# MINUTES OF THE SENATE COMMITTEE ON FINANCE

# Eightieth Session May 22, 2019

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 6:38 p.m. on Wednesday, May 22, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

# **COMMITTEE MEMBERS PRESENT:**

Senator Joyce Woodhouse, Chair Senator David R. Parks, Vice Chair Senator Moises Denis Senator Yvanna D. Cancela Senator Chris Brooks Senator James A. Settelmeyer Senator Ben Kieckhefer Senator Pete Goicoechea

# **GUEST LEGISLATORS PRESENT:**

Senator Nicole J. Cannizzaro, Senatorial District No. 6 Senator Marilyn Dondero Loop, Senatorial District No. 8

# **STAFF MEMBERS PRESENT:**

Mark Krmpotic, Senate Fiscal Analyst Alex Haartz, Principal Deputy Fiscal Analyst Kimbra Ellsworth, Program Analyst Barbara Williams, Committee Secretary Jennifer McEntee, Committee Secretary

# **OTHERS PRESENT:**

Chris Daly, Nevada State Education Association Brad Keating, Clark County School District

Sarah Adler, Charter School Association of Nevada

Mary Pierczynski, Nevada Association of School Superintendents

Lindsay Anderson, Washoe County School District

Julie Butler, Director, Department of Motor Vehicles

Dawn Lietz, Administrator, Motor Carrier Division, Department of Motor Vehicles

Paul Enos, Nevada Trucking Association

Mary Walker, City of Carson City

Alexis Motarex, Nevada Chapter Associated General Contractors

Karl Wilson, Supervisor, Education Programs, Nevada Department of Education

Sarah Nick, Management Analyst III, Nevada Department of Education

David Dazlich, Las Vegas Metro Chamber of Commerce

Nikki Bailey-Lundahl, Nevada Association of School Boards

Paige Barnes, Communities in Schools

Todd Ingalsbee, Professional Firefighters of Nevada

Raymond McAllister, Nevada State AFL-CIO

Deonne Contine, Director, Department of Administration

Michael Ramirez, Las Vegas Police Protective Association; National Coalition of Law Enforcement

Rick McCann, Nevada Association of Public Safety Officers; Nevada Law Enforcement Coalition

Les Lee Shell, Chief Administrative Officer, Clark County

Dagny Stapleton, Nevada Association of Counties

Jamie Rodriguez, Washoe County

Dalton Hooks Jr., Nevada Self Insurers Association

Kathy Clewett, City of Sparks

Warren Hardy, Nevada League of Cities and Municipalities

Shani Coleman, City of Las Vegas

Tom Dunn, Professional Firefighters of Nevada

Melanie Young, Department of Taxation

Kim Metcalf, Ph.D., Dean, College of Education, University of Nevada, Las Vegas

#### CHAIR WOODHOUSE:

We will begin the hearing with <u>Senate Bill (S.B.) 321</u> which abolishes the Achievement School District (ASD).

SENATE BILL 321 (1st Reprint): Abolishes the Achievement School District. (BDR 34-682)

SENATOR MARILYN DONDERO LOOP (Senatorial District No. 8):

I am here to present <u>S.B. 321</u>, which repeals provisions relating to the ASD. In 2015, this body enacted many bills related to education reform. While many of those programs were positive and merit continuation, some reforms turned out to be long on promises and short on delivery. The ASD is one of those reforms that never quite lived up to the hype.

Sold as a last resort option to improve the performance of the lowest performing schools, the provisions of the ASD legislation would have turned our neighborhood public schools over to charter school operators. I use the phrase "would have" because to date, no public school, as defined by that enabling legislation, has been converted to an achievement charter school under the ASD.

There is no doubt that transforming our lowest performing schools is difficult. It requires immense resources and special leadership from those who have a skill set for implementing change. Our public schools should have the flexibility, funding, resources and staffing to ensure these transformations occur. The lack of funding that plagues our public schools is likely the cause of the failure of the ASD. It has not been successful in its goal of attracting high quality charter school operators to this State.

This lack of high quality operators combined with the lack of enthusiasm in our communities to offer up their neighborhood schools for conversion led the ASD to look for other schools to bring under its purview. For School Year 2017-2018, it authorized 2 charter operators to establish charter schools under the ASD.

Recognizing this method was not authorized by statute during the 79th Session, the Nevada Department of Education (NDE) attempted to enable these charter conversions in an amendment to a measure that failed to pass. Despite the failure of the legislation, which would have allowed charter schools to be converted into ASD charters, the ASD converted 3 additional charter schools into the ASD for School Years 2018–2019 and 2019–2020.

This is why <u>S.B. 321</u> not only repeals the provisions that created the ASD but also contains section 37 which provides for the transfer of charter schools currently under contract with the ASD to the sponsorship of the State Public Charter School Authority. These schools will be required to apply for

sponsorship by the Authority which will ensure they are qualified to operate a charter school in this State and are held to the same standards as every other charter school.

I would like to recognize Senator Woodhouse for her diligence in shining a light on this issue throughout the interim and ensuring that our children are attending high quality schools operating within the boundaries established by this Legislature. There is a positive financial impact to the NDE; the Authority does have a small fiscal note attached.

# CHAIR WOODHOUSE:

Next, we will open the hearing to support testimony on S.B. 321.

# CHRIS DALY (Nevada State Education Association):

The Nevada State Education Association has supported <u>S.B. 321</u>. Since we heard this bill in the Senate Committee on Education, we remain in support to abolishing the ASD. We agree and appreciate the words of Senator Dondero Loop. There are some experiments that do not work. During the selection process at the Board of Education meetings, we mobilized school communities. The feeling in the room was similar to the feeling earlier this evening as communities rejected the concept of the State taking out schools and converting them into achievement charter schools. Abolishing the ASD will save the State money.

# BRAD KEATING (Clark County School District):

Senate Bill 321 is an important bill to the community in Clark County including residents, parents and students. In 2015, the effort was to take over schools that were considered 1-star schools or that did not meet adequate progress. The State only looked at Clark County and tried to determine what schools they could take from Clark County. It has been a failed experiment; the ASD was not able to take over any schools in Clark County. They tried, and the State allocated up to \$10 million for Charter Harbor Master to bring successful charters into the State to takeover schools. The ASD brought in Celerity Educational Group Charter School who was raided by the Federal Bureau of Investigation. Every school needs to do better; we are committed to doing this and providing the best to our students.

SARAH ADLER (Charter School Association of Nevada):

We support <u>S.B. 321</u> and want to thank Senator Dondero Loop for her additional work to ensure the smooth transfer of existing ASDs to the Authority. Families, teachers and administrators embrace the schools they have, and we appreciate the work to transfer them.

MARY PIERCZYNSKI (Nevada Association of School Superintendents):

We support <u>S.B. 321</u>. There is no need to have two separate entities in charge of charter schools in the State. We have the Authority; all the schools that are in the ASD will be able to smoothly transition to the Authority.

LINDSAY ANDERSON (Washoe County School District):

We support <u>S.B. 321</u> for the reasons previously mentioned. At Washoe County School District (WCSD) we had schools that were eligible to be transformed to the ASD. The ASD knows and we know that these schools are low performing. We are doing everything we can to turn this around within our existing infrastructure. We are committed to continuing the work to turn these schools into high-performing schools. We do not need the fear that came with being eligible for the ASD.

## SENATOR KIECKHEFER:

The fiscal note from the Authority is attached to <u>S.B. 321</u>. I presume that the Authority will be able to collect those fees form the schools that they are not overseeing. Would this be a General Fund (GF) appropriation?

MARK KRMPOTIC (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Authority would be able to cover the costs through the fees they collect and not from a GF appropriation. The NDE also identifies fees. Fiscal staff will provide more clarification on what the assumption is with respect to fee revenue for the NDE. Previously, there was a GF appropriation to the Charter School Loan Program budget account (B/A) 101-2708.

**EDUCATION** 

STATE PUBLIC CHARTER SCHOOL AUTHORITY

<u>Public Charter School Loan Program</u> — Budget Page CHARTER SCHOOL-13 (Volume I)

Budget Account 101-2708

## SENATOR DONDERO LOOP:

Our children, school districts, parents and schools deserve the support they need. This is a better way for us to support and assist our neighborhood schools by turning these schools over to the Authority.

## CHAIR WOODHOUSE:

We will close the hearing on S.B. 321 and open the hearing on S.B. 542.

**SENATE BILL 542**: Extends the imposition of a technology fee on certain transactions by the Department of Motor Vehicles. (BDR 43-1210)

JULIE BUTLER (Director, Department of Motor Vehicles):

<u>Senate Bill 542</u> would implement the Department of Motor Vehicles' (DMV) System Technology Application Redesign B/A 201-4716 by extending the \$1 technology fee on DMV transactions through June 30, 2022.

PUBLIC SAFETY

MOTOR VEHICLES

<u>DMV - System Technology Application Redesign</u> — Budget Page DMV-15 (Volume III)

Budget Account 201-4716

The technology fee is needed to ensure a stable source of funding for the DMV's information technology modernization. It will also minimize the use of Highway Funds for this effort over the 2019-2021 biennium.

#### SENATOR SETTELMEYER:

How many people are charged the technology fee? Sometimes, I use the kiosk when I go to the DMV because it is quicker.

#### Ms. Butler:

I do not know how many people are charged the technology fee. We collect about \$7 million a year from the fee.

## SENATOR KIECKHEFER:

Will this fee last as long, as we need it to implement the project?

#### Ms. Butler:

I do not know. I have been trying to inform the legislative bodies that technology projects are never finished. They always have to be refreshed as soon as things are modernized. We will need a stable source of funding for these efforts moving forward. I can not give you a date, nor would I want to in all fairness.

# CHAIR WOODHOUSE:

We will close the hearing on S.B. 542 and open the hearing on S.B. 546.

**SENATE BILL 546**: Revises provisions governing the collection of certain fuel taxes by the Department of Motor Vehicles. (BDR 32-1212)

DAWN LIETZ (Administrator, Motor Carrier Division, Department of Motor Vehicles):

I will be speaking from testimony (<u>Exhibit C</u>) and have provided (<u>Exhibit D</u>) the history behind *Nevada Revised Statutes* (NRS) 373.080. The language in NRS 373.080 states "or in the limitation of DMV to collect only those costs associated with the collection of the additional county taxes" in the header. I am also submitting a memo and emails from the Washoe County and Clark County Regional Transportation Commissions (RTC) (Exhibit E).

#### CHAIR WOODHOUSE:

Next, we will open the hearing to support testimony on S.B. 546.

# PAUL ENOS (Nevada Trucking Association):

We have been involved in many discussions regarding how these local government taxes will be collected and administered with the DMV. We were also involved in 2009 and in 2013. We have always been under the impression that a 1 percent commission was collected by the DMV for the counties. The subheading is different from what NRS states. There are different interpretations on this; it has caused some confusion. To us, this means an additional \$4 million is going back into the Highway Fund. We appreciate the efforts of the DMV to become a fully fee-funded entity by not taking funds from the Highway Fund and collections from the Index Fund.

Our members are responsible for 40 percent of all revenue that goes into the Highway Fund. <u>Senate Bill 546</u> is a good option to clear up confusion. During the budget closing hearing last week, there were issues with option A for the Motor Carrier Division B/A 201-4717.

<u>DMV - Motor Carrier Division</u> — Budget Page DMV-118 (Volume III) Budget Account 201-4717

MARY WALKER (City of Carson City):

We support <u>S.B. 546</u>. This bill continues an agreement that was made between the counties and the DMV over many decades. It is a 0.5 percent fee for rural counties, and they do a lot of work for that. We think it is reasonable.

ALEXIS MOTAREX (Nevada Chapter Associated General Contractors):

We support <u>S.B. 546</u> and appreciate the DMV's effort to clarify this. We appreciate any legislation that ensures that Highway Fund dollars are spent on actual projects rather than administrative costs.

SENATOR SETTELMEYER:

Is that \$4 million per year or per biennium?

Mr. Enos:

It is \$3.7 million over the 2019-2021 biennium.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 546 and open the hearing on S.B. 467.

SENATE BILL 467 (1st Reprint): Revises provisions relating to education. (BDR S-820)

SENATOR MOISES DENIS (Senatorial District No. 2):

I will be speaking from written testimony (Exhibit F).

SENATOR KIECKHEFER:

Is the intent of <u>S.B. 467</u> to extend the deadline and not change the services provided or calculations?

#### **SENATOR DENIS:**

Yes. We made some adjustment in previous Sessions. This time, we did not adjust anything and realized that we needed to extend the end date.

# CHAIR WOODHOUSE:

There is a fiscal note for <u>S.B. 467</u>. This is from the NDE for \$87,158 in fiscal year (FY) 2019-2020 and a like amount in the FY 2020-2021. Can we have someone from the NDE address this?

KARL WILSON (Supervisor, Education Programs, Nevada Department of Education):

I do not have this fiscal note, but I am willing to explain any aspects of it.

## CHAIR WOODHOUSE:

The fiscal note has \$87,158 per year for the 2019-2021 biennium.

SARAH NICK (Management Analyst III, Nevada Department of Education):

The first expense on this fiscal note is for traveling. The NDE is making a shift under the direction of Superintendent Jhone Ebert. We have done compliance and monitoring in the past. During the 2019-2021 biennium, we are putting a focus on supporting our teachers related to instruction that is standards-based. This is to ensure that all students are proficient across subject areas. We want to have more education program professionals in classrooms to support school districts and teachers.

The second and third items in this fiscal note are for desktop monitoring tools. This portion of funding will be spread across a couple of State programs and grants. This is valuable because it allows two-way communication between the State and school districts regarding support, goals, areas of improvement and parameters related to Zoom Schools and Victory Schools. The school improvement tool for Victory Schools and Zoom Schools provides the opportunity for schools and school districts to enter needs assessments. This will inform us where the greatest areas for improvement are related to increasing student achievement. This will also provide communication to the State on how to best support teachers and school districts.

#### SENATOR KIECKHEFER:

If we were to no longer have Victory Schools and Zoom Schools in the next biennium or if schools begin to provide similar services, what would the efficacy be of these tools?

#### Ms. Nick:

Our desktop monitoring tools lag behind National standards on providing two-way communication, setting goal benchmarks and tracking funds that are allocated and spent down. This is why we are particular about desktop monitoring and school improvement. We have looked for other ways to fund these tools, and they are important. This need is specific to <u>S.B. 467</u> which explains the fiscal note.

## SENATOR KIECKHEFER:

Are these tools for software programs or computer hardware?

#### Ms. Nick:

The desktop monitoring school will receive software. The school improvement tool is more advanced than just software.

## MR. WILSON:

Along with the school improvement tool, we are looking at a comprehensive planning process to integrate the needs assessment and selection of strategies to address needs for low performing schools based on evidence. The comprehensive planning process would be anchored in high quality web-based tools for all school. We especially want to help our low performing schools to have a clear planning process for improving outcomes for their students.

# CHAIR WOODHOUSE:

Next, we will open the hearing to support testimony on S.B. 467.

# Ms. Anderson:

The WCSD does not have a fiscal note attached to <u>S.B. 467</u> because we expect the appropriation to come through the kindergarten through Grade 12 funding formula bill to continue these services. Currently, we have 24 Zoom Schools and 4 Victory Schools. We are learning a lot about school improvement through these schools, and we want to see those programs continue. We appreciate the position the NDE is in because we are not allowed to use any Zoom Schools and

Victory Schools funds for oversight of these programs. It can be difficult to do this.

#### Mr. Keating:

We appreciate <u>S.B. 467</u> being brought forward. The Zoom Schools and Victory Schools programs have shown great success in Clark County School District by helping students in need. We look forward to seeing them continue in the future.

#### Mr. Daly:

We supported <u>S.B. 467</u> in the Senate Education Committee hearing. Zoom Schools and Victory Schools are symbols of what is going right in public education here in the State in addition to the important interventions and services that these schools provide. Their cumulative impact on those services helps transform school climate and culture in some of our most impacted communities and schools. The external evaluation by the consulting firm ACS Ventures and research evaluations from the University of Nevada, Las Vegas (UNLV), have shown positive results in Zoom Schools that have been around longer. We trust the Committee to work out the fiscal note attached to <u>S.B. 467</u>, since the amount is a small price to pay for continuing strong programs in our schools.

#### Ms. Pierczynski:

We have supported these programs since they began and continue to support them.

# DAVID DAZLICH (Las Vegas Metro Chamber of Commerce):

Historically, we have supported the Zoom Schools and Victory Schools programs. We believe they should continue to be supported. They are a good investment for Nevada students.

# NIKKI BAILEY-LUNDAHL (Nevada Association of School Boards):

We supported <u>S.B. 467</u> in the policy committee and believe appropriations for these programs continue to help students with the highest needs achieve their highest potential.

# PAIGE BARNES (Communities in Schools):

Funding for Zoom Schools and Victory Schools programs are paying off. Communities in Schools works with Victory Schools to provide integrated

student supports. We see great success through Victory Schools and support their continuation.

## Ms. Adler:

We agree with what has been previously said. Mariposa Dual Language Academy Charter School is a Zoom School we operate in Reno.

#### **SENATOR DENIS:**

These have been great programs and a good investment for Nevada. I have not reviewed the fiscal note attached to <u>S.B. 467</u>; however, I am excited about the tools the NDE wants to use.

# CHAIR WOODHOUSE:

We will close the hearing on S.B. 467 and open the hearing on S.B. 215.

<u>SENATE BILL 215 (1st Reprint)</u>: Revises provisions relating to occupational diseases. (BDR 53-317)

# SENATOR NICOLE J. CANNIZZARO (Senatorial District No. 6):

Firefighters and police officers work every day to ensure Nevadans have a safe place to live, work and raise a family. Their jobs put their lives at risk and expose them to harmful substances during the course of their employment which frequently results in the diagnosis of a serious disease. Responding, battling and investigating, or spending a day in the wake of a fire or car exhaust comes with the exposure of multiple carcinogens and other harmful elements. This exposure can and does leave men and women first responders with the question of what and when cancer will develop in their lives. Often, it is not a question of "if" but a question of "what" and "when."

First responders who are diagnosed with cancer can be temporarily disabled, permanently disabled or can face death. They have an occupational disease that allows them to seek the treatment they need. Senate Bill 215 allows them to seek that treatment. To qualify for treatment, first responders have to be employed for five years, be exposed to a known carcinogen that is associated with a disabling cancer and must prove that the cancer manifested out of and in the course of their employment. This bill seeks to increase the number of carcinogens that cause a certain type of cancer. It also seeks to provide the additional coverage for these first responders who put their lives on the line every single day. This is the policy piece behind this bill.

Many first responders, including female firefighters, are diagnosed with cancers that are not covered under the current law. This is because when the list of cancers was drafted, cancers that are excluded were never considered. We know now that a female firefighter who is diagnosed with uterine cancer, cervical cancer or breast cancer must fight for the needed health care they deserve to save their lives. Senate Bill 215 addresses these inequities to ensure we are protecting the people who protect us every single day.

# TODD INGALSBEE (Professional Firefighters of Nevada):

We are not here to convince you that firefighters have a high risk of contracting cancer. This is why we have current laws in place. As time goes by, legislation needs to be updated to keep up with the changing environment and increased cases of cancer in the firefighting profession. Today's residential fires have more in common with hazmat events than old fashioned house fires. This is due to materials that are common in houses such as building materials, household products, plastics and synthetics. The amount of exposure time has increased due to the limited number of available firefighters which are correlated with budget cuts and staffing problems. Today, firefighters are responding to more fire calls, and retirement restrictions have extended careers.

It is believed that cancer rates are potentially under reported among firefighters because many of them do not discover they have cancer until after retirement. Many cancers take between 5 to 20 years to metastasize. We have made improvements, and there is a current bill that provides us with some protection. We need to increase those protections. Since 2014, Professional Firefighters of Nevada has placed 29 members on a national firefighter memorial wall located in Colorado Springs, Colorado. These members are someone's mother, father, sister, brother, son and daughter.

We were approved to build a memorial, and construction will begin in June 2019. Out of our 29 members, 16 died from cancer. There is a good chance that myself or Raymond McAllister will have cancer, if not both of us. Our current legislation does not address specific cancer coverage for our female firefighters. They deserve and need coverage that is tailored to their gender. We need this change for female firefighters and all the men and women still responding to burning buildings. This is the promise they made when they graduated from their respective academies.

# RAYMOND McAllister (Nevada State AFL-CIO):

I have been dealing with this issue for an extended period of time, and many of the Committee members have heard about this. Section 1, subsection 1, paragraph (a) of <u>S.B. 215</u> provides a clear definition of firefighters and discusses instructors or officers for the provision of training. Fire training officers work in the same environments and many of them will spend time in the field as firefighters and in the training division. While in the training division, they train rookies and conduct burns on burn towers. This section would include these officers.

Under section 1, subsection 2 of <u>S.B. 215</u>, language is added to include law enforcement officers, category 1 peace officers and category 2 peace officers. Section 1, subsection 3 discusses the types of cancers that are covered and their relationship to exposures. Over time, we have found the need to include these chemical relations in response to claims being denied multiple times by insurance companies. These claims were denied because claimants were unable to prove a relationship between contracted cancer and exposure to a specific chemical.

Research has found that these are the types of cancers firefighters are contracting. Expansion of the cancer list is secondary to the increased number of studies that have come out. These studies have found that firefighters are at a higher risk of contracting cancer, and very few studies have been conducted specifically on female firefighters. The number of female firefighters is growing in the ranks; there is a study being conducted in San Francisco, California, related to this that will be coming out soon.

Recently, there was a case in Nevada of a female firefighter who has breast cancer. It was denied throughout the life of the claim until it reached the Nevada Supreme Court. The claim was eventually upheld as a job-related exposure that caused the cancer. Section 1, subsection 4 of <u>S.B. 215</u> clarifies the definition of carcinogens. Section 1, subsection 6 has matching language that is in the current NRS in regards to the heart and lung. This is a conclusive presumption that can arise throughout the course of employment as a firefighter. Even though there is rebuttable presumption which denies claims and treatment, the language in this bill is meant to make those claims more difficult to deny despite continued denials.

Section 1, subsection 6, paragraph (b) of <u>S.B. 215</u> extends the period of coverage after a firefighter's employment has ended. Studies show that it takes a long time for certain types of cancers to metastasize. This language is not new. We worked on this in 2015 with Senator Settelmeyer to make sure that firefighters who work the longest get the most protection. Previously, we had a discussion with Senator Settelmeyer to retroactivity include retired firefighters. Changes were also made to law enforcement officers for rebuttable presumptions and to require documented exposures to known carcinogens.

# SENATOR KIECKHEFER:

Is there a national standard or list we could adopt and reference? Every session we deal with these issues and continue to have members denied. There was a bill Senator Julia Ratti worked on regarding newborn screenings. Implementing a national list would be better than maintaining our own list every two years.

# Mr. Ingalsbee:

We have listed agencies in <u>S.B. 215</u> to base these cancers off of. A national list is an option we could consider. There are hundreds of carcinogens that are not documented. I do not think there is a referenced list that everyone could agree on. We can not use the Centers for Disease Control and Prevention list that Senator Ratti used for her bill. If we had a list like this, we would support it. Many of these are National Institute for Occupational Safety and Health (NIOSH) studies conducted internationally. There is legislation at the federal level to create a cancer registry list that recently passed. This list would report all carcinogens found in fires throughout the United States; we could adopt this sometime in the future.

## SENATOR KIECKHEFER:

Referring to the inclusion of category 1 peace officers and category 2 peace officers, are they included under heart and lung protections?

MR. MCALLISTER:

Yes.

#### SENATOR CANCELA:

I would like to address the fiscal notes on S.B. 215.

#### CHAIR WOODHOUSE:

Would the presenters like to address the fiscal notes?

#### MR. INGAL SBFF:

We can only use the most recent disaster risk reduction numbers based on 2017. It is unclear where the opposition got their numbers from. Senate Bill 215 requires that those records are kept on an annual basis. In 2017, there were 595 worker occupational disease claims of which 18 were cancer claims. Approximately \$1.9 million was spent. The average cost to treat those cancer claims was \$35,000 each.

#### SENATOR CANNIZZARO:

There are a couple of individuals here who will speak to their fiscal notes. Amendments were also proposed during the Commerce and Labor hearing.

# DEONNE CONTINE (Director, Department of Administration):

The most recent unsolicited fiscal note is based on an amendment to further define terms and provide clarity. We reduced the fiscal note to \$71,761 for FY 2019-2020 and \$143,522 for FY 2020-2021. The Department of Administration's (DOA) Risk Management Division conducted their analysis based on the State's population and cancer statistics nationwide to extrapolate projections for Nevada. From this, two additional claims per year were determined.

# **SENATOR CANCELA:**

It is concerning that there are different number sets. Thank you for the clarification.

#### CHAIR WOODHOUSE:

Next, we will open the hearing to support testimony on S.B. 215.

MICHAEL RAMIREZ (Las Vegas Police Protective Association; National Coalition of Law Enforcement):

We support S.B. 215.

RICK McCann (Nevada Association of Public Safety Officers; Nevada Law Enforcement Coalition):

We support <u>S.B.</u> 215. Earlier, there were individuals wearing shirts that said "what is a teacher worth?" What is a police officer worth? What is cancer worth? This needs to be done. First responders protect us every day. This is a growing problem, and <u>S.B.</u> 215 is a well-written bill. We appreciate the opposition and fiscal concerns.

CHAIR WOODHOUSE:

Next, we will open the hearing to opposition testimony on S.B. 215.

LES LEE SHELL (Chief Administrative Officer, Clark County):

We appreciate the sponsor of <u>S.B. 215</u> and the stakeholders we have had conversations with. There are important components we agree with. The reprint of this bill addresses some of our concerns. There are two remaining issues involving a large fiscal note. The first issue is related to the broad expansion of post-employment coverage. Currently, a claim must be filed within 60 months. As the bill is written, claims can be filed throughout the lifetime of the claimant. This expands the timeframe of exposure from 5 years to 15 or more years.

The second issue deals with the expansion to include peace officers. This is a new population for us that we currently do not account for. The Clark County workers compensation fund has \$27 million in reserves for presumptive claims. A portion of this is only used for cancer claims. Depending on what actuarial data shows, this expansion may require an additional \$10 million to \$15 million in reserves that we are not prepared for. Annually, we are required by NRS to provide access to workers compensation coverage. This generally covers us in the event of an unexpected catastrophic loss and becomes more difficult for us to provide every year.

#### DAGNY STAPLETON (Nevada Association of Counties):

We are opposed to <u>S.B. 215</u>. Our members do care about the health, safety and needs of our emergency responders and the risks they face. This also applies to the State's urban counties and 15 rural counties where the majority are insured by the Public Agency Compensation Trust which is a nonprofit risk-sharing pool serving public entities. We are opposed for the reasons that were expressed by Clark County. The proposed expansions do not have an associated plan for counties to pay for these significant changes. The increased and unknown liability will make it difficult for local governments to attain the necessary and required excess insurance that covers catastrophic exposure events. Impacts to the counties may be disproportionate in the rural jurisdictions. We appreciate the proponents of the bill.

# JAMIE RODRIGUEZ (Washoe County):

We appreciate the sponsor and proponents for their cooperation. The reprint of S.B. 215 clarified language that we requested. We are still opposed to the bill as written. We do support the expansion to cover other types of female cancers

and inclusion of arson investigators. For the reasons stated previously, we are opposed.

# DALTON HOOKS JR. (Nevada Self Insurers Association):

Our members agree with comments made previously. There are very few excess carriers. With the fiscal notes and costs associated with <u>S.B. 215</u>, this number may dwindle further. We continue to revise our list of cancers. NIOSH and the International Agency for Research on Cancer provide lists of cancers and other information on carcinogens. Using a national list is possible and is currently done under the Occupational Safety and Health Act of 1970 under Title 29 CFR Part 1910, subpart Z which deals with toxinogens and carcinogens. This information is used to determine what type of protections are needed for personnel protective equipment that is used by firefighters, police officers and other employees in the Nation.

I am aware of issues the sponsors have discussed before. They believe it is more helpful to have an enumerative list as a basis for fending off denials that are inappropriate. We have a streamlined two-stepped process at the administrative level. An appeal to the district court is only on a petition for additional review. The level above this is the Supreme Court. To address the concern of lifetime protection under workers compensation, this ignores that age-related cancers are going to occur and need to be considered in terms of how we are expending this.

My daughter wants to be a firefighter; when she achieves this goal I want her to be treated with respect and protected. We also want to have laws that are fair, balanced, address the fiscal considerations and the need to provide coverage. There is a subsection that turns this into insurance for general purposes and our Supreme Court has been clear that the purpose of workers compensation is not intended to be a panacea. It is meant to address conditions that arise outside of the scope of employment.

# Mr. Dazlich:

My colleagues from Las Vegas have expanded on the increased liability that they would be taking on if <u>S.B. 215</u> is passed. Our opposition to this bill is concerned with the efficiency of taxpayer dollars. The additional liability could cost millions more. An actuarial study will need to be conducted to produce a firm number. Additional funds will come from taxpayers. A large percentage of that will be paid by small and medium sized businesses.

KATHY CLEWETT (City of Sparks):

We oppose S.B. 215. We agree with everything that has been stated previously.

WARREN HARDY (Nevada League of Cities and Municipalities):

We would like to express our concerns with the fiscal notes and uncertainties of S.B. 215. We would like to associate ourselves with the idea that Senator Kieckhefer suggested and find a way to deal with this once and for all. Our members are concerned with the fiscal notes and not the concept.

SHANI COLEMAN (City of Las Vegas):

We agree with what has been previously addressed. We are opposed to S.B. 215.

#### SENATOR CANNIZZARO:

Regarding the fiscal note from the Nevada System of Higher Education (NSHE), this would be lower or nonexistent because it covers individuals who were removed with Amendment No. 478 with respect to the officers who would be included. Senate Bill 215 was amended and the fiscal notes became available after the amendment was approved. This bill would require documentation for police officers and would need to be linked with a documented exposure.

# MR. MCALLISTER:

Legislation was passed in 2001 that required all insurers in the State to report to the Department of Business and Industry's Division of Industrial Relations (DIR) every year on the number of occupational disease claims they have. On the DIR website, they have reports from 2014 through 2017 on all occupational disease claims that were filed in the State. This information is broken out by cancer, heart, lung, hepatitis and others ailments. They also list the cost for medical expenses for those types of claims. In 2017, there were 18 cancer claims by firefighters. Currently, only firefighters have cancer coverage.

The medical cost for all 18 claims was \$1.9 million. There are approximately 2,700 firefighters in the State. The Las Vegas Metropolitan Police Department has approximately 2,800 officers. It is estimated that they will have 135 claims per year. In 2016, there were 13 cancer claims by firefighters. In 2015, there were 8; in 2014, there were 6 claims. I am not sure where these numbers came from on the fiscal notes. Based on data from the DIR, the numbers would not show 135 claims with the requirement of documented exposure.

#### SENATOR KIECKHEEER:

I understand that in this profession there is repeated exposure over time. For category 1 peace officers and category 2 peace officers contraction of cancer hinges on one-time exposure with acute risk at the moment of exposure. There are always long-term risks of cancer based on a single exposure. Is there a process in place where all exposures are documented?

# MR. MCALLISTER:

There is an occupational disease exposure form for this purpose. I have worked on fires involving meth labs. Police officers usually arrive on the scenes before firefighters to direct traffic or to run into the building looking for someone. Often these officers do not know that they are in a meth lab. In these instances, they have been exposed to all of the chemicals involved. On a regular house fire, they would be exposed to all of the same chemicals a firefighter is exposed to. The difference to this exposure is the length of time. These officers would also file an exposure form for proper documentation.

## SENATOR KIECKHEFER:

Does the science show that a single exposure can give someone cancer 10 or 20 years after, or does there need to be frequent exposure?

### MR. MCALLISTER:

The research shows that cancer can be caused by a single exposure. Repeated exposure is more prevalent. In <u>S.B. 215</u>, law enforcement officers do not have long-term coverage after they retire as opposed to firefighters. Police officers get 3 months for every year of service up to a maximum of 60 months.

## CHAIR WOODHOUSE:

We will close the hearing on <u>S.B. 215</u> and open the hearing on <u>S.B. 322</u>.

**SENATE BILL 322 (1st Reprint)**: Revises provisions relating to peace officers. (BDR S-918)

#### SENATOR CANNIZZARO:

Senate Bill 322 seeks to provide parity among law enforcement in the State. Under this bill, any officer who is under a paramilitary organization will be allowed a 10 percent pay increase for those who are at a level of sergeant or below and a 5 percent increase for those who are at a level of sergeant or higher. This bill also includes parameters to ensure that compensation between

the ranks is also commensurate with experience and job duties of those officers. The bill would provide that compensation at the sergeant level must be 5 percent higher than the rank below the sergeant. This will create parity between the individuals who work in various different capacities and job duties within our State law enforcement divisions.

Senate Bill 322 also discusses officers who are not under a paramilitary organizational structure and provides a 5 percent increase for those officers. There are many fiscal notes on this bill from the various law enforcement divisions who are effected. This bill was amended from its time in the Senate Committee on Commerce and Labor. There was an expansion of what would qualify as a law enforcement officer for the purposes of the bill. There are other inclusions for heart and lung protections. These were removed from the bill and deal with increased pay. Because of this, there were adjustments to some fiscal notes. We would also like to talk about what this would mean if there were different categories within the State law enforcement organizations that were covered.

# MR. McCann:

There are many high fiscal notes attached to <u>S.B. 322</u>. There is a tendency to not deal with this bill and deal with other needs. I can not do much about the fiscal notes. The fiscal note process is simple according to notes that are attached to this bill. However, there are other issues to keep in mind. This is a pay bill to increase pay for all State law enforcement on a graduated scale. There are differences between paramilitary structured organizations and non-paramilitary organizations with the kind of money they receive. I look at this bill in three different categories: fiscal notes for FY 2019-2020, FY 2020-2021 and future biennia.

Of all the groups who have submitted fiscal notes, by excluding the Department of Public Safety (DPS) and the Department of Corrections (DOC), the total comes to \$1.5 million in FY 2019-2020 and \$1.9 million in FY 2020-2021. With the addition of DPS and DOC, the total increases drastically. Local government fiscal notes have been submitted and do not apply. There is \$18.6 million in future biennia that would not apply. This is because they are not State law enforcement organizations. Section 1 of S.B. 322 has been removed. The DOA has offered an amended fiscal note. Many of the fiscal notes address issues with pay increases.

The fiscal notes from NSHE and DMV were combined with information in section 1 of <u>S.B. 322</u> which is not applicable. We are dealing with a lot of money. The State employees who would be effected by this bill risk their lives. Can we use this bill as a vehicle to provide these pay increases? This is a fiscal note process that we should not walk away from. Some of these fiscal notes are subject to changes and are not completely accurate. Changes made to the bill have included everyone. We are willing to have discussions on ways to adjust these numbers. Pay raises are necessary. We do not have collective bargaining. Until we get collective bargaining, we can not tell these people to wait. These people will find employment somewhere else. The Committee needs to consider these fiscal notes with a sense of urgency by embracing them.

# **SENATOR PARKS:**

Previously, we found that there were many sworn officers in a wide variety of categories throughout the State. In response to this, I got the DOA's Division of Human Resource Management to create a class specification for sworn law enforcement. Will this bill cover all employees under this class specification?

#### Mr. McCann:

Yes. This includes agriculture enforcement officer 2 positions and agriculture enforcement officer 3 positions under title 13.101 and 13.102 respectively. This bill would not include forensics specialists.

#### CHAIR WOODHOUSE:

Next, we will open the hearing to support testimony on S.B. 322.

#### MR. MCALLISTER:

We support <u>S.B. 322</u>. There was a previous bill that required State peace officers to repay the State for the cost of their training if they left their employment within a specific time period. This was enacted because many of these officers were leaving for better paying jobs. They will not leave if we pay them more. This will help save costs on training.

# MR. RAMIREZ:

We support <u>S.B. 322</u> for reasons that were previously mentioned. We constantly see people who come from DPS, DOC and other State agencies to receive better benefits. We want everyone to receive the pay they deserve.

Tom Dunn (Professional Firefighters of Nevada):

We support <u>S.B. 322</u>. It was announced in Washoe County this week that the median home price has increased to \$400,000. For all reasons stated previously, DPS and other State organizations are losing employees to better paying jobs. This bill will help provide stability to those organizations and prevent loss of employees to the private industry or other local government employers who can pay more.

#### CHAIR WOODHOUSE:

We will close the hearing on <u>S.B. 322</u> and open the hearing on <u>S.B. 497</u>.

SENATE BILL 497: Eliminates certain filing requirements related to the commerce tax. (BDR 32-1198)

MELANIE YOUNG (Department of Taxation):

Senate Bill 497 is an efficiency measure for the Department of Taxation (DOT) which eliminates filing requirements for commerce taxpayers who are under the threshold of \$4 million. This bill reduces the cost to the State and is taxpayer friendly. The proposal has a GF savings of \$37,288 over the 2019-2021 biennium. A problem we have at the DOT is that about 72.2 percent of taxpayers who are required to file this commerce tax do not file. By having to pursue these taxpayers, we will have increased costs. This bill revises NRS 363.200 by eliminating anyone under the \$4 million threshold. I am submitting additional testimony (Exhibit G).

#### CHAIR WOODHOUSE:

We will close the hearing on S.B. 497 and open the hearing on S.B. 376.

**SENATE BILL 376**: Revises provisions relating to the Nevada Institute on Teaching and Educator Preparation. (BDR 34-732)

SENATOR JOYCE WOODHOUSE (Senatorial District No. 5):

I will be speaking from testimony (<u>Exhibit H</u>). As an educator and administrator who provided a lot of professional development to teachers, it is really frustrating. We need to make sure our professional development programs are at the level they need to be for teachers. The best news about <u>S.B. 376</u> is that last week we funded it in the budget for a total of \$2.5 million. <u>Senate Bill 376</u> is a policy bill; we do not need an appropriation for it. It is important for us to

do this. I urge your support. The UNLV has the first round of the Nevada Institute on Teaching and Educator Preparation (NITEP) on their campus.

KIM METCALF, Ph.D. (Dean, College of Education, University of Nevada, Las Vegas):

We are the grateful recipient of the first round of NITEP funding. It allowed us to establish the program at UNLV. Our first cohort of students who were admitted last fall is moving to their respective sophomore and senior years. They will begin completing more intensive practicum experiences. Recently, we admitted the second cohort of students for the program. We have 12 incoming freshmen with 10 from Nevada, 1 from New York and 1 from Kentucky.

We are in the process of recruiting a comparable number of students who will be moving into their junior year. This will keep a large group of people in the pipeline. They are currently engaged in partnerships, research and unique experiences with our partners at Paradise Elementary School in Las Vegas. Revisions that have been proposed to <u>S.B. 376</u> make sense given how the original bill was written, and the way things have played out. The UNLV and students are excited about this.

## SENATOR KIECKHEFER:

Under section 1, subsection 3, paragraph (b) of <u>S.B. 376</u> it discusses ways to support students by either allocating money to the students or reimbursing them for the cost of obtaining a teaching degree. How do you envision implementing this? What does it mean financially?

#### Mr. Metcalf:

This is structured by students receiving a fellowship as a stipend based on the number of years they have been in school; freshmen receive a stipend of \$1,500, sophomores receive \$2,500, juniors receive \$5,000 and seniors receive \$7,500. This is structured to reward students for continuing the program and to engage students more broadly within clinical experiences as they move through the program. This requires more time of them; however, we do not want the students to feel they need to work a full-time job to pay for school. We also do not want to limit the ability for students of low income to participate.

In addition, students are eligible to receive funds from the Teach Nevada Scholarship. We are working with the honors college and financial aid office to identify other sources of funding that are available to students. It is our goal to

recruit the best and brightest students into teaching careers. Through <u>S.B. 376</u>, we can make sure finances are not restrictive. Of the cohort of freshmen we have admitted for next year, the majority of them are qualified for and will be admitted to the honors college at UNLV. This has helped us attract people of high academic ability to careers in education.

#### VICE CHAIR PARKS:

We will close the hearing on S.B. 376.

#### CHAIR WOODHOUSE:

In regard to closing actions that were taken last week for the NITEP program appropriation, the amount is for \$1.5 million and not \$2.5 million over the 2019-2021 biennium.

Next, we will open a work session on S.B. 500.

<u>SENATE BILL 500</u>: Revises provisions governing financial support for assisted living facilities. (BDR 40-1202)

ALEX HAARTZ (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 500 was heard on April 15, 2019. This is a budget implementation bill for the Department of Health and Human Services (DHHS) Aging and Disability Services Division (ADSD). Existing law requires the DHHS to use funds for certain purposes in the Fund for a Healthy Nevada. The \$200,000 is intended to pay for assisted living facilities that meet certain criteria and provide specific services. This bill removes the requirement for the DHHS to make this allocation and provides flexibility to use the funds for other purposes described in NRS 439.630.

As experienced in previous biennia, if the funds are not expended, they will remain in the Fund for a Healthy Nevada. This was approved by the Senate Committee on Finance and Assembly Committee on Ways and Means on May 13, 2019. During the initial hearing, many individuals testified in support and none testified in opposition or neutral. There is a friendly amendment (Exhibit I) that the ADSD accepts. This amendment was provided by the Nevada Assisted Living Association and proposes three changes. The first change removes the requirement for assisted living providers to be certified in providing

services or housing to low and moderate income seniors. This requirement is replaced with the requirement for providers to be a Nevada Medicaid provider.

The second change adds language to clarify that funds must be used for the development of new and or expansion of existing assisted living facilities. The third change proposes additional language specifying that funding can be used to support independent living programs operated by the ADSD in the event that there is no interest by an operator of an assisted living facility. This bill falls under the Tobacco Settlement Program B/A 262-3140 and is included in the base budget. The provisions of this bill become effective on July 1, 2019.

**HEALTH AND HUMAN SERVICES** 

AGING AND DISABILITY SERVICES

<u>HHS-ADSD - Tobacco Settlement Program</u> — Budget Page DHHS-ADSD-16 (Volume II)

Budget Account 262-3140

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 500.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR WOODHOUSE:

The next bill is S.B. 508.

SENATE BILL 508: Makes an appropriation to the State Department of Conservation and Natural Resources for the replacement of information technology infrastructure. (BDR S-1178)

KIMBRA ELLSWORTH (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 508 appropriates \$205,183 from the GF to the State Department of Conservation and Natural Resources (SDCNR) for the replacement of shared

information technology infrastructure. This includes tape backup system equipment, file servers and associated hardware and software. The bill requires that any remaining balance must not be committed for expenditure after June 30, 2021, and that any remaining balance must revert back to the GF on or before September 17, 2021. This bill was heard on May 21, 2019, and was presented by a representative of the SDCNR. There was no testimony against or in neutral to the bill. It contains an appropriation that is included in the Executive Budget and becomes effective upon passage and approval.

SENATOR GOICOECHEA MOVED TO DO PASS S.B. 508.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR WOODHOUSE:

The next bill is S.B. 509.

**SENATE BILL 509**: Makes appropriations to the Division of Water Resources for the replacement of vehicles and computer software and hardware. (BDR S-1181)

Ms. Ellsworth:

<u>Senate Bill 509</u> appropriates \$275,465 from the GF to the SDCNR Division of Water Resources. This is for the replacement of vehicles and computer hardware and software. The bill requires that any remaining balance of the appropriation must not be committed for expenditure after June 30, 2021, and any remaining balance must revert to the GF on or before September 17, 2021. The bill was heard on May 21, 2019, and was presented by a representative from the SDCNR. There was no testimony against or in neutral to the bill. The bill contains an appropriation included in the <u>Executive Budget</u> and becomes effective upon passage and approval.

SENATOR BROOKS MOVED TO DO PASS S.B. 509.

SENATOR PARKS SECONDED THE MOTION.

#### **SENATOR PARKS:**

Are these two separate appropriations for vehicles and computer hardware and software?

# CHAIR WOODHOUSE:

Under section 1, subsection 1 is the \$115,554 for the replacement of vehicles?

Ms. Ellsworth:

Yes.

# CHAIR WOODHOUSE:

Is the \$159,911 for the replacement of computer hardware and software?

Ms. Ellsworth:

Yes.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

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May 22, 2019 Page 29				
CHAIR WOODHOUSE: There being no further business, this meeting is adjourned at 9:47 p.m.				
	RESPECTFULLY SUBMITTED:			
	Michael Keever,			
	Committee Secretary			
APPROVED BY:				
	_			
Senator Joyce Woodhouse, Chair				
DATE:	_			

Senate Committee on Finance

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	Α	2		Agenda
	В	8		Attendance Roster
S.B. 546	С	2	Dawn Lietz/ DMV	Testimony
S.B. 546	D	9	Dawn Lietz/ DMV	Supporting Exhibits
S.B. 546	Е	3	Dawn Lietz/ DMV	RTC Memo and Emails
S.B. 467	F	5	Senator Moises Denis	Testimony
S.B. 497	G	1	Melanie Young/ DOT	Testimony
S.B. 376	Н	6	Senator Joyce Woodhouse	Testimony
S.B. 500	I	1	Nevada Assisted Living Association	Friendly Amendment