

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-ninth Session
May 13, 2017**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 8:37 a.m. on Saturday, May 13, 2017, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Moises Denis
Senator Aaron D. Ford
Senator Ben Kieckhefer
Senator Pete Goicoechea
Senator Becky Harris

GUEST LEGISLATORS PRESENT:

Senator Yvanna D. Cancela, Senatorial District No. 10
Senator Pat Spearman, Senatorial District No. 1

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Lona Domenici, Committee Manager
Barbara Williams, Committee Secretary

OTHERS PRESENT:

Duane Young, Division of Health Care Financing and Policy, Department of
Health and Human Services
Bobbi Thompson, Manager, Minden-Tahoe Airport
Mike Dikun, Nevada Airports Association

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Bill M. Welch, President, Nevada Hospital Association
Kathleen Conaboy, Ambulatory Surgery Center Association
Bobette Bond, Health Services Coalition
Sandie L. Ruybalid, Chief of Information Services, Division of Health Care
Financing and Policy, Department of Health and Human Services
Edward Ableser, Administrator, Aging and Disability Services Division,
Department of Health and Human Services
Cody L. Phinney, Administrator, Division of Public and Behavioral Health,
Department of Health and Human Services
Steve H. Fisher, Administrator, Division of Welfare and Supportive Services,
Department of Health and Human Services
Kelly Wooldridge, Administrator, Division of Child and Family Services,
Department of Health and Human Services
James R. Lawrence, Deputy Director, Department of Conservation and Natural
Resources
Eric M. Johnson, Administrator, Division of State Parks, Department of
Conservation and Natural Resources
Kacey KC, Deputy Administrator, Operations Management, Division of Forestry,
Department of Conservation and Natural Resources

CHAIR WOODHOUSE:

We will start our bill hearing with Senate Bill (S.B.) 265.

SENATE BILL 265 (1st Reprint): Revises provisions relating to prescription
drugs. (BDR 40-809)

SENATOR YVANNA D. CANCELA (Senatorial District No. 10):

I will speak specifically to the fiscal impact of S.B. 265. There were originally
three fiscal notes attached to the bill, two of which were eliminated when the
bill was amended in the policy committee. They were related to the refund
portion of the bill, which has been removed.

The third fiscal note related to what were previously sections 18 through 24. It
was specific to the licensing of pharmaceutical representatives. That language
was replaced by section 8.5 in the Proposed Amendment 4634 (Exhibit C)
which creates a registration process rather than a licensing process. The State
Department of Health and Human Services (DHHS) will have a list of all sales
representatives from each drug manufacturer. The Department will distribute the
list confidentially to medical offices, pharmacies and insurance companies so

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they will be aware of who the authorized sales agents are. The list is to be updated monthly.

Because of this change, the fiscal note from the Division of Public and Behavioral Health (DPBH) has removed their fiscal note in a letter ([Exhibit D](#)). The bill's cost is now zero dollars.

The last change in Proposed Amendment 4634 is in section 7 and references further transparency language requested by some of the stakeholders relating to pharmaceutical benefit managers.

SENATOR KIECKHEFER:
Would the registry be provided to physicians?

SENATOR CANCELA:
It would be provided to physicians, health insurers, pharmacies and entities that regularly meet with pharmaceutical representatives to make sure they know who is registered in the State.

SENATOR KIECKHEFER:
Is there a problem with people pretending to be pharmaceutical representatives?

SENATOR CANCELA:
There is not a problem that I know of, but this is an added layer of transparency to make sure that we, as a State, have a record of who these individuals are and what their business practices look like. On March 1 of each year, the representatives will submit a report to the State detailing which doctors they visited, which drugs they left and so forth. Based on that report, DHHS will compile a report for the Legislature and the Governor. This can help us determine if there is a correlation between doctor's visits and prescribing certain drugs, or between the kind of samples that are left behind and the kind of prescriptions that are written. This will give us data that can help us formulate good policy.

CHAIR WOODHOUSE:
Is there anyone wishing to speak in favor, opposition or neutral of S.B. 265?

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DUANE YOUNG (Division of Health Care Financing and Policy, Department of Health and Human Services):

The bill, as amended, would exempt Medicaid and the Children's Health Insurance Program and remove our fiscal note. You have before you the letter confirming this ([Exhibit E](#)).

SENATOR FORD:

I want to put on the record how much I appreciate the dedication and hard work you and the stakeholders have put into this bill.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 265 and open the hearing on S.B. 528.

SENATE BILL 528: Makes an appropriation to the Fund for Aviation for the enlargement, improvement or maintenance of rural airports, landing areas or air navigation facilities in Nevada. (BDR S-1174)

BOBBI THOMPSON (Manager, Minden-Tahoe Airport):

Today I am representing the rural airports of the Great State of Nevada. My slideshow presentation ([Exhibit F](#)) will help explain why our rural airports need your help.

We are asking for \$100,000 in each of the fiscal years of the 2017-2019 biennium. When *Nevada Revised Statutes* (NRS) 494.048 was created in 2005, we had funding. The program was funded a second time, when we received \$100,000 for each year of the 2015-2017 biennium. Committee members have before them the Procedures Manual for the Grant Program ([Exhibit G](#)).

There are 95 registered airports in Nevada including heliports. There are 6,167 registered pilots and 4,717 registered aircraft. Funding comes from the federal Airport Improvement Plan and is funded through ticket and jet fuel taxes. Nevada has not been receiving our fair share of this federal money. The State has 31 airports within the National Plan of Integrated Airport Systems (NPIAS) which include the commercial airports in Elko, Reno and Clark County.

There are 22 airports eligible for the State Fund for Aviation. Page 4 of [Exhibit F](#) shows where those airports are located. They must be public-use airports, have a master airport plan and serve a community that is more than 30 minutes from an existing NPIAS airport.

In 2015, 13 airports received State matching funds. In 2016, 15 airports benefitted from the Fund. The way it works is illustrated on page 6 of [Exhibit F](#). In this case, Boulder City was awarded a Federal Aviation Administration (FAA) grant for \$1 million to repave a runway. In order to receive that, they needed to come up with 6.25 percent matching funds, or \$62,500. The Fund for Aviation had sufficient funds to reimburse Boulder City at the 28 percent rate, or \$17,500. The Grant Program does state that no airport can receive more than \$50,000. Pages 7 and 8 illustrate similar projects that were funded in Alamo and Ely. Pages 9 and 10 show how airports benefitted from the program in 2015 and 2016.

I can tell you that without the matching funds from the State, some of the projects would not have been completed. Not only do these projects provide vital funds to maintain our rural airports, they provide good jobs for local construction companies, and those wages have a ripple effect through the communities.

SENATOR FORD:

Senator Goicoechea, is this the bill we have been talking about to help Elko?

SENATOR GOICOECHEA:

No, this is a different bill. This \$200,000 goes toward a 6.25 percent match to help rural airports get 93.75 percent FAA funding for projects. Most of the rural airports over the years have accessed this fund. The other bill is a subsidy to carriers to establish new commercial flights to Elko.

SENATOR DENIS:

If the State increases the amount they contribute, does that increase the amount airports can receive in FAA grants?

Ms. THOMPSON:

Yes, it does.

SENATOR GOICOECHEA:

If I recall correctly, we originally funded this program with \$500,000.

Ms. THOMPSON:

That is correct, and that year we were able to secure approximately \$70 million in FAA grants.

MIKE DIKUN (Nevada Airports Association):

The Nevada Airports Association represents the rural airports in the State. Most of you use airports on a regular basis. Airports are not highways. The condition of an airfield must be maintained to a much higher standard. While we do not like potholes in our roads, we can still use the road. Potholes on runways are not acceptable. Markings on runways must be maintained to a high standard. Everything about an airport must be maintained to a high standard, and that can be a challenge for rural communities who have other municipal infrastructure that requires their limited resources.

The airport system in Nevada is a State treasure and a State asset. If the airport is not in good condition, it will be deemed unsafe and not be used. We recommend that the State continue to fund the Fund for Aviation for our rural airports and maintain a system we can be proud of.

SENATOR GOICOECHEA:

If a rural airport is not maintained, the FAA can take it out of service. That does no one any good. The rural airports that I am familiar with have the capability of landing some of our military aircraft as a safeguard.

CHAIR WOODHOUSE:

I am including for the record two letters of support ([Exhibit H](#) and [Exhibit I](#)). Is there anyone wishing to testify on S.B. 528? I see no one.

MS. THOMPSON:

The value of rural airports starts with public safety. Recent flooding and occasional road closures make them critical at times. They have an important role in evacuations, firefighting and patient transportation. I urge you to support S.B. 528.

CHAIR WOODHOUSE:

With that, we will close the hearing on S.B. 528 and open the hearing on S.B. 482.

SENATE BILL 482: Provides for the establishment of a system for rating certain health care facilities. (BDR 40-605)

SENATOR PAT SPEARMAN (Senatorial District No. 1):

I have submitted a Proposed Amendment 4292 ([Exhibit J](#)) and will base my remarks on the amended version.

We often talk about improving health and health care systems in Nevada. We develop and implement programs, appropriate funding, track outcomes and revise our efforts and policy decisions based on what works. Senate Bill 482 aims to take another step toward improving health care in Nevada by increasing transparency and accountability. It builds on what we know works.

This bill requires the DPBH to post on its Website a rating assigned by the federal Centers for Medicare and Medicaid Services (CMS) for each medical facility that receives such a rating. Every facility that receives such a rating from CMS must post its most recent rating in a conspicuous location near each entrance that is regularly used by the public. It must also be posted on the facility's Website, if it has one. The bill also requires DPBH to develop regulations establishing similar rating systems for certain facilities.

Senate Bill 482 is based on the premise that publicly posting a star rating at each facility increases information available to the public and provides information patients can use when deciding where to access care. It creates a mechanism to improve transparency and accountability and inspires facilities to maintain the highest standards of excellence.

The bill relies on a star rating assigned by CMS and also builds on experience DPBH has gained implementing a similar grading system for residential group facilities. At the bill's initial hearing, a Division representative provided testimony regarding how successful this program has been in both improving compliance and in providing a critical tool to help families make well-informed decisions when choosing a facility for a loved one.

The bill requires the Division to post on its Website the CMS star rating outlined for medical facilities and facilities for the dependent. These include a wide range of facilities defined by NRS that I have provided in a list ([Exhibit K](#)). The Division must adopt regulations establishing a system for rating health care facilities that are licensed, have more than 70 beds and are located in a county with a population of 100,000 or more. Currently, that affects only Clark and Washoe Counties. Facility ratings will be used in investigations DPBH is already authorized to conduct. These include investigations the Division may conduct

upon application for a license to operate a facility, upon receipt of a complaint against a facility, or during inspections the Division may conduct anytime without notice. These investigations are already in statute; this is nothing new.

The rating system must provide for the assignment of between one and five stars and must be based on the facility's compliance with various requirements, including resolved and unresolved violations and the severity of those violations. The regulations must include procedures by which a facility may, within 30 days of an investigation or inspection, appeal a finding concerning a violation and request a follow-up inspection.

Ratings given by CMS must be appealed using the provisions prescribed by CMS. A star rating becomes final 30 days after the inspection or investigation on which the rating is based or after completion of any follow-up inspection, whichever is later. Not later than five days after a facility's star rating becomes final, S.B. 482 requires DPBH to post the rating and a report of any unresolved violations on its Website. Facilities must physically post the rating.

In addition, certain health care facilities are required to have a staffing committee. Senate Bill 482 requires the members of the staffing committee be elected by a majority of the licensed nursing staff and certified nursing assistants (CNA) who provide direct care. We have found that if the best person from a particular department is chosen by their peers to be on the staffing committee, it gives the staffing committee more legitimacy and ensures the best procedures are used. In this way, we bring management, nurses and CNAs to the table to make sure that hospitals and health care delivery systems here in Nevada are the very best they can be.

Written staffing policies and documented staffing plans must be signed by each member of the staffing committee and must include a place where a member of the staffing committee may note any objections to the plan. This is in accordance with what we developed in 2013. I learned recently that there has been some confusion as to how the policies were developed and how they were disseminated. *Nevada Revised Statutes* 449 specifically says that the policies are developed by the staffing committee. Some facilities were unaware that was the law.

This bill does not require any additional inspections of health care facilities or facilities for the dependent. It does not establish new standards for such

facilities. It simply shines some light and adds more transparency and accountability. If facilities are doing what they should as required by law and regulation, they should have no problem with S.B. 482. If they are not, their deficiencies will be identified, and they will have an opportunity to correct violations and improve their final rating.

The goal of S.B. 482 is to provide feedback to help facilities improve the care they provide. Existing laws, regulations and standards are in place for a reason—to ensure a certain quality of care. They should be enforced.

I have provided some snapshots of the information readily available on the CMS Website ([Exhibit L](#)). Anyone can input a zip code and find out the CMS rating of the hospitals in their area. Initially, we were going to use a letter grade but found that would not have been practical. The Nevada hospitals agreed to use the CMS rating.

In the current evaluation of hospitals, there is a component that deals with the staffing plan, which is not a component of the CMS rating. A provision of S.B. 482 will require the Division to develop a staffing standard in conjunction with input from hospitals and labor. It will develop a regulation that will define what the star ratings mean. Because there are no additional requirements placed on DHHS besides regulations, the fiscal note has been removed.

It is important for Nevada to make sure our citizens have not only the best quality health care possible, but the information they need to make informed decisions. Without the CMS Website, the public is in the dark as to the quality of care provided by the various facilities. Placing the CMS and staffing plan rating on a facility's Website and on location allows people to find out exactly what they need to know about a facility.

This is not an effort to penalize anyone. We talk about transparency and accountability all the time. We have to hold teachers accountable. We have to make sure government is transparent. This is no different, and medical facilities should be accountable and transparent for the public's benefit.

SENATOR FORD:

This is another example of members working with all interested groups to come together with compromise legislation, and I want to commend Senator Spearman and all the stakeholders for their work.

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BILL M. WELCH (President, Nevada Hospital Association):

We are supportive of transparency and we concur with her intent. We appreciate her work on S.B. 482.

KATHLEEN CONABOY (Ambulatory Surgery Center Association):

We are pleased that the bill uses the CMS star rating system, which is fair and equal for all facilities. Surgery centers also report data to CMS and participate in a quality rating system that does not relate to a grade or star system. We still have some work to do with the sponsor of the bill, but we support the intent.

BOBETTE BOND (Health Services Coalition):

We appreciate that S.B. 482 came forward and the hard work of Senator Spearman and all the stakeholders. We have worked hard on hospital quality over the last decade, and we feel the best solution is transparency.

CHAIR WOODHOUSE:

Is there anyone else wishing to testify on S.B. 482? Seeing none, Senator Spearman, would you like to make any last comments?

SENATOR SPEARMAN:

The CMS Website address is *www.Medicare.gov/hospitalcompare*. You can go to that Website and see how our hospitals in Nevada are doing.

The Website states:

The overall rating summarizes up to 57 quality measures on Hospital Compare reflecting common conditions that hospitals treat, such as heart attacks or pneumonia. Hospitals may perform more complex services or procedures not reflected in the measures on Hospital Compare. The overall rating shows how well each hospital performed, on average, compared to other hospitals in the U.S.

I believe this is a good bill. We always talk about accountability and transparency. This bill combines both. I hope that you will support the measure.

SENATOR KIECKHEFER:

The CMS star rating system focuses on outcomes. The State-provided staffing-rating system is based on staffing plans. My concern is that the two

ratings may be different and therefore confusing to the public trying to determine the quality of care they will receive.

SENATOR SPEARMAN:

I do not think so. Right now, if people want facility information, they have no guidance in how to get it. By putting these ratings in easy-to-access places, I do not think there is any cognitive dissonance whatsoever. It does make sure that in every area people can compare facilities. Consumers become more informed.

CHAIR WOODHOUSE:

With that, we will close the hearing on S.B. 482 and open the hearing on S.B. 530.

SENATE BILL 530: Makes an appropriation to the Division of Health Care Financing and Policy of the Department of Health and Human Services for the completion of the Medicaid Management Information System modernization project and authorizes the expenditure of certain money for such a purpose. (BDR S-1196)

SANDIE L. RUYBALID (Chief of Information Services, Division of Health Care Financing and Policy, Department of Health and Human Services):

Senate Bill 530 appropriates \$3,259,902 for the continuation of the Medicaid Management Information System modernization project. The project is 90 percent funded by CMS, the federal partner. The project continues the design, development and deployment of the system, which is required to run the Medicaid program.

CHAIR WOODHOUSE:

Is there anyone wishing to speak on S.B. 530? Seeing no one, we will close the hearing on S.B. 530 and open the hearing on S.B. 531.

SENATE BILL 531: Makes appropriations to the Aging and Disability Services Division of the Department of Health and Human Services for deferred maintenance projects at the Desert Regional Center and for changing the information system platform for early intervention services. (BDR S-1195)

EDWARD ABLESER (Administrator, Aging and Disability Services Division, Department of Health and Human Services):

Senate Bill 531 is an appropriation for two projects within the Aging and Disability Services Division. Deferred maintenance at the Desert Regional Center encompasses two large projects and many smaller projects for a total of \$453,533. One large project is converting an eight-bed facility into two four-bed facilities to give our consumers more privacy and independence. The other large project is to convert one of the current kitchens into an office for staff.

The second appropriation is for an upgrade to the information system for our early intervention services. This project will cost \$454,915 and is needed to modernize the system. We spoke with Legislative Counsel Bureau (LCB) about an amendment to remove the vendor from the bill so it does not mention a specific vendor.

CHAIR WOODHOUSE:

Are you speaking of the reference to Harmony Information System in section 2?

MR. ABLESER:

That is correct. We would remove the specific vendor name and just reference an information technology system.

CHAIR WOODHOUSE:

Is there anyone wishing to testify on S.B. 531? Seeing no one, we will close the hearing on S.B. 531 and open the hearing on S.B. 532.

SENATE BILL 532: Makes appropriations to the Division of Public and Behavioral Health of the Department of Health and Human Services for a laboratory information system and integrated medication management system.
(BDR S-1197)

CODY L. PHINNEY (Administrator, Division of Public and Behavioral Health, Department of Health and Human Services):

Senate Bill 532 contains appropriations for two information technology requests for DPBH. Both of the systems are designed to increase the availability of information to clinicians as they are making treatment decisions. They would also increase patient safety by reducing the risk of errors. The laboratory information system request is for \$293,774 and is consistent with past requests. In the medication management information request, there is a

reduction of just under \$300,000 that pertains to the maintenance costs going into an existing contract. These systems would increase our compliance with regulation and accreditation standards.

SENATOR DENIS:

Are you updating or replacing your laboratory information system?

MS. PHINNEY:

That system will allow our laboratory information to interface with our medical records. It is a new functionality of two systems that are currently separate.

SENATOR DENIS:

This will be a new system that coordinates two other systems. Will you have to move information from one system to another, and is that included in this appropriation?

MS. PHINNEY:

This includes the project management and the implementation of it.

SENATOR DENIS:

Is the medication management system an upgrade or a new system?

MS. PHINNEY:

We have a medication management system. It does not have the functionality of allowing clinicians to electronically enter orders. That is a key piece of patient safety and error reduction. It does not allow the user to interface with the current electronic medical record, also a key piece of patient safety. This is a move to the next level toward what is expected in current patient health care.

Both of these systems are for our inpatient hospitals where patients do not have a choice about being there and cannot leave.

SENATOR DENIS:

Are these off-the-shelf products customized for us?

MS. PHINNEY:

Yes, we are working with vendors that serve similar kinds of facilities.

CHAIR WOODHOUSE:

Is there anyone wishing to testify on S.B. 532? Seeing no one, we will close the hearing on S.B. 532 and open the hearing on S.B. 533.

SENATE BILL 533: Makes appropriations to the Division of Welfare and Supportive Services of the Department of Health and Human Services for certain information system projects and authorizes the expenditure of certain money for such purposes. (BDR S-1198)

STEVE H. FISHER (Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services):

Senate Bill 533 appropriates funding for four technology initiatives, two that are department-wide for DHHS and two that are specific to the Division of Welfare and Supportive Services. The goal of all four initiatives is to improve the efficiencies across the Department for our staff and the clients that we serve.

Section 1 of the bill appropriates \$127,500 as 10 percent of a project that is funded at 90 percent by the federal government. That project is a master client index to improve reporting and data analytics across the Department. We have five different agencies within DHHS, and each agency has their own database. An individual may exist in all five databases. Our analytics staff spends a lot of time trying to match the data across the five databases. A master client index will save much of this effort, and staff can focus their attention on extracting data and reporting to our executive teams so they can make business decisions.

SENATOR DENIS:

Is the actual cost of the project \$1.2 million?

MR. FISHER:

That is correct. Moving on, section 2 of the bill uses \$1 million of State General Fund appropriations for the modernization of the Access Nevada application. This project would also have a 90 percent match from the federal government, which has already been approved. The total cost of the project would be \$10 million. We currently have a public-facing application. It was built in 2008 and is already antiquated. It is somewhat difficult for our clients to use—the adoption rate is about 40 percent. We want to take advantage of mobile technology and reengineer this application. We would like clients to be able to be notified by text and be given the ability to upload pictures of their forms. These are examples of some of the benefits we envision, and we would like to

increase the adoption rate from 40 percent to 80 percent. Electronic communication also saves our staff a lot of time and effort when determining client eligibility.

SENATOR DENIS:

With this project, does DHHS have the ability to make changes to the system as we move forward, or do you have to have the vendor do that?

MR. FISHER:

We have internal staff who can modify the system going forward. Looking to the future, there would be no maintenance or operation expenses.

Section 3 of the bill is for a department-wide initiative called "no wrong door." With five agencies within DHHS, it can be difficult for citizens to navigate all the services we provide. This project would implement a portal to enable an individual to input specific data and, based on the entered data, determine which services they may be eligible for and electronically refer that individual to the specific agency. From a department perspective, there would be great efficiencies. From a client perspective, there would be huge advantages to being able to navigate all of the services DHHS offers. This project is also funded by the federal government at the 90 percent rate.

SENATOR DENIS:

I think this is a great move on the part of the Department to improve information and access for citizens.

MR. FISHER:

Section 4 of S.B. 533 appropriates funds to replace our antiquated child support enforcement system. This was built with COBOL language technology that is more than 30 years old. We face many challenges going forward with the old system from a maintenance and operations perspective.

As I mentioned in our budget hearing, 20 percent of our information technology staff will be retiring over the next 5 years. That will eliminate most of our staff skilled in working with this old technology. It would be difficult, if not impossible, to replace these individuals. Our workforce coming out of schools today has only seen this technology in history books.

Our child support enforcement program has really come a long way. We have improved from fifty-fourth in the Country to twenty-third in the Country. We are doing well from a business-process perspective. This system needs replacing and doing so will take us to the next level in customer service in this area.

The federal funding on this project is at 66 percent. The State will pay 34 percent of the cost of the project. This is a large, multibiennium project.

SENATOR KIECKHEFER:

Does the requested appropriation complete the project implementation or just fund the upcoming biennium?

MR. FISHER:

This is for the upcoming biennium. We will be back next session for additional funding.

SENATOR KIECKHEFER:

I think these are all necessary projects that will help both the consumers and the Department.

SENATOR DENIS:

The bill appropriates funding for Phase 2 of the child support enforcement system project. How many phases do you anticipate?

MR. FISHER:

Phase 1 was the feasibility study, approved and funded by a previous Legislature. The study was required by the federal agency to be eligible for federal funds. The feasibility study examined many facets of the issue and was completed in 2016. A feasibility study is good for two years. If we do not start the project within the two years, we will have to do another study. Phase 2 is moving forward with the build and implementation of the system.

SENATOR DENIS:

Is there going to be a Phase 3?

MR. FISHER:

Phase 2 is really the entire project including developing and implementing.

CHAIR WOODHOUSE:

I am including for the record a letter from Steven Cohen ([Exhibit M](#)) in opposition to S.B. 530, S.B. 531, S.B. 532, and S.B. 533. Is there anyone wishing to testify on S.B. 533? Seeing no one, we will close the hearing on S.B. 533 and open the hearing on S.B. 534.

SENATE BILL 534: Makes appropriations to the Division of Child and Family Services of the Department of Health and Human Services for deferred maintenance projects essential for the security and operation of certain facilities. (BDR S-1199)

KELLY WOOLDRIDGE (Administrator, Division of Child and Family Services, Department of Health and Human Services):

Senate Bill 534 makes an appropriation for deferred maintenance projects essential to our facilities. This bill funds projects at our juvenile justice facilities: the Summit View Youth Center in Las Vegas for \$152,000, the Caliente Youth Center for \$900,256 and the Nevada Youth Training Center in Elko for \$1,429,662. The bill also appropriates funds for our children's mental health facilities: the Northern Nevada Child and Adolescent Services in Reno for \$70,927 and the Southern Nevada Child and Adolescent Services in Las Vegas for \$286,865.

CHAIR WOODHOUSE:

Is there anyone wishing to testify on S.B. 534? Seeing no one, we will close the hearing on S.B. 534 and open the hearing on S.B. 535.

SENATE BILL 535: Makes an appropriation to the State Department of Conservation and Natural Resources for the Sagebrush Ecosystem Conservation Credit System program. (BDR S-1204)

JAMES R. LAWRENCE (Deputy Director, Department of Conservation and Natural Resources):

You may recall that in the 78th Legislative Session, \$2 million was appropriated for sagebrush ecosystem projects to support the conservation credit system. That appropriation supported projects to protect the greater sage-grouse and it was critical to the State's commitment to the protection of the species. This was a vital factor in the decision by the U.S. Fish and Wildlife Service to not list the species as threatened or endangered.

As we started implementing projects this past biennium, it was discovered that carry-forward language was not part of last Session's appropriation. Because these were long-term sagebrush projects, we had anticipated needing a supplemental request since we believed the money would revert. We have now worked with the Governor's Finance Office and LCB Fiscal staff, and we have a path moving forward where we can handle the carry-forward language in our budget closings. We are requesting to withdraw the supplemental appropriation; we do not feel we will need it.

CHAIR WOODHOUSE:

With that, we will close the hearing on S.B. 535 and open the hearing on S.B. 536.

SENATE BILL 536: Makes appropriations to the Division of State Parks of the State Department of Conservation and Natural Resources for projects at certain parks and recreation areas. (BDR S-1205)

ERIC M. JOHNSON (Administrator, Division of State Parks, Department of Conservation and Natural Resources):

Senate Bill 536 provides for a variety of appropriations that I will outline. The bill includes \$550,000 in funding for the construction and placement of cabins and associated utilities at the new Walker River State Recreation Area. It also includes \$750,000 for the construction of a campground with full hookups including water and power at the new Walker River State Recreation Area. The original request was for \$1,420,000. In an effort to fill a shortfall in the parks budget, this initiative request was reduced by \$670,000.

Additionally, the bill includes an appropriation of \$168,000 for modifications of 48 campsites at 10 State campgrounds. This will accommodate larger recreational vehicles and satisfy customer demand. An appropriation for \$159,000 will fund the construction and placement of cabins at Wild Horse State Recreation Area. Cabin rentals are increasingly popular and have the potential for a high return on investment. This request will serve as a pilot program for future cabins at other State parks.

Lastly, the bill appropriates \$1.2 million for the restoration and stabilization for the ruins at Fort Churchill State Park. The ruins are in an advanced state of decay as the material they are constructed from breaks down rapidly in the

elements. The structures are at significant risk of failing and causing injury to visitors and staff. Signs have been posted keeping visitors away from the ruins.

SENATOR KIECKHEFER:

Can you repeat the reduction in section 1, subsection 3?

MR. JOHNSON:

The reduction in the one-shot appropriation was because we had to fill holes elsewhere in the budget. We eliminated a request for some new vehicles and are making do with repurposed ones. The plan to have flush toilets at the new Walker River State Recreation Area was eliminated and replaced with two vault toilets.

SENATOR KIECKHEFER:

We are not putting flush toilets in our brand new State park?

MR. JOHNSON:

Yes, that is the situation.

SENATOR KIECKHEFER:

What is the difference in the cost of flush toilets versus vault toilets? Is it all going into the same septic system that has to be installed?

MR. JOHNSON:

Yes, the difference in cost is approximately \$90,000.

SENATOR KIECKHEFER:

For how many?

MR. JOHNSON:

That would be for two units. An additional \$90,000 would put flush toilets in the full hookup campground and the primitive campground. The primitive campground will be tent pads.

SENATOR KIECKHEFER:

What is the total number of toilets between those two areas?

MR. JOHNSON:

That would provide eight toilets and four showers.

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SENATOR KIECKHEFER:

That is the first time I have heard about showers.

MR. JOHNSON:

There will be no showers if we put in vault toilets. If there are flush toilet facilities, we would include two showers at each facility.

SENATOR KIECKHEFER:

We are building a brand new State park. I think the expectation of flush toilets and a shower is not unreasonable. I would be interested in knowing if there is any appetite from the Committee to bump this up by \$90,000 in order to put modern conveniences in our brand new campgrounds.

CHAIR WOODHOUSE:

Mr. Johnson, could you put together a letter indicating the cost and get that to us next week?

MR. JOHNSON:

I certainly will.

SENATOR GOICOECHEA:

I have been concerned that we are cutting too many corners in this park. I appreciate Senator Kieckhefer's comments.

CHAIR WOODHOUSE:

Is there anyone wishing to testify on S.B. 536? Seeing no one, we will close the hearing on S.B. 536 and open the hearing on S.B. 537.

SENATE BILL 537: Makes appropriations to the Division of Forestry of the State Department of Conservation and Natural Resources for certain equipment and vehicles and certain deferred maintenance projects. (BDR S-1206)

KACEY KC (Deputy Administrator, Operations Management, Division of Forestry, Department of Conservation and Natural Resources):

Senate Bill 537 makes appropriations for equipment, vehicles and deferred maintenance projects for the Division of Forestry. The bill appropriates \$313,280 for a rescue hoist for the Air Operations Program. The hoist is needed to safely and efficiently perform emergency extractions of injured firefighters or members of the public. Hoists are the safest, most efficient and most tested

means of extraction for necessary immediate medical care. The Division currently has long-line extraction capability, but this is an unapproved method used only as a last resort to save a life. In a long-line extraction, you must have a short distance of travel to the next level of care, as the patient does not get lifted into the helicopter. Rescue hoists allow for a medic to be dropped to the patient and for both to be lifted into the helicopter, providing immediate care and a longer allowable distance to the next level of care. In our rural areas, this is critical to survival. We worked with LCB Fiscal staff on quotes and recently the hoist cost has gone up \$728. However, we are not asking for an increase; we think we can make up the amount with cost efficiencies in other areas.

The next appropriation is \$1,152,932 for three wildland fire engines and a helitack mechanic truck. The fire engines will increase fireline production capability by providing three engines in strategic locations to increase the likelihood of initial attack success during persistent drought. The engines would be given to counties and cooperating agencies who will host the staffing and mechanical expenses of the equipment. The county will use the equipment as needed until there is a period of high fire danger, at which time the State will prioritize the use and pay that county or cooperating agency with emergency response budget funds for use for the benefit of the State. This proposal is modeled after a California Office of Emergency Services program that operates on a much larger scale. This increases capacity for the State and the county or cooperating agency while sharing the burden of cost. When fires are caught in the initial attack phase, it decreases the cost of the fire and the loss of natural resources in Nevada.

The Division is currently using a 1993 Ford one-ton pickup truck with over 150,000 miles as our helitack mechanic truck. This truck broke down last year on the way to the Hot Pot fire near Midas. We have had multiple mechanical issues with the old truck. The helicopters require maintenance and inspection every flight. The mechanic truck has to follow the helicopter to all incidents outside of the dispatch area where they are currently located in Minden. The mechanic truck is critical to the safety and efficiency of all operations and the staff involved.

The bill also appropriates funds for deferred maintenance projects. The Division currently has a backlog of deferred maintenance projects of approximately \$10 million. We did prioritize those that were the most critical for life and safety issues. The appropriation for these projects is \$472,650. This would include

projects at our dispatch facilities, regional and State offices, helicopter hangars and mechanic shops throughout the State. Lastly, the bill provides an appropriation of \$348,004 for life and safety issue projects in forestry conservation camps. The Division has nine conservation camps around the State.

SENATOR GOICOECHEA:

What type of truck are the three wildlife engines you are requesting?

Ms. KC:

They are Type 3 engines.

SENATOR GOICOECHEA:

I know yesterday you had a ten-acre burn at Buckhorn in the Ely District. I believe it was the third fire in the area this week. Eastern Nevada is super-dry, and it is burning already.

Ms. KC:

Historically, the highest fire-danger years are the years directly following wet years.

CHAIR WOODHOUSE:

Is there anyone wishing to testify on S.B. 537? Seeing no one, we will close the hearing on S.B. 537 and begin the work session with S.B. 213.

SENATE BILL 213 (1st Reprint): Revises provisions relating to education.
(BDR 34-583)

MARK KRMPOTIC (Senate Fiscal Analyst) :

Senate Bill 213 was presented to the Committee on May 4. The bill authorizes the Superintendent of Public Instruction to carry out an inspection of a provider of special education and to take certain measures to ensure compliance with the laws governing the education of pupils with disabilities in certain circumstances. The Department of Education indicated in a letter ([Exhibit N](#)) that the fiscal note was not applicable in terms of General Fund impact because the identified cost is reimbursed with federal funds. Washoe County School District removed its fiscal note based on the bill's first reprint.

Clark County School District (CCSD) submitted a revised proposed amendment ([Exhibit O](#)). The bill's sponsor, Senator Heidi Gansert, indicated her support for the CCSD amendment. There was another proposed amendment submitted this morning from Steven Cohen ([Exhibit P](#)). He requests inclusion of language related to a recent U.S. Supreme Court decision, *Endrew F. vs. Douglas County School District*. This refers to Douglas County, Colorado. We have not received a response from LCB Legal Division regarding the applicability of this case. The proposal was not any more specific than that.

SENATOR KIECKHEFER:

While I encourage people to engage, this morning's amendment is pretty late, and we have not had the opportunity to vet it. I would certainly support the CCSD amendment but not the one that was submitted this morning.

SENATOR GOICOECHEA:

I would concur that we should adopt the first amendment and not the one submitted this morning.

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 213 USING THE REVISED PROPOSED AMENDMENT FROM CLARK COUNTY SCHOOL DISTRICT.

SENATOR HARRIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

Senate Bill 522 makes a supplemental appropriation to the State Distributive School Account (DSA).

SENATE BILL 522: Makes a supplemental appropriation to the State Distributive School Account for a shortfall resulting from an unanticipated increase in K-12 enrollment for the 2015-2016 and 2016-2017 school years. (BDR S-1175)

Staff would request that the bill be rolled to work session on another day while Staff attempts to ascertain the impact of marijuana licensing fees that appear to

be received in this fiscal year that may affect the amount of revenue available to the DSA.

CHAIR WOODHOUSE:

We will roll S.B. 522 to a later date when we have more information. We will move on to the next work session bill, S.B. 524.

SENATE BILL 524: Makes a supplemental appropriation to the Division of Forestry of the State Department of Conservation and Natural Resources for a projected shortfall for activities related to higher than anticipated costs for fire suppression and emergency response. (BDR S-1173)

ALEX HAARTZ (Principal Deputy Fiscal Analyst):

Senate Bill 524 makes a supplemental appropriation to the Division of Forestry. This bill was heard by the Committee on May 11. There were amendments to it based on communication with the Division. The first occurs in section 1 on line 3, reducing the proposed appropriation of \$7,060,885 by \$996,951 to a new appropriation amount of \$6,063,934.

The Division has indicated that flood-related work will result in a funding shortfall in the conservation camps' budget due to crews working on nonreimbursable projects. The amendment would propose adding a new section 2 to appropriate \$182,032 to the conservation camps' budget to fund the projected shortfall. That amendment would cause the existing section 2 to become a new section 3.

SENATOR HARRIS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 524 USING A REDUCED APPROPRIATION FOR FIRE SUPPRESSION COSTS AND ADDING AN ADDITIONAL APPROPRIATION FOR CONSERVATION CAMPS.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. HAARTZ:

Senate Bill 525 was also heard by the Committee on May 11. The Nevada Highway Patrol testified on the bill. The bill makes a supplemental appropriation of \$34,358 to the Nevada Highway Patrol Division for a shortfall related to higher than anticipated costs for providing dignitary protective services.

SENATE BILL 525: Makes a supplemental appropriation to the Nevada Highway Patrol Division of the Department of Public Safety for a projected shortfall related to higher than anticipated costs for providing protective services for dignitaries visiting the State of Nevada. (BDR S-1182)

The Division testified that \$14,358 is for the projected costs in the current fiscal year and the remaining \$20,000 in contingency costs in the event an unanticipated visit occurs in this fiscal year.

SENATOR KIECKHEFER:

What happens to any unspent contingency funds?

MR. HAARTZ:

Unspent contingency funds would revert back to the General Fund.

SENATOR HARRIS MOVED TO DO PASS S.B. 524.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WOODHOUSE:

Is there anyone wishing to make public comment? Seeing no one, this meeting is adjourned at 10:05 a.m.

RESPECTFULLY SUBMITTED:

Barbara Williams,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	5		Attendance Roster
S.B. 265	C	20	Senator Yvanna Cancela	Proposed Amendment 4634
S.B. 265	D	1	Cody L. Phinney / DPBH	Letter Removing Fiscal Note
S.B. 265	E	1	Marta Jensen / Health Care Financing and Policy	Letter Removing Fiscal Note - DHHS
S.B. 528	F	10	Bobbi Thompson / Minden-Tahoe Airport	PowerPoint in Support
S.B. 528	G	10	Bobbi Thompson	Nevada Fund for Aviation Grant Program
S.B. 528	H	2	Betty Easley	Email in Support- Hawthorne Industrial Airport Land Use Advisory Committee
S.B. 528	I	1	Wendy Rudder	Email in Support
S.B. 482	J	13	Senator Spearman	Proposed Amendment 4292
S.B. 482	K	1	Senator Spearman	NRS 449 Definitions
S.B. 482	L	4	Senator Spearman	Presentation
S.B. 530	M	2	Steven Cohen	Testimony in Opposition to S.B. 530, S.B. 531, S.B. 532, S.B. 533
S.B. 213	N	1	Will Jensen / NDE	Letter to Explain Fiscal Note- Department of Education
S.B. 213	O	2	Clark County School District	Proposed Amendment Revised
S.B. 213	P	2	Steven Cohen	Proposed Amendment