 1, 2017, to give them sufficient time to manage those new policies. Former Assemblywoman Marilyn Kirkpatrick tried to ensure that the TNCs required their drivers to hold a valid state business license. That requirement had not been enforced. This bill provided clear direction on the process. The language in the bill had been agreed to by all parties.

Assemblyman Frierson thanked Senator Atkinson for his work with the stakeholders on the bill and appreciated his efforts.

Assemblyman Anderson said he was involved in the conversations during the 78th Session (2015). He recalled the discussion about ensuring that independent contractors were required to have a state business license as part of the agreement. He asked whether the TNCs enforced the business license requirement and provided a database of the drivers. He questioned whether any other industry as a contractor enforced rules on an independent contractor.

Senator Atkinson responded that he was not aware of any industry where the contractor enforced rules on the independent contractor, but he was also not aware of any special legislation that had been created for independent contractors. He created this language to direct the TNCs to require compliance of their drivers. The TNCs had asked similar questions, but the Legislature insisted that the data was needed. The TNCs were not required to develop a database system. The TNCs had to submit the driver information to the Office of the Secretary of State and inform the NTA about who was driving those TNC cars on the roads.

Senator Atkinson commented that other independent contractors had not asked for special legislation. The TNCs were being treated differently because they asked to be treated differently. They asked not to be treated as taxis under the auspices of the NTA. The Legislature had created a different set of requirements for TNCs. This bill did not require the TNCs to enforce the state business license but merely to request proof of the license. Any TNC driver had to submit proof of insurance, a background check, a valid driver's license, and a few other items on the TNC platform. Failure to submit those things resulted in the TNC, such as Uber or Lyft, turning off the driver's app. This business license proof was just another thing TNCs needed to add to that platform to ensure compliance.

Assemblyman Anderson commented that the database he referred to was the list of drivers that would be provided to the Office of the Secretary of State to allow its staff to crosscheck that list against the business license list.

Assemblywoman Swank asked for clarification. She thought the six-month time period would allow individuals to find a loophole. She worried that a driver could drive for almost six months, drop off the network, and then resume driving later without ever obtaining a state business license. She asked whether there was a way that the Office of the Secretary of State could track whether individuals were driving for a period of time just short of that six-month period of time, then dropping off the network, and later resuming driving. She wanted to know whether individuals were trying to circumvent state law.

Senator Atkinson responded that the list of drivers would be helpful to the Office of the Secretary of State to enforce the business license requirements.

Chair Carlton asked for any testimony in support of the bill.

John Griffin, The Griffin Company, LLC, representing Uber Technologies, Inc., testified in support of S.B. 554. He had worked extensively with Senator Atkinson on the language. He had been concerned about the business license requirement since the 78th Session (2015). The compliance problem was discussed during some meetings of the Legislative Commission. The TNC industry was the only industry in the state that would require a private party [a TNC] to enforce aspects of state law against other independent contractors [drivers] with whom it did business. Despite its unique nature, he worked with Senator Atkinson on the bill to develop a process that worked. State law required every individual to have a state business license before conducting business in Nevada. He ventured a guess that half of the lobbyists in Carson City lacked a Carson City business license, although lobbyists were all required to comply. There were a number of instances in which compliance with business license requirements was less than stellar. Senator Atkinson said he wanted the TNC drivers to have the best compliance possible. The TNCs worked with Senator Atkinson on the bill, and the components in the bill accomplished Senator Atkinson's goal in an artful way. The TNCs would submit a list of drivers to the NTA immediately upon drivers being "on-boarded." This bill required the NTA to present that list of drivers to the Office of the Secretary of State. The Secretary of State's Office could perform any verification it wanted with the lists. Enforcement was the responsibility of the Office of the Secretary of State. Noncompliant drivers might be caught within days or weeks if the Office of the Secretary of State had enforcement mechanisms and determined that drivers lacked a state business license.

Mr. Griffin said that the TNCs would verify the individuals who were doing business on their platforms. Senator Atkinson's goal was to improve compliance to 100 percent, and all TNC drivers would obtain valid state business licenses. If 20,000 TNC drivers existed, Senator Atkinson wanted all 20,000 drivers to hold valid business licenses six months from now. The bill was artful in how it was crafted. All the drivers were independent contractors. The TNCs did not know who was driving or when. Many individuals might sign up to drive and get on-boarded, but 30 percent of them would never give a ride. Some working moms would sign up but wait until the children went back to school after summer break before offering rides. The drivers worked whenever they wanted to and lacked assigned hours. There was no formal process to exit the TNC platform. Some individuals might go six or

eight months without ever giving a ride. Then all of a sudden, they might give a ride. Information from the NTA indicated there might be 70,000 drivers, but many drivers had never given a trip. The requirements of the law were that the data should be refreshed annually for drivers whether or not they had given a trip.

Mr. Griffin added that he was unsure whether there was a way to "game" the system. There was no formal exit process, so drivers would just disappear. This bill would trigger an annual process. The TNCs would allow six months before asking drivers for a copy of their business license to be submitted in the next 30 days. Drivers would be notified on their six-month anniversary. If drivers did not intend to drive, the TNCs would not receive their business license, and the drivers would disappear. The drivers who enjoyed driving and making money would comply with the requirement to submit their business license. He thought this bill would improve compliance. The bill would not reduce the number of drivers, and new drivers would have an opportunity to comply with the requirements.

Chair Carlton asked about the process. She understood that a driver who on-boarded must get a business license within six months, and the TNCs would verify that. The TNCs would provide that data to the NTA, and the NTA would transmit the data to the Office of the Secretary of State.

Mr. Griffin responded that when a driver on-boarded, the TNC would immediately transmit that driver's name to the NTA, and the NTA would immediately transmit that name to the Office of the Secretary of State. That happened in real time on day one or day two of the process. When the driver on-boarded, that name would immediately be transmitted to the Office of the Secretary of State.

Chair Carlton asked about the transmission of the list of drivers.

Mr. Griffin responded that the list of independent contractors would be transmitted immediately. Whatever enforcement the Office of the Secretary of State conducted was entirely up to the Office of the Secretary of State. The bill required the TNC to request a copy of the driver's business license upon the six-month anniversary. The TNC would ask the driver to show the TNC a copy of the business license, and the TNC had to provide evidence of that to the NTA. If a driver failed to submit a copy within 30 days, the TNC had to remove the driver from the TNC platform.

Chair Carlton asked whether a regulatory agency or the Office of the Secretary of State would check business licenses.

Mr. Griffin responded that Nevada would have both. The Office of the Secretary of State would check business licenses and the TNCs would check business licenses at a six-month period and provide that list to the NTA. The TNCs would provide a notice to drivers on their six-month anniversary, and if the drivers failed to comply, the TNC would remove the drivers from the platform.

Chair Carlton noted that the process written in the bill avoided a fiscal note because there would not be any state costs. The TNCs would ask the drivers for proof of the business license.

Assemblyman Frierson asked whether the TNCs would agree to change the six-month period of time to a three-month period of time.

Mr. Griffin responded that the six-month period of time could not be changed to three months because the TNCs spent many meetings trying to analyze the process and determined that six months were needed to complete the process. The TNCs found that 30 percent of drivers never took a trip. Under state law, drivers would not be required to have a business license if they did not offer rides. Depending on their life circumstances and financial needs, drivers would offer rides when appropriate. As an example, a divorced dad who needed income might get on-boarded on the platform but never give a trip until after he reorganized and settled his new life.

Assemblyman Frierson interrupted him and said he wanted a yes or no answer; the time was after 10 p.m., and he did not want to spend any more time on this matter.

Michael Hillerby, representing Lyft, Inc., testified in support of S.B. 554. He appreciated Senator Atkinson taking time to work with the TNC industry. There were a number of bills related to TNCs introduced in the 79th Session (2017). He felt this bill dealt with the problems in a way that did not adversely affect the driver community or the ability of the TNCs to serve the tourists. The TNCs had successfully launched their industry and were filling an important role for the communities. This bill struck the right balance to give TNCs the opportunity to be successful. The act of on-boarding a driver meant the driver had completed the background check, the vehicle inspection, insurance, and all the other pieces that were required of an individual starting a business activity. Many drivers did not drive immediately. There was a difference between on-boarding and when that business activity began. The bill struck the right balance to ensure that the drivers followed the proper procedure. Pursuant to Chapter 706A of *Nevada Revised Statutes* (NRS), the TNCs informed every driver about the requirements for state and local business licenses when drivers on-boarded. Drivers were aware of the process and would be made aware of the additional step.

Scott W. Anderson, Chief Deputy, Office of the Secretary of State, testified in the neutral position on S.B. 554. The bill was discussed with Senator Atkinson, and the Office had a couple of concerns. One of the concerns was about the perceived grace period of six months to get a state business license. He did not believe that the statute allowed any grace period. Once a driver started accepting fares, he or she should have a state business license. *Nevada Revised Statutes* (NRS) 76.100 required individuals to have a state business license before doing business in the state. The Office would work with the NTA to determine the proper reporting requirements. The Office was unfamiliar with this type of process, but it would work with the NTA to administer the requirements and develop the required information. The Secretary of State's Office would add this process into its

compliance process. The Office had a small reactive state business license compliance division. He was unsure how many complaints would need to be investigated, but if the Office was understaffed for the process, it would return to the Interim Finance Committee.

Assemblyman Sprinkle asked about section 2, subsection 3 of S.B. 554 regarding what other information might be needed by the Office of the Secretary of State.

Mr. Anderson responded that other information might include an address or anything that might identify that specific contractor to ensure that person had a state business license. A person who was a TNC driver did not need a state business license just for being a TNC driver, but might be a plumber or other worker who already had a state business license. A TNC driver might already have a state business license and could conduct business under an existing state business license. If an individual lacked an existing state business license, then that person would be required to obtain one.

Assemblyman Sprinkle understood that the Office of the Secretary of State might correlate that information with the business license list and other information that the authorities had provided.

Mr. Anderson confirmed that Assemblyman Sprinkle's understanding was correct. The Office of the Secretary of State would do its best to confirm that a driver had a state business license. If not, the Office would notify the NTA and begin its own compliance process to notify the driver that he or she should register for a state business license.

Chair Carlton asked about the penalty in NRS 76.100 for operating without a state business license. The bill appeared to exempt drivers for the first six-month period. She asked how the other businesses were treated that operated without a state business license.

Mr. Anderson responded that the Office of the Secretary of State would notify the person and urge him or her to become compliant. If the person failed to obtain a business license, the Office would refer him or her to the Office of the Attorney General for further action. The penalty was up to \$10,000 for doing business without a state business license.

Assemblyman Anderson noted that there was no grace period in the current statute and asked whether the statute exempted persons from having a state business license for six months. He asked for details of the enforcement mechanism.

Mr. Anderson responded that the grace period was more for reporting to the TNC than actually getting a state business license. The Office believed that once a person began accepting fares, that person should have a state business license.

Assemblywoman Spiegel said her understanding was that when individuals on-boarded with a TNC, their names would be placed on a list that would be transmitted to the NTA and the Office of the Secretary of State. That would then start the process. When drivers failed to provide a copy of their business license, the TNC would turn off their app. She asked

whether the Office of the Secretary of State had plans to keep a list of individuals whose apps were turned off so the Office would know which individuals circumvented the system when they returned to providing rides.

Mr. Anderson responded that this process had been laid out as a conceptual process that was not discussed with NTA. There was still some work that needed to be done on how this would work. There would be some verification using the list to determine who lacked a business license to ensure individuals were not skirting the system.

Chair Carlton said the time limit had arrived. The opportunity had been given for testimony to be presented for, against, and neutral on the bill. She would accept a motion on the bill.

ASSEMBLYMAN FRIERSON MOVED TO AMEND THE TIME LIMIT  
FROM SIX MONTHS TO THREE MONTHS AND DO PASS  
SENATE BILL 554.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

Chair Carlton said Assemblyman Frierson had moved to amend the bill and change the language on page 4, line 1, from six months to three months. The motion was to amend and do pass. She asked for discussion on the motion.

Assemblyman Anderson said he would support the bill as originally written. Senator Atkinson had done good work with the TNC industry to develop a solution that would work. It did not appear that there was an exemption for the state business license. The TNC industry would help the state enforce the state business license fees. At this late hour after something had been worked out, he would support the bill as written, but not with the suggested amendment.

THE MOTION PASSED. (Assemblymen Anderson, Edwards, Hambrick,  
Oscarson, and Titus voted no.)

Chair Carlton said that was the only bill that would be heard in Room 3137. She said there was no reason for the audience in Las Vegas to remain in Room 4401. She doubted the Committee would return to take any actions in Room 3137. Future action might occur at behind the bar meetings. She would not adjourn the meeting, because the meeting would need to remain convened until midnight. The Committee members needed to get to the Assembly floor immediately.

Chair Carlton recessed the meeting at 10:29 p.m.

Chair Carlton reconvened the meeting at 10:53 p.m. behind the bar of the Assembly. All members were present except Assemblywoman Benitez-Thompson. Chair Carlton wanted to consider Senate Bill 550 (1st Reprint), which had been previously heard by the Committee.

**Senate Bill 550 (1st Reprint): Makes an appropriation to a disbursement account for costs relating to a human resource management information system for the Clark County School District and an appropriation to the Washoe County School District for certain other expenses and an appropriation to the Nevada Alliance of Boys and Girls Clubs, Inc. for certain grants. (BDR S-1231)**

Chair Carlton said the Committee had voted earlier in the day to amend and do pass Senate Bill 550. She asked the Committee to rescind its previous action, because there was a new amendment that would be presented.

ASSEMBLYMAN FRIERSON MOVED TO RESCIND THE PREVIOUS MOTION TO AMEND AND DO PASS SENATE BILL 550.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

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

Chair Carlton explained the original version of Senate Bill 550 made a State General Fund appropriation of \$17 million to the Clark County School District for costs related to a human resource management information system for the Clark County School District. Amendment No. 1153 changed the language to add a General Fund appropriation of \$5 million in fiscal year (FY) 2018 to the Washoe County School District for expenses related to information technology, buses, and school police vehicles. Amendment No. 1153 also added a General Fund appropriation of \$1 million in FY 2018 and \$1 million in FY 2019 for the Nevada Alliance of Boys and Girls Clubs, Inc. A Boys and Girls Club operating in Nevada might apply to the Nevada Alliance of Boys and Girls Clubs, Inc., for a grant of money from the General Fund appropriation to provide educational and life skills training. Annual reports of the expenditures would be presented to the Interim Finance Committee. Chair Carlton asked for any questions on the bill and, hearing none, said she would accept a motion to amend and do pass the bill.

ASSEMBLYMAN FRIERSON MOVED TO AMEND AND DO PASS SENATE BILL 550 (1ST REPRINT).

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

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

**Senate Bill 418 (2nd Reprint): Revises provisions relating to air pollution. (BDR 40-970)**

This bill was not heard.

**Senate Bill 430 (1st Reprint): Revises provisions relating to the Achievement School District and makes various other changes relating to public schools. (BDR 34-793)**

This bill was not heard.

**Senate Bill 547 (1st Reprint): Requires certain large school districts to establish, through negotiations with an employee organization, a salary incentive program for professional growth. (BDR 34-1241)**

This bill was not heard.

Chair Carlton said the members needed to return to the business of the Assembly floor and recessed the meeting at 10:58 p.m. Because of time constraints, the meeting was not reconvened. The 79th Session of the Nevada Legislature adjourned *sine die* on June 6, 2017.

RESPECTFULLY SUBMITTED:

---

Janice Wright  
Committee Secretary

APPROVED BY:

---

Assemblywoman Maggie Carlton, Chair

DATE: \_\_\_\_\_

## EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a proposed conceptual amendment to Senate Bill (S.B.) 391 (2nd Reprint) presented by Senator Moises Denis, Senate District No. 2, in support of S.B. 391 (R2).

[Exhibit D](#) is a letter dated June 4, 2017, in support of Senate Bill 391 (2nd Reprint) to Chair Carlton and members of the Assembly Committee on Ways and Means, authored and presented by Sylvia Lazos, Policy Director, Educate Nevada Now.

[Exhibit E](#) is a chart titled "Too few of Nevada's students are Career Ready," presented by Sylvia Lazos, Policy Director, Educate Nevada Now, in support of Senate Bill 391 (2nd Reprint).

[Exhibit F](#) is a letter dated June 4, 2017, in support of Senate Bill 391 (2nd Reprint) to Chairwoman Maggie Carlton, authored by Dr. Tiffany G. Tyler, Chief Executive Officer, Communities in Schools of Nevada, and presented by Ricky D. Gourrier Sr., Government Affairs and Community Relations Manager, Communities in Schools Nevada.

[Exhibit G](#) is a two-page document prepared by the Washoe County School District in support of Senate Bill 49 (2nd Reprint) presented by Lindsay Anderson, Director, Government Affairs, Washoe County School District.

[Exhibit H](#) is an amended version of Senate Bill 49 (2nd Reprint) presented by Lindsay Anderson, Director, Government Affairs, Washoe County School District.

[Exhibit I](#) is a letter dated June 5, 2017, in opposition to Senate Bill 539 to the Chairman and members of the Assembly Committee on Ways and Means, presented by Thomas Boyer, Director, Government Affairs, Novo Nordisk.