

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-ninth Session
May 31, 2017**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 8:15 a.m. on Wednesday, May 31, 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

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Karen Hoppe, Senior Program Analyst
Brody Leiser, Senior Program Analyst
Julie Waller, Senior Program Analyst
Jaimarie Dagdagan, Program Analyst
Adam Drost, Program Analyst
Kristina Shea, Program Analyst
Mary Sullivan, Committee Secretary
Felicia Archer, Recording Secretary

OTHERS PRESENT:

Bobby Ernaut, Cleveland Clinic Lou Ruvo Center for Brain Health
Pete Ernaut, Cleveland Clinic Lou Ruvo Center for Brain Health
Chris Daly, Nevada State Education Association

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CHAIR WOODHOUSE:

Our first order of business is to correct an action from yesterday. We need to rescind the vote on Assembly Bill (A.B.) 494, the supplemental appropriation to the Division of Health Care Financing and Policy in the Department of Health and Human Services. We incorrectly moved to do pass as amended.

ASSEMBLY BILL 494 (1st Reprint): Makes a supplemental appropriation to the Division of Health Care Financing and Policy of the Department of Health and Human Services for a projected shortfall resulting from an increase in the Medicaid caseload over the amount legislatively approved for Fiscal Years 2015-2016 and 2016-2017. (BDR S-1176)

SENATOR KIECKHEFER MOVED TO RESCIND THE PREVIOUS ACTION TAKEN ON A.B. 494.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR FORD WAS EXCUSED.)

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SENATOR HARRIS MOVED TO DO PASS A.B. 494.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR FORD WAS EXCUSED.)

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CHAIR WOODHOUSE:

I will open the hearing on Senate Bill (S.B.) 544.

SENATE BILL 544: Ensures sufficient funding for K-12 public education for the 2017-2019 biennium. (BDR 34-1189)

MARK KRMPOTIC (Senate Fiscal Analyst):

Senate Bill 544, also known as the Education Funding Bill, was discussed by the Committee in bill draft request (BDR) form.

JULIE WALLER (Senior Program Analyst):

Senate Bill 544 is the K-12 public Education Funding Bill for the 2017-2019 biennium. The bill appropriates \$1,162,837,609 in fiscal year (FY) 2017-2018 and \$1,140,793,089 in FY 2018-2019 from the State General Fund to the Distributive School Account (DSA). In addition, other non-General Fund revenues are authorized at \$420.5 million in FY 2017-2018 and \$446.2 million in FY 2018-2019. These revenues include annual excise tax on slot machines, sales tax collected on out-of-State sales, interest earned on the Permanent School Fund, revenue from mineral leases on federal land and the room tax revenues from the legislatively-approved initiative petition (IP) 1 from 2009. Additionally, the revenue includes excise taxes on medical and recreational marijuana.

Statewide average basic support per pupil is \$5,897 in FY 2017-2018 and \$5,967 in FY 2018-2019. Enrollment is projected to increase to 476,338 pupils in FY 2017-2018 and 482,292 pupils in FY 2018-2019.

The bill also includes \$186.7 million in FY 2017-2018 and \$199.8 million in FY 2018-2019 for students with disabilities. The bill continues General Fund appropriations for the Class-Size Reduction Program at student-to-teacher ratios of 17 to 1 in Grades 1 and 2, and 20 to 1 in Grade 3. The General Fund appropriation is \$147.4 million in FY 2017-2018 and \$152.1 million in FY 2018-2019.

Section 17 of the bill includes \$6.4 million in FY 2017-2018 and \$8.3 million in FY 2018-2019 for gifted and talented students. Section 18 appropriates \$3.3 million in each fiscal year to the Other State Education Programs Account to continue the Early Childhood Education Programs.

Section 19 includes \$5 million in each fiscal year of the biennium for college and career readiness to support dual enrollment programs as well as science, technology, engineering and mathematics. Section 19, subsection 3, allows between \$500,000 and \$750,000 in both fiscal years of the biennium to provide competitive grants to school districts, charter schools and nonprofit organizations for the development and implementation of work-based learning pilot programs.

Section 20 includes \$2.5 million in each fiscal year of the biennium for underperforming schools, also known as turnaround schools. Section 21

includes \$20.5 million in each fiscal year to continue the Read by Grade 3 grant program. Section 22 appropriates approximately \$50 million in each year of the biennium to continue the Zoom Schools Program and the grant program for the State public charter schools and the rural school districts to enhance their English Learner programs. Subsection 3 provides the calculation for the allocation to the Clark County School District of \$38.7 million and Washoe County School District of \$7.3 million.

Section 23 appropriates \$10 million in each fiscal year of the biennium to continue the Nevada Ready 21 Technology Competitive Grant Program. Section 24 appropriates \$25 million in each fiscal year to continue the Victory Schools Program. The policy for this program is found in A.B. 447, which has been enrolled.

ASSEMBLY BILL 447 (2nd Reprint): Revises provisions relating to Victory schools. (BDR S-717)

Section 25 of S.B. 544 appropriates \$10.7 million in each year of the biennium for block grants to allow schools to hire contract or employee social workers or other licensed mental health workers in schools with identified needs. Additionally, subsection 6 authorizes expenditures of \$478,127 in each fiscal year for the block grant program.

Section 26 appropriates \$2.5 million in each fiscal year for the new Teacher and School Leader Incentive Program. The incentives are available to teachers who are employed fulltime, teach in a Title I school or in schools that receive one of the two lowest possible ratings of underperformance as identified by the Statewide system of accountability. In addition, a new provision allows the incentive funds to be used for special education teachers.

Section 27 appropriates \$7.6 million in each year of the biennium to the Professional Development Programs Account. The allocation to each regional development program can be found in section 28. Section 29 stipulates that of the professional development funds, \$100,000 in both years of the biennium be made available for training of school administrators.

Section 30 appropriates \$4.9 million each fiscal year to the Great Teaching and Leading Fund. Section 31 appropriates \$100 to the Contingency Account for Special Education Services, as well as authorization for an additional

\$1,999,900 in each fiscal year of the biennium to assist school districts with the extraordinary costs of students with disabilities. Section 32 appropriates \$1 million in each fiscal year to continue winding down the purchase of the one-fifth retirement service credit program. Section 33 is a new appropriation for \$90,000 over the biennium to provide bullying prevention grants to school districts.

Section 34 appropriates \$2.5 million in each fiscal year for the Teach Nevada Scholarship Program Account. Subsection 3 authorizes expenditure of \$13,892 in each fiscal year for the Teach Nevada Scholarship Program that is non-General Fund. Section 35 appropriates \$2.5 million in each fiscal year to the Teachers' School Supplies Reimbursement Account to reimburse teachers for out-of-pocket expenses incurred with the purchase of school supplies for their classrooms.

Section 36 authorizes the expenditure of \$185.1 million in FY 2017-2018 and \$191 million in FY 2018-2019 from the State Supplemental School Support Account, which is the IP1 Room Tax money approved to be transferred to the DSA this biennium as a State funding source. Section 38 extends the date of the allocations of the funding from the State Supplemental School Support Account to school districts from 2018 to 2020, when that provision would sunset.

Sections 39 through 43 relate to a change approved by the money committees to allow the State Board of Education to retain the 25 percent portion of the scholarship proceeds and provide additional time for the scholarship recipient who has successfully completed their program and employment requirements to claim those funds. It extends that period from 120 days to 1 year. In addition, it authorizes the State Board to receive the 25 percent funding that the providers of these programs have retained this biennium in trust for these scholarship recipients. The State Board of Education, through the Department of Education (NDE), would manage those 25 percent retention dollars.

Section 44 contains transitory language related to the State Supplemental School Support Account and allows those dollars to transfer to the DSA.

SENATOR KIECKHEFER:

In section 25 regarding social workers, have we always included licensed nurses as eligible for this funding? Does it apply specifically to mental health nurses or does it allow districts to use the funds for regular school nurses?

MS. WALLER:

This provision was approved by the 2015 Legislature and applies to any licensed nurse.

SENATOR KIECKHEFER:

In section 45, on which statute are we extending the sunset?

MS. WALLER:

The Charter School Harbor Master appropriation, included in S.B. No. 515 of the 78th Legislative Session, allowed the nonprofit organization to have that money through June 30, 2019; however, the policy expires June 30, 2017. This provision extends the policy to allow them to continue expending through June 30, 2019.

SENATOR KIECKHEFER:

When we created programs in the 2015 Session, we specifically called for external evaluations. Is there anything that requires an evaluation in the upcoming biennium as the programs develop and bear fruit?

MS. WALLER:

The funding for external evaluations has been continued in the NDE budget, so these programs will continue to be evaluated.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 544, and we will come back to it later today in work session. I will open the hearing on S.B. 545.

SENATE BILL 545: Authorizes expenditures by agencies of the State Government for the 2017-2019 biennium. (BDR S-1186)

MR. KRMPOTIC:

This bill was heard in BDR form. There have not been any changes made to the bill since it was presented as a BDR. It is a State Authorizations Act, so the monies included in this bill include the authorization for State agencies to

expend federal dollars, interagency transfers, fees and any other non-General Fund or Highway Fund monies. The Nevada Department of Transportation (NDOT) is included in this bill, and the authorized expenditures include the State Highway Funds for NDOT. Likewise, the authorized expenditures for the Nevada Gaming Control Board and the Nevada Gaming Commission include General Funds.

KAREN HOPPE (Senior Program Analyst):

The Authorized Expenditures Act, together with the General Fund Appropriations Act, the Education Funding Bill, the Classified and Unclassified Pay Bill and the Capital Improvement Program bill constitute the major budget bills for the ongoing operation of State government for the next two fiscal years and reflect the culmination of a considerable amount of work by the Senate Committee on Finance and the Assembly Committee on Ways and Means.

Senate Bill 545 represents authority for agencies to collect and expend monies, including federal funds, gifts, grants, interagency transfers, service fees and other funds totaling \$16.2 billion over the 2017-2019 biennium. Additionally, due to specific statutory language for these agencies, S.B. 545 includes authority for the Gaming Control Board and the Nevada Gaming Commission to expend \$60.9 million from the General Fund over the biennium. Similarly, the bill includes authority for NDOT to expend \$650.1 million from the State Highway Fund over the biennium.

SENATOR KIECKHEFER:

Is there a section that specifically spells out the amount of awards under the Millennium Scholarship Program?

MS. HOPPE:

There is not specific authorization in the back language of the bill.

SENATOR KIECKHEFER:

What account does it come from?

MR. KRMPOTIC:

The amounts paid out for the Millennium Scholarship Program are paid out of a separate account not included in the Authorizations Act. It is also not included in the Consolidated Bond Interest and Redemption Fund.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 545 and open the hearing on S.B. 546.

SENATE BILL 546: Authorizes and provides funding for certain projects of capital improvement. (BDR S-1187)

BRODY LEISER (Senior Program Analyst):

The money committees closed the 2017 Capital Improvement Program (CIP) on May 20. Senate Bill 546 implements the CIP. A number of projects have multiple funding sources and will be listed in multiple sections of the bill.

Section 1 appropriates \$48 million of General Funds to support a portion of the funding of the 2017 CIP for the projects that are identified under this section. Section 2 limits the authority for expenditure through June 30, 2021, and establishes a reversion of any remaining funds for the identified projects. Similar language is included throughout the bill in sections 4, 7, 9, 11, 13, 16, 18, 20, 22 and 36.

Section 3 appropriates \$4.3 million dollars from the State Highway Fund to support a portion of the funding in the CIP for seven Department of Motor Vehicles (DMV) and Department of Public Safety facility projects. Section 5 restricts the transfer of funds from the Highway Fund for projects identified in section 3 until contract payments are required.

Section 6 of S.B. 546 authorizes \$117.9 million in general obligation (GO) bonds for projects identified in this section. Section 8 authorizes \$42 million in GO bonds for CIP Project 17-C04, the construction of a new DMV service office in Reno. This section also establishes the required annual debt service payment on the bonds for this project to come from the Highway Fund and the Pollution Control Account.

Project No. 17-C04—DMV Facility in South Reno

Section 10 authorizes \$41.5 million in GO bonds to support a portion of the funding for CIP Project 17-C06, the construction of a new engineering building at the University of Nevada, Reno (UNR). This section establishes that the required annual debt service payment on the bonds for this project come from the General Fund. Section 12 authorizes \$1 million of General Fund appropriations in FY 2018-2019 to fund the debt service payments for the GO

bonds that are authorized in section 10. Section 14 specifies that the State Board of Finance will issue GO bonds for the 2017 CIP when it is deemed appropriate. Subsection 2 allows the State Controller to advance General Funds if bonds have not yet been sold to finance projects approved in sections 6 and 10 of the bill. Subsection 3 also allows the State Controller to advance Highway Funds if the bonds have not been issued to finance the new DMV project. If General Funds or Highway Funds are advanced, the amounts must be immediately repaid to the appropriate fund upon the issuance of the bonds.

Project No. 17-C06—New Engineering Building (UNR)

Sections 15, 17, 19 and 21 of S.B. 546 reallocate a total of \$12.1 million in savings from prior CIP projects from 2009, 2011, 2013 and 2015 to support a portion of the costs for the 2017 CIP projects identified in these sections.

Section 23, subsection 1, provides authority of \$84.8 million from funding sources other than the General Fund or Highway Fund. Subsection 2 authorizes the State to receive a federal reimbursement from 2015 CIP Project 15-P02. That project was fully funded by the State, and the Nevada National Guard has received approval for federal reimbursement. Subsection 3 requires that the State Public Works Division (SPWD) not enter into a contract for construction of a project approved in the 2017 CIP that includes non-State funding until it has been determined that such funding is available for expenditure.

Section 24 requires the SPWD to use only qualified personnel to execute the 2017 CIP. Section 25 requires that State and local government entities cooperate with the SPWD in carrying out the provisions of the CIP.

Section 26 approves \$1 million for the Commission for Cultural Centers and Historic Preservation bond program. Section 27 approves \$4.6 million for the Question No. 1 (Q1) bond program. Section 28 approves \$5 million for the Lake Tahoe Environmental Improvement Program bonding and section 29 approves \$1 million for the water infrastructure bond program.

Section 30 of S.B. 546 approves the ad valorem taxes for the Q1 bond program and for GO debt service. For the State's GO debt, 15.45 cents on every \$100 of assessed valuation will be used to support the bonds that are sold for the CIP. For the Q1 program, 1.55 cents for every \$100 of assessed valuation will

be used to support the bonds that are sold. These rates remain the same as approved in the current biennium.

Section 31 requires that the State Treasurer will estimate sufficient funding and determine whether the amount exists in the Consolidated Bond Interest and Redemption Fund to pay the principal and interest on past CIP issuances, as well as current issuances. If there is not enough money in the Consolidated Bond Interest and Redemption Fund, the Treasurer can request of the State Controller to reserve money in the General Fund to pay those debts.

Section 32 authorizes the State Board of Finance to pay expenses related to the issuance of GO bonds. Section 33 authorizes \$146.6 million in FY 2017-2018 and \$141.2 million in FY 2018-2019 to pay for bonds in the Consolidated Bond Interest and Redemption Fund. Section 34 authorizes the SPWD and the Nevada System of Higher Education (NSHE), with the approval of the Interim Finance Committee (IFC), to transfer money from one project within the same agency to another. Section 35 approves slot tax revenue of \$3.5 million from the Special Capital Construction Fund for Higher Education for allocation to NSHE deferred maintenance CIP projects.

Section 37 of S.B. 546 amends the 2015 CIP legislation to reduce the federal funding authority for Project 15-C77, the construction of the Northern Nevada Veterans Home (NNVH). This reduction is the result of approving a General Fund appropriation to advance the construction of the project due to delays in approval of funds for the project at the federal level.

Section 38 clarifies that it is the intent of the Legislature that if federal funding is approved and received from the U.S. Department of Veterans Affairs for the construction of the NNVH, those funds are to be deposited in the General Fund to reimburse the State.

Sections 39 through 45 deal with project extensions. These extend the reversion dates for five prior year CIP projects. There is one project from 2009 and four projects from 2013 that are being extended.

Section 46 revises the percent allocation for the annual debt service payment on the bonds for Project 15-C04, which is the construction of a new DMV facility at the East Sahara Complex in Las Vegas. Based on the actual square footage following construction of the new facility, the Highway Fund will be responsible

for 88.15 percent and the Pollution Control Account will be responsible for 11.85 percent of the annual debt service.

Section 47 authorizes the use of any unspent and unneeded bond proceeds issued for the funding of the construction of the new DMV facility at the East Sahara Complex to be used for the construction of Project 17-C04, the new DMV facility in Reno, prior to the expenditure of any new bond proceeds authorized in section 8 of the bill.

Finally, section 48 states the bill becomes effective upon passage and approval.

SENATOR KIECKHEFER:

Does section 38 regarding the NNVH require federal money received to be paid back to the General Fund?

MR. LEISER:

That section was included to clarify the intent of the Legislature.

SENATOR KIECKHEFER:

Which section appropriates the money for that project from the General Fund?

MR. LEISER:

The appropriation is on page 2 of the bill, section 1, line 24, for \$33,059,672.

SENATOR KIECKHEFER:

Are transfers of project money restricted to being within the same agency?

MR. LEISER:

Section 34 limits, with IFC approval, transfer of funds from projects within the 2017 CIP. There is no authority to transfer money from a 2015 project to a 2017 project.

SENATOR KIECKHEFER:

Has the State Controller had authority over General Fund advances before?

MR. LEISER:

I do not believe that is something that has been done frequently. There was a small advance in the current biennium.

SENATOR KIECKHEFER:

Is it done as a cash flow issue?

MR. LEISER:

That is correct. The language has been included for cash flow purposes. Most bond issuances are made in the fall. With the bill being effective upon passage and approval, if SPWD is ready to move forward on a project that had bonding authority, it can request an advance from the General Fund.

SENATOR GOICOECHEA:

Are we anticipating getting the \$33 million in federal funds for the NNVH this biennium?

MR. LEISER:

It is not known when any federal funding will be released, but we are not counting on it.

SENATOR KIECKHEFER:

In section 23, subsection 3, it states SPWD will not execute a contract until funding is secured. Is that standard language? It would seem to me we might want the flexibility to execute a contract that is contingent upon secured financing so the Department could hit the ground running once the money rolls in.

MR. LEISER:

That language is standard and has been included in previous CIPs. In the last two bienniums, it was limited to federal funding. Senate Bill 546 limits it to any of the funding authorized in section 23.

SENATOR KIECKHEFER:

Project 17-C06 shows \$43 million for the new engineering building at UNR. Is that the non-State share of the building costs?

MR. LEISER:

Yes, it is.

SENATOR KIECKHEFER:

What is the limiting factor in section 23, subsection 3 on the ability to issue a contract if UNR is working on getting pledges?

MR. LEISER:

For this and other NSHE projects that have been approved in the past, donor funds or pledges can be made over a period of time and not be immediately available. To address that from a cash-flow standpoint, the Board of Regents has approved bridge financing or a line of credit that they can draw upon to ensure there is cash available to move forward with the project.

SENATOR KIECKHEFER:

If \$43 million is authorized, can the Board of Regents borrow that amount to be repaid by donor funds? Will that advance be sufficient to meet the requirements of section 23, subsection 3?

MR. LEISER:

The \$43 million is the University's share of the project. It is made up of two components: about \$23 million is GO debt issued by the University and paid back with student fees, and \$20 million will come from pledges and donors. In the event that UNR does not have adequate donor funds up front, it could be secured through bridge financing.

SENATOR KIECKHEFER:

Is that typical practice by NSHE? Does it have the cash to do that?

MR. LEISER:

Bridge financing has been used in the past by NSHE.

SENATOR KIECKHEFER:

Is there a reason the language was changed from "federal funding" to "all non-State funding" in this CIP?

MR. LEISER:

The intent of that language is, regardless of funding source, to ensure where a commitment exists to have funding split for a project in the CIP, that all non-State funds are secured before moving forward and committing State dollars.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 546 and open the hearing on S.B. 543.

SENATE BILL 543: Makes an appropriation to the Lou Ruvo Center for Brain Health. (BDR S-1235)

BOBBY ERNAUT (Cleveland Clinic Lou Ruvo Center for Brain Health):

In July 2009, the Cleveland Clinic in Las Vegas opened a new facility that specializes in the research and treatment of various brain diseases. The Cleveland Clinic has been presenting advancements in health care and benefitting Nevada's economy since its opening.

The Clinic focuses on three main areas:

- Conducting clinical trials to advance new treatments and diagnostic approaches for patients with Alzheimer's, Huntington's, Parkinson's, multiple sclerosis and frontotemporal dementia.
- Partnering with pharmaceutical and biotechnical companies and the National Institutes of Health to bring the best treatments to patients and caregivers.
- Collaborating with other leading global academic institutions to advance the understanding of brain diseases.

The Clinic is also widely recognized for its patient-first approach, which provides patients with traditional and nontraditional care. This includes diagnostic procedures, extensive consultation and direct family services. Patients' families are kept up to date and at ease with the healing process of their loved ones. The facility is ranked second in the 2016 *U.S. News and World Report* listing of the Nation's top hospitals. It was ranked sixth in neurology and neurosurgery and first in cardiovascular care.

Over the past 2 years, the Clinic has conducted nearly 64,000 patient visits, of which 8,000 were Nevadans. I expect many of you have had the heartbreak of watching a loved one succumb to one of these diseases. The appropriation in S.B. 543 will go to an institution that is in the vanguard of the fight to cure brain disease.

PETE ERNAUT (Cleveland Clinic Lou Ruvo Center for Brain Health):

Recently we have finalized a memorandum of understanding (MOU) between the University of Nevada, Las Vegas School of Medicine and the Cleveland Clinic. That MOU will allow for a number of new and exciting collaborations: the establishment of a neurological residency, medical student rotations, behavioral

science research and clinical trials, and an expansion of the telemedicine program that is used in the rural areas. My mother was just diagnosed with Alzheimer's. Without the telemedicine program available in Elko, we would not have access to this care.

We often hear in this and other committees that we do not want the State to be last in everything. The Clinic is a crown jewel in Nevada. This is an opportunity for Nevada to be at the head of the class in behavioral sciences and brain disease treatments. We respectfully ask for the \$2 million appropriation today.

SENATOR KIECKHEFER:
Could we get a copy of the executed MOU?

MR. PETE ERNAUT:
We will make it available to the Committee.

CHAIR WOODHOUSE:
Is there anyone wishing to testify regarding S.B. 543? Seeing no one, we will close the hearing on S.B. 543 and start work session on the budget bills we heard earlier this morning.

MR. KRMPOTIC:
The first budget bill is S.B. 544. This is the Education Funding Bill for the upcoming biennium as presented by Julie Waller. This bill provides funding for K-12 public education over the next two years.

SENATOR FORD MOVED TO DO PASS S.B. 544.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:
Senate Bill 545 is the Authorizations Bill. As presented, this bill would authorize State agencies to expend funds other than State General Fund and State Highway Fund. These funds would include federal funds, fees and interagency

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transfers. As has been past practice, the bill includes Highway Funds for NDOT and General Funds for the Gaming Control Board.

SENATOR FORD MOVED TO DO PASS S.B. 545.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

Senate Bill 546 is the CIP bill that was presented by Brody Leiser. This provides funding and authorization to implement the CIP program for the upcoming biennium as approved by the money committees. It includes a mix of funding sources.

SENATOR PARKS MOVED TO DO PASS S.B. 546.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WOODHOUSE :

We will now stand in recess at 9:14 a.m. to the call of the Chair.

I will reconvene this meeting at 8:39 p.m. We will proceed in work session and begin with S.B. 200.

SENATE BILL 200 (1st Reprint): Revises provisions relating to instruction in computer education and technology. (BDR 34-266)

JAIMARIE DAGDAGAN (Program Analyst):

Senate Bill 200 was heard in Committee on May 8. It was presented by Senator Woodhouse and Mark Newburn, Vice President, Nevada State Board of Education and the Chair of the Nevada Task Force on K-12 Computer Science. The bill, as amended, requires each public high school, charter high school and

university school for profoundly gifted pupils to ensure that a computer science course is made available to pupils enrolled in that school, and allows up to one credit for a completed computer science course to be applied toward general mathematics or science requirements for high school graduation, Millennium Scholarship eligibility or admission to an NSHE institution.

The bill, as amended, further requires each student enrolled in a public school or State facility for the detention of children to receive instruction in computer education and technology prior to the beginning of Grade 6. It requires the NDE, in consultation with the Advisory Council on Science, Technology, Engineering and Mathematics, to review all instruction in computer education and technology and make related recommendations to the State Board.

Finally, the bill allows each school district and charter school to provide related professional development training. This training may be provided directly or through certain other entities designated in the bill.

The bill includes General Fund appropriations of \$2.4 million over the biennium to carry out the provisions of the bill. Six individuals testified in support of the bill. There was no testimony in opposition, and two testifiers in neutral.

The sponsor of the bill, Senator Woodhouse, submitted Proposed Amendment 4763 ([Exhibit C](#)). Changes to section 4 require a public high school and charter high school to allow a pupil enrolled in that school to receive a fourth mathematics credit or a third science credit toward the graduation requirements. Changes to section 6 allow for not more than one credit received for the completion of a computer science course to be applied to successfully complete a course in science and mathematics under certain circumstances, and require the State Board to approve a course in computer science if it deems the mathematics component of the course to be sufficiently rigorous. Finally, changes to section 8.5 revise the General Fund appropriations from \$2.8 million to \$2.4 million over the biennium and change the effective date of section 6 to July 1, 2020. The bill is effective upon passage and approval for the purpose of adopting regulations and performing preparatory administrative tasks. Sections 1, 4, 7, 8 and 9 are effective on July 1; sections 3, 4.5, 5 and 5.5 are effective July 1, 2018; section 6 is effective July 1, 2020; and sections 2 and 8.3 become effective on July 1, 2022.

If the Committee accepts Proposed Amendment 4763, Fiscal staff suggests changing section 8.5 to appropriate the money from the State General Fund to NDE to be transferred to Clark and Washoe County school districts as opposed to appropriating the money directly to those school districts.

SENATOR HARRIS:

The Senate Committee on Education had some concerns on whether the bill would have an impact on an individual's ability to graduate and get into college. Was section 6 an attempt to correct that?

CHAIR WOODHOUSE:

Yes, it was. We worked with representatives of the school districts to make it clear, with strict definitions, to ensure they were not losing a class and that the requirements were stringent.

SENATOR HARRIS:

If I understand correctly, a student needs to get to the point he or she can apply for college with math and science before utilizing the computer class.

CHAIR WOODHOUSE:

That is correct.

SENATOR PARKS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 546 WITH PROPOSED AMENDMENT 4763 AND AMENDING
SECTION 8.5 TO APPROPRIATE THE FUNDS TO THE DEPARTMENT OF
EDUCATION.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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ADAM DROST (Program Analyst):

Senate Bill 303 was heard by the Committee on April 13. It was presented by Senator Woodhouse and Chris Daly with the Nevada State Education Association (NSEA). The bill requires the NDE to generate and carry out a plan for auditing the tools for assessment of students Grades K-12. The bill also requires school districts and charter schools to collect and provide information

requested by the NDE to carry out the audit. The bill further requires Nevada's audit plan to meet the necessary prerequisites for receiving a federal grant under the Every Student Succeeds Act (ESSA). The bill requires the Department to provide a copy of the results of the audit to the State Board of Education and the Legislative Committee on Education.

SENATE BILL 303: Requires an audit of certain performance assessments conducted in public schools. (BDR S-306)

The NDE submitted a fiscal note indicating a cost of \$143,850 in FY 2017-2018. The Department indicates this cost is necessary to build a stakeholder focus group for an estimated cost of \$43,100; develop surveys and report information for approximately \$53,500; and develop an implementation plan for an estimated cost of \$47,250. Although federal grant funding is suggested in the bill, the NDE indicates it has not received confirmation from the federal government that ESSA would provide this funding.

No amendments were presented at the bill hearing. Testimony in support of the bill was provided by the Washoe Education Association, the Clark County Education Association and the NSEA. There was no testimony in opposition. Testimony in neutral was provided by the Superintendent of Public Instruction and the Deputy Superintendent.

Senate Bill 303 is effective upon passage and approval. A conceptual amendment has been provided by NSEA ([Exhibit D](#)). The amendment requires the NDE audit to examine and recommend improvements based on models from other states that are streamlining assessments. The amendment requires the audit results to be completed no later than December 1, and include the IFC in the list of entities to receive the report. Finally, the amendment would modify section 5 by having the Legislative Auditor conduct an audit of student performance assessments. The Legislative Auditor indicates it might be in the best interest of the State to have the NDE generate and carry out a plan, as there are grant funds that could potentially cover the cost.

SENATOR KIECKHEFER:

Does the amendment have both the NDE and the Legislative Auditor doing an audit of the school districts?

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CHAIR WOODHOUSE:

The intent is the NDE would conduct that audit. The appropriation was cut in half for that reason.

SENATOR KIECKHEFER:

Are you planning to process the amendment from the NSEA?

CHAIR WOODHOUSE:

Yes, that is a friendly amendment.

SENATOR KIECKHEFER:

In the NSEA conceptual amendment, section 1 directs the NDE to conduct the audit. Section 5 directs the Legislative Auditor to conduct an audit.

CHAIR WOODHOUSE:

It is my intent that section 5 be removed from the conceptual amendment.

SENATOR KIECKHEFER:

Does the \$50,000 appropriation go to the NDE, not the Legislative Auditor?

CHAIR WOODHOUSE:

That is correct.

MR. KRMPOTIC:

Can we clarify the total amount of the appropriation?

CHAIR WOODHOUSE:

The appropriation is \$50,000 for the audit and \$50,000 for the plan, for a total of \$100,000.

SENATOR KIECKHEFER:

I am concerned about the NDE ability to execute this by December 1. I know that assessments are different in the various districts, and I imagine that contacting each school district around the State would take time.

CHRIS DALY (Nevada State Education Association):

At the hearing, the NDE acknowledged that last year it did some parts of this audit process. One was a survey of district test directors and another was the compiling of focus groups. The Department has conducted the research side of

this audit. The next step would be the actual audit to synthesize the research and then develop a plan. That is why we thought six months was a reasonable time. I know the NDE has already gotten a bid from a vendor, which is where these cost estimates came from.

SENATOR GOICOECHEA:

Although we are appropriating money to the NDE, it is the board of trustees from each school district that will have to provide the information.

MR. DALY:

Last year, through ESSA, the Department used federal funds and collected most of the information.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 303 WITH THE NSEA CONCEPTUAL AMENDMENT BUT WITH SECTION 5 OF THAT CONCEPTUAL AMENDMENT STRICKEN.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR KIECKHEFER VOTED NO.)

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SENATOR KIECKHEFER:

I voted no for now but reserve the right to change my vote on the Floor.

SENATOR GOICOECHEA:

I voted yes, but I will be talking to my school districts about this.

CHAIR WOODHOUSE:

We will move on now to S.B. 482.

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

ALEX HAARTZ (Principal Deputy Fiscal Analyst):

Senate Bill 482 was heard by the Committee on May 13 and as amended by Proposed Amendment 4292 ([Exhibit E](#)), it requires the Division of Public and Behavioral Health (DPBH) of the Department of Health and Human Services to

post a link on its Website to the most recent star rating assigned by the Centers for Medicare and Medicaid Services (CMS) for each medical facility or facility for the dependent in Nevada that receives such a rating. The bill also requires DPBH to adopt regulations establishing a system for rating staffing compliance for each health care facility licensed for 70 or more beds and located in a county with a population of 100,000 or more. The bill further requires DPBH to post certain information related to a facility's rating after each inspection and investigation.

The bill amends *Nevada Revised Statutes* 449.242 to revise the required membership of a facility's staffing committee, and it revises requirements related to a facility's written policy and staffing plan. Based on the original bill, DPBH had submitted a zero-dollar fiscal note. We have a letter ([Exhibit F](#)) from Cody L. Phinney, Administrator, DPBH, indicating that there continues to be no fiscal impact.

There was testimony in support of S.B. 482 by the Nevada Hospital Association, the Ambulatory Surgery Center Association and the Health Services Coalition. There was no testimony in opposition or in neutral.

The Ambulatory Surgery Center Association provided a conceptual amendment ([Exhibit G](#)). This amendment proposes to amend section 1.5, subsection 1, by adding language specifying that DPBH shall alternatively post on its Website a link to the Ambulatory Surgery Center Quality Reporting Program that is managed by CMS. It also adds the requirement that an ambulatory surgery center shall post a notice on its own Website with regard to the Ambulatory Surgery Center Quality Reporting Program and in a conspicuous place close to entrances in the facility.

In reviewing Proposed Amendment 4292, Fiscal staff noted outdated language regarding the funding structure of the DPBH Health Care Facilities Regulation budget. Fiscal staff would suggest a change to section 5, subsection 1, line 11 that refers to this particular program being funded with General Fund appropriations. The words "deposit in the State General Fund" should be stricken and replaced with "credit to the Division." Further, in subsection 2, line 14, strike the word "appropriated," and replace it with the word "authorized."

The bill is effective upon passage and approval for purposes of adopting regulations and performing administrative tasks, and on January 1, 2018, for all other purposes.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 482 WITH PROPOSED AMENDMENT 4292, CONCEPTUAL AMENDMENT LANGUAGE PROPOSED BY THE AMBULATORY SURGERY CENTER ASSOCIATION AND WITH THE SECTION 5 LANGUAGE CHANGES SUGGESTED BY FISCAL STAFF.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS GOICOECHEA, HARRIS AND KIECKHEFER VOTED NO.)

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MR. KRMPOTIC:

Senate Bill 543 was heard by the Committee this morning. The bill makes a \$2 million appropriation from the General Fund to the Lou Ruvo Center for Brain Health at the Cleveland Clinic for research, clinical studies, operations and educational programs. The appropriation is effective July 1. Testimony was presented by Pete Ernaut.

SENATOR FORD MOVED TO DO PASS S.B. 543.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Woodhouse:

That concludes the work session. Is there anyone wishing to make public comment? Seeing no one, this meeting is adjourned at 9:01 p.m.

RESPECTFULLY SUBMITTED:

Barbara Williams,
Transcribing Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	5		Attendance Roster
S.B. 200	C	11	Senator Joyce Woodhouse	Proposed Amendment 4763
S.B. 303	D	2	Chris Daly / NSEA	NSEA Conceptual Amendment
S.B. 482	E	13	Senator Pat Spearman	Proposed Amendment 4292
S.B. 482	F	1	Cody L. Phinney / DPBH	Letter regarding fiscal note
S.B. 482	G	2	Ambulatory Surgery Center Association	Conceptual Amendment