

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Eightieth Session  
May 23, 2019**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 8:07 p.m. on Thursday, May 23, 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. Settlemeyer  
Senator Ben Kieckhefer  
Senator Pete Goicoechea

**STAFF MEMBERS PRESENT:**

Mark Krmpotic, Senate Fiscal Analyst  
Alex Haartz, Principal Deputy Fiscal Analyst  
Cathy Crocket, Senior Program Analyst  
Kimbra Ellsworth, Program Analyst  
Julie Waller, Senior Program Analyst  
Steven Jamieson, Committee Secretary  
Michael Kever, Committee Secretary

**OTHERS PRESENT:**

Beth Slamowitz, Pharm.D., Senior Policy Advisor on Pharmacy, Department of  
Health and Human Services  
Jeanette Belz, Nevada Psychiatric Association  
Sarah Adler, National Alliance on Mental Illness Nevada

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Steve Fisher, Administrator, Division of Welfare and Supportive Services,  
Department of Health and Human Services  
Mindy McKay, Records Bureau Chief, Records, Communication and Compliance  
Division, Department of Public Safety  
Tammy Trio, Administrative Services Officer III, Administrator, Records,  
Communication and Compliance Division, Department of Public Safety  
Stephanie O'Rourke, Deputy Chief, Division of Parole and Probation, Department  
of Public Safety  
Tom Lawson, Captain, Division of Parole and Probation, Department of Public  
Safety  
Christopher DeRicco, Chairman, Nevada Board of Parole Commissioners,  
Department of Public Safety  
Todd Hartline, Captain, Nevada Highway Patrol, Department of Public Safety  
Melanie Young, Executive Director, Department of Taxation  
Paul Nicks, Deputy Chief, Governor's Office of Finance  
Kent Ervin, Nevada Faculty Alliance  
Zach Conine, State Treasurer  
Chris Ferrari, Nevada Dental Association

CHAIR WOODHOUSE:

We will open the hearing on Senate Bill (S.B.) 378.

**SENATE BILL 378 (1st Reprint)**: Revises provisions relating to the pricing of  
prescription drugs. (BDR 40-574)

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

Referring to Proposed Amendment No. 5969 to S.B. 378 ([Exhibit C](#)) there are  
22 pages of language that have been removed from the bill. Intended verbiage  
of the bill begins on page 23. This bill achieves three major goals with the  
overarching intent of figuring out how the State can better control prescriptions,  
control benefits and control costs through Medicaid. We have all heard how the  
rising costs of prescription drugs affect public and private insurers. Medicaid is  
no exception to this. As a State, we have the responsibility to ensure we are  
fiscally responsible with our benefits.

The first goal this bill achieves begins on page 23 of [Exhibit C](#) in section 31.15.  
This section deals with the preferred drug list (PDL) carve-out. It also speaks to  
the PDL in Medicaid. Medicaid has to cover every drug that is regulated by the  
Food and Drug Administration and is a part of the Medicaid Drug Rebate

program. Medicaid does have the ability to control how those drugs are administered through the PDL. The language in section 31.15 would give Medicaid the ability to potentially manage the benefit in-State and work with providers if needed.

The second goal this bill achieves can be found under section 31.2 on page 24 of [Exhibit C](#). This section speaks to the added transparency in these programs. Today, there are many rebates and contracts processed as a part of drug purchasing. Senate Bill 378 would allow for more transparency of those rebates and funds that pass through as a result of prescription drug purchases. The third goal this bill achieves can be found under section 31.4 on page 26. This section creates the SilverScript purchasing program, which would allow group purchasing through Medicaid and the Children's Health Insurance Program by having public and nonprofit entities to help join with Medicaid to do group drug purchasing.

BETH SLAMOWITZ, PHARM.D. (Senior Policy Advisor on Pharmacy, Department of Health and Human Services):

There are three parts to S.B. 378. The PDL part will allow the Department of Health and Human Services (DHHS) to continue managing that list as we have been doing. There are some classes of drugs we are asking to continue to be excluded. We are also asking to have concessions for discussions regarding costs. These would happen after clinical conversations within the Pharmacy and Therapeutics (P&T) Committee. The transparency part of this bill allows the DHHS to have access to dispensing fees, how the benefit is managed and the cost-savings arrangements. The cost-savings arrangements are put into place with contracts that are entered into with either a pharmacy benefit manager or managed care organizations (MCO). This also includes rebates that are invoiced and passed through.

The fiscal note in was delivered and based on the carve-out of the pharmacy benefit. The Committee will see significant savings within this. There are some expenses for administrative costs for positions and reporting requirements within S.B. 378. The overall fiscal note was approximately \$3.5 million in General Fund (GF) savings. If this carve-out did not occur, the savings would disappear and we would be looking at actuarial services for the annual compliance audit that would remain on the fiscal note.

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SENATOR KIECKHEFER:

In section 31.5 on page 28 of [Exhibit C](#) there is language being removed for step therapy and prior authorization for prescription drugs.

Ms. SLAMOWITZ:

Are you referring to section 31.5 which discusses the Drug Utilization Review (DUR) Board?

SENATOR KIECKHEFER:

Yes. There was a previous amendment proposed to affect subsection 5 of section 31.5. Ultimately, the entire section was removed.

Ms. SLAMOWITZ:

Section 31.5 was removed because S.B. 378 originally placed authority with the Silver State Scripts Board (SSSB) on the DUR Board. This was not the appropriate place for this in the bill. The P&T was then referred to as the "Board."

SENATOR KIECKHEFER:

We talked about prescription drugs in this Committee and the process patients have to go through to receive pre-authorizations and specific medications. Does this effect that chapter?

Ms. SLAMOWITZ:

No. That would fall under the P&T Committee or, as referred to in S.B. 378, it would be the SSSB. They would make the determination for preferred versus non-preferred for the drug list. There are provisions for those that are selected as non-preferred drugs if a recipient requests a non-preferred drug. There are provisions within policy to instruct them on how to go through the process of requesting and approving a non-preferred product. The DUR Board is separate; and they advise the DHHS on clinical criteria or clinical prior authorization criteria that would be placed on a drug class and not a specific drug. They do not make any determinations for preferred versus non-preferred drugs.

SENATOR KIECKHEFER:

Under section 31.8, subsection 2, paragraph (a) on page 30 of [Exhibit C](#), there is new language incorporated for the DHHS to establish regulations. Can you explain the process of this part of [Exhibit C](#) ?

Ms. SLAMOWITZ:

Currently, the P&T Committee is on a quarterly basis, and they are brought certain drug classes. If there is only one drug in a class, the drug automatically becomes preferred. If there is more than one drug in a class, the conversation of section 31.8, subsection 2, paragraph (a) occurs from a clinical standpoint on whether or not the drugs in a class are clinically equivalent. If they are clinically equivalent, the SSSB can make a decision on whether or not those drugs become preferred or if there is a drug that has advantage over another. In this case, one drug would be made preferred and the other non-preferred.

Currently, discussions on cost do not take place. This only happens within the DHHS and not in a public venue. Section 31.8, subsection 2, paragraph (a) intends that, if the determination is made that there are 2 drugs within a class that are clinically efficacious and equivalent, there could be a conversation with the P&T Committee on the cost and whether that makes a determinate or not.

SENATOR KIECKHEFER:

Would that conversation happen in a public setting?

Ms. SLAMOWITZ:

Due to federal statutes and the way that rebates are proprietary, that conversation has to occur in a closed session with the P&T Committee.

CHAIR WOODHOUSE:

Next, we will open the hearing to support testimony on S.B. 378.

JEANETTE BELZ (Nevada Psychiatric Association):

Thank you to DHHS for bringing us to the point of support for this bill. I submitted a proposed amendment ([Exhibit D](#)) to Proposed Amendment No. 5969. It is difficult to separate the policy issue from the financial issue when this is the only opportunity to talk about S.B. 378. In a perfect world and with enough money, if a typical antipsychotic and anticonvulsant was removed from the PDL inclusion under section 31.4, we would be opposed to this. Since 2010, the decision was made by the Committee to remove those drugs from the excluded list in order to collect rebates. There were few people who were grandfathered in.

We support S.B. 378 because of the carve-out aspect. Currently, mental health patients in the Medicaid program are either in fee-for-service or

one-of-three MCOs as a provider of your service. The consequence of this is that there are different formularies and a patient could have access to different drugs based on which of those options they are in. By carving out the pharmacy benefit, this bill makes those options the same and consistent with what is determined. This is done in a public process and through the P&T Committee for the PDL where people can testify and present information.

I have seen the P&T Committee make different decisions based upon public comment. Currently, the MCO formularies are conducted privately. There is no opportunity to provide that feedback. Understanding that we cannot exclude those drugs, the Nevada Psychiatric Association supports S.B. 378. We had many conversations with Ms. Slamowitz and Senator Cancela regarding this bill and S.B. 283.

**SENATE BILL 283 (2nd Reprint)**: Revises provisions relating to prescription drugs. (BDR 38-114)

We have two recommendations which can be found in Exhibit D. The first recommendation is friendly, and the other is not. Similar to section 31.2 of S.B. 378, section 31.4, subsection 5, paragraph (b) is asking for generated reports to be posted on a website that is maintained by the DHHS and available to the public. This is considered the friendly recommendation. We would like to continue to see members of the SSSB be appointed by the Governor based on the recommendation of the director. This is opposed to switching this over to the director and is considered the non-friendly recommendation. Senate Bill 378 gives the opportunity for other State agencies to participate in the PDL that will be developed through this Medicaid program. It will be much bigger than the Medicaid program.

CHAIR WOODHOUSE:

Next, we will open the hearing to neutral testimony on S.B. 378.

SARAH ADLER (National Alliance on Mental Illness Nevada):

We are in the neutral position for S.B. 378. Representing the mentally ill, we understand that we do not live in a perfect world. The Committee may recall that during testimony on S.B. 283 we laid out our concerns about removing atypical and typical antipsychotics permanently from the excluded pharmacy restrictions list. Subsequent to the work on S.B. 283, we have had the opportunity to work extensively with the DHHS. We have been directed to work

with the DUR Board and the SSSB that will be created by this bill. We believe we have the opportunity to have a conversation on step therapy, fail-first policies and to see whether we are fully in support of creating the one PDL among all Medicaid providers. If this has a positive financial impact on the State, we will see what we come back to during the 81st Session.

SENATOR SETTELMAYER:

Regarding section 28.5 of S.B. 378, are we going to extend the concept of federally mandated discounts to individuals who may not be eligible?

SENATOR CANCELA:

Language in this section speaks to who would be able to participate in the groups purchasing Silver State Scripts program. It is all permissive. By opting into this, the Medicaid PDL would be followed. Federal rebates are an issue that we have looked at.

Ms. SLAMOWITZ:

Regarding the rebates, Medicaid is allowed to utilize best price within the federal rebate program. This would not be eligible for a member who participated in the purchasing group. Within our supplemental rebate agreements, we would have that power based on the additional utilization from that group and whoever chose to participate to negotiate those contracts with manufacturers. It could come to the point where we are looking at wholesale drug classes such as Hepatitis C where they may benefit from those discounts. It could also be from the whole benefit on the PDL and several drug classes that may be of assistance to those particular groups. We made it permissive so that they were not restricted to adhere to it.

SENATOR SETTELMAYER:

It is the job of the governing body of the school district, municipal corporation and other entities to ensure that none of these discounts get to individuals who would otherwise not be qualified. Will it be their responsibility to make sure that this does not happen?

Ms. SLAMOWITZ:

No. The supplemental rebate agreements that are executed through the DHHS with the manufacturers have to be approved by the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS). Within those guidelines, this is already approved before the contracts are issued.

Utilization would be included in that negotiation to whoever is a part of that contract. Federal requirements would be adhered to based on the approved contract that CMS has already approved before negotiation or implementation.

SENATOR SETTELMAYER:

I thought this was based on the idea that Medicaid patients individually had to qualify. Will everyone be covered by qualifying the group?

MS. SLAMOWITZ:

We are talking about two different things. I am referring to rebate negotiations to reduce drug costs based on purchasing power within groups that choose to participate. This would not have an effect on the recipients or how they chose to do their benefit. Management of this would still be determined by the group.

SENATOR CANCELA:

The proposed amendment submitted as [Exhibit D](#) to add language for website postings in section 31.4 of S.B. 378 is friendly. It should have been included in [Exhibit C](#).

CHAIR WOODHOUSE:

Is the other recommended language change in [Exhibit D](#) considered unfriendly?

SENATOR CANCELA:

Yes.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 378 and open the hearing on S.B. 513.

**SENATE BILL 513**: Makes appropriations to the Division of Welfare and Supportive Services for the Child Support Enforcement Modernization system and the replacement of computer hardware and software and office equipment and authorizes the expenditure of money for these purposes. (BDR S-1189)

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

Section 1 of S.B. 513 requests funds to continue the Child Support Enforcement Modernization replacement system project. I am submitting a presentation on S.B. 513 ([Exhibit E](#)). Page 2 of [Exhibit E](#) provides a brief



overview of the Child Support Enforcement program; we have provided a history of the project on page 3. This history goes back to 2014. The 77th Session approved a feasibility study to be conducted. We conducted this study from 2014 through 2016. The recommendation was to replace the old antiquated system with a transfer from the California child support enforcement system. Today, we are in the design phase.

On page 4 of [Exhibit E](#) is an example picture of the current system from 1980. It is difficult to maintain and to find resources to maintain the technology. It is also difficult to train staff on how to use the technology. On page 5, we have provided 7 objectives that this project will achieve following completion. On page 6, we have listed the benefits this project will provide to the State. As part of the feasibility study, a cost-benefit analysis was conducted over a 15-year period. This analysis can be found on page 7 and totals approximately \$253.7 million in cost benefits. The break-even point will occur approximately six years and five months after implementation of the project.

Page 8 of [Exhibit E](#) provides a timeline for the project. Currently, we are in the design phase; in October 2019, we will move into the construction phase. On page 9, we have provided information on this financial investment to date and the budget request to move the project forward. Under section 1 of S.B. 513 this project has solid governance and project management oversight in place. The DHHS' Division of Welfare and Supportive Services has proven over the years that we can deliver large information technology (IT) projects on time and within scope and budget. We have also demonstrated that providing our staff with the correct tools to do their job improves employee morale, productivity and customer service. Most importantly, it improves the lives of the children we serve.

SENATOR SETTELMAYER:

Recently, I received emails about the concept on collections of welfare. Will this allow the system to work more effectively and get participants money back quicker? Is there a discussion to switch payments from every three months to every month?

MR. FISHER:

Yes, this will make it more efficient for our staff and the clients we serve. When we collect child support we have a 48-hour turnaround to get those dollars to

the custodial parent. I am not sure what you are referring to in regard to several months between collection and distribution of dollars.

SENATOR SETTELMAYER:

I previously received an email from someone who stated that nonpayment of child support has to occur for three months before suspension of a driver's license and noncompliance status is triggered. Hopefully, modernization of this system can help speed this process up and make sure people get funds.

MR. FISHER:

Sections 2, 3 and 4 of S.B. 513 have to do with replacement equipment. They follow the five-year replacement equipment schedule and will replace servers, personal desktop computers and other equipment. Section 5 of the bill also requests new equipment.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 513 and open the hearing on S.B. 514.

**SENATE BILL 514**: Makes an appropriation to the Central Repository for Nevada Records of Criminal History for replacement of the Nevada Criminal Justice Information System and authorizes the expenditure of nonappropriated money for the same purpose. (BDR S-1192)

MINDY MCKAY (Records Bureau Chief, Records, Communication and Compliance Division, Department of Public Safety):

I am speaking from testimony submitted ([Exhibit F](#)). Under section 1, subsection 1 of S.B. 514 the amount of funding is \$11.5 million. This needs to be reduced to \$6,994,026. Under section 1, subsection 2 the amount of funding is \$3,955,300. This needs to be increased to \$6,951,447 and would be out of our reserves for authorizations which was approved by the full Committees on Senate Finance and Assembly Ways and Means on May 13, 2019, for budget account (B/A) 101-4709. The success of this project is critical for public and officer safety in the State. Because our systems are used Nationwide, this is critical to the entire Nation as it relates to the criminal justice system and our civil partners who use our information for their purposes.

PUBLIC SAFETY

PUBLIC SAFETY

Dps-Central Rep For NV Records of Criminal History — Budget Page PUBLIC  
SAFETY-116 (Volume III)  
Budget Account 101-4709

SENATOR KIECKHEFER:

This was originally requested in the operating budget that was backed out. Is this correct?

TAMMY TRIO (Administrative Services Officer III, Administrator, Records, Communication and Compliance Division, Department of Public Safety):

This was originally requested in our budget; however, we submitted Budget Amendment No. A192974709 for a one-shot appropriation ([Exhibit G](#)).

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

The authority that is established in section 1, subsection 2 of S.B. 514 should be removed entirely. This was provided in the budget for the criminal history repository, and it would duplicate the non-General Fund portion of project costs.

Ms. TRIO:

In section 1, subsection 2 we would like to keep the language allowing us to use the funding over the 2019-2021 biennium.

MR. KRMPOTIC:

This bill would provide authority for the use of reserves. The Department of Public Safety's Records, Communication and Compliance Division has the ability to balance forward the funding, with no change in purpose, without having to come to the Interim Finance Committee (IFC).

CHAIR WOODHOUSE:

We will close the hearing on S.B. 514 and open the hearing on S.B. 515.

**SENATE BILL 515**: Makes an appropriation to the Division of Parole and Probation for the replacement of computer equipment and the Offender Tracking Information System. (BDR S-1193)

STEPHANIE O'ROURKE (Deputy Chief, Division of Parole and Probation, Department of Public Safety):

Section 1, subsection 1 of S.B. 515 requests \$2,711,847 for the new Offender Tracking Information System (OTIS). Based on what was previously testified to in the IFC and our budget presentations, we are no longer seeking a Department of Administration Enterprise IT Services (EITS) solution for OTIS. Instead, we are seeking a commercial off-the-shelf solution. We will be ready for a request for proposal by July 2019. Section 1, subsection 2 requests \$470,322 for the replacement of 261 computers. This replacement is based on a five-year replacement cycle.

SENATOR DENIS:

Does the \$2,711,847 include exporting data from the old system to the new system?

TOM LAWSON (Captain, Division of Parole and Probation, Department of Public Safety):

Yes. These funds will include data migration of the existing system into the new database.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 515 and open the hearing on S.B. 516.

**SENATE BILL 516**: Makes appropriations to the State Board of Parole Commissioners for the replacement of certain equipment. (BDR S-1195)

CHRISTOPHER DERICCO (Chairman, Nevada Board of Parole Commissioners, Department of Public Safety):

Section 1 of S.B. 516 requests a GF appropriation of \$43,249 for the replacement of computer software and hardware. The Nevada Board of Parole Commissioners would also like to request another amendment to the bill to request additional appropriations. The \$43,249 appropriation only covered a total of 27 computers. We have requested 18 additional desktops which would cost \$24,424. This would bring the total appropriation request to \$67,675.

Section 2 of S.B. 516 requests funds of \$87,555 for replacement of video conferencing equipment. The Nevada Board of Parole Commissioners has four conference rooms located in Las Vegas and Carson City. We are requesting upgraded equipment in one of the offices in each location. Section 3 has an

appropriation of \$11,380 for the replacement of chairs in our hearing rooms. There are a total of 20 chairs that were purchased in 2008.

MR. KRMPOTIC:

Fiscal staff requests the Nevada Board of Parole Commissioners to submit the adjustments requested.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 516 and open the hearing on S.B. 517.

**SENATE BILL 517**: Makes appropriations to the Nevada Highway Patrol for maintenance and support of the radio system, replacement of computer hardware and software, mobile data computers and portable and mobile radio equipment. (BDR S-1224)

TODD HARTLINE (Captain, Nevada Highway Patrol, Department of Public Safety): Section 1 of S.B. 517 can be eliminated since the Nevada Department of Transportation (NDOT) is replacing our portable radios at no cost to the Nevada Highway Patrol (NHP). This is due to an agreement between NDOT and Harris Radio. Under Section 2, we are requesting an appropriation of \$264,871 from the Highway Fund to the NHP. This will be for the replacement of our computer hardware and software equipment. Under section 3, we are requesting a correction. The NHP has secured an agreement with NDOT with federal assistance funding of \$498,544. With this, the sum appropriated from the Highway Fund can be reduced from \$1,118,772 to \$620,228. Eventually, the Highway Fund will be the primary funding source for our mobile data computers. We have been in contact with the Legislative Counsel Bureau's Fiscal staff and they agree to this change.

Under section 4 of S.B. 517 there is a language correction to an appropriation for the purchase of 3 new R8100 radio system analyzers. These will enable our radio technicians to perform all required radio frequency alignment procedures for the full spectrum of radios utilized by DPS. This appropriation is for \$95,715. Section 5 describes the uses of any remaining balances of the appropriation made in sections 1 through 4.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 517 and open the hearing on S.B. 518.

**SENATE BILL 518**: Makes an appropriation to the Department of Taxation for the needs assessment for the modernization of the Unified Tax System. (BDR S-1226)

MELANIE YOUNG (Executive Director, Department of Taxation):

The Department of Taxation's unified tax system is a comprehensive package of software and components that was built upon software that is approximately 25 years old. The plan for funding in S.B. 518 is to create a strategic roadmap to assess current obstacles, examine business processes and program research technologies that cater to taxpayers. The current application is used to review the application and determine which application could be consolidated into an EITS solution. This will fund the beginning phases of a multiyear process. It is anticipated to cost \$58.8 million over a 5-year period depending on the solution selected.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 518 and open the hearing on S.B. 548.

**SENATE BILL 548**: Makes an appropriation to the Millennium Scholarship Trust Fund. (BDR S-1275)

PAUL NICKS (Deputy Chief, Governor's Office of Finance):

Senate Bill 548 requests an appropriation of \$33 million for the Governor Guinn Millennium Scholarship. We submitted this in the Governor's budget by utilizing marijuana retail funds; however, these funds were reverted to the Distributive School Account (DSA) B/A 101-2610. Additional funds are now needed.

## EDUCATION

### K-12 EDUCATION

NDE - Distributive School Account — Budget Page K-12 EDUCATION-17  
(Volume I)

Budget Account 101-2610

MR. KRMPOTIC:

A month ago, Fiscal staff received an updated projection for the Millennium Scholarship fund with respect to its solvency. That projection reflected that,

if we do nothing now, the program would be in the negative by approximately \$30 million by the end of fiscal year (FY) 2020-2021.

CHAIR WOODHOUSE:

Next we will open the hearing to support testimony on S.B. 548.

KENT ERVIN (Nevada Faculty Alliance):

Thank you for restoring this funding. When I was teaching general chemistry, the Millennium Scholarship was just implemented, and we saw a significant boost in the quality of students attending school. This is because our best and brightest were staying in the State. The \$80 per credit does not go far these days; however, it is still a vital program.

ZACH CONINE (State Treasurer):

On behalf of the 124,855 students who have taken advantage of the Millennium Scholarship and the 8,800 students who are counting on this money to graduate next year, thank you for your support.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 548. Next we will open a work session.

MR. KRMPOTIC:

Fiscal staff has identified 12 bills for a work session tonight. The first bill is S.B. 254. This bill was heard on April 29, 2019. Fiscal staff has received updated fiscal impact information from the agencies.

**SENATE BILL 254 (1st Reprint)**: Revises provisions relating to carbon reduction.  
(BDR 40-907)

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

Senate Bill 254 as amended requires the State Department of Conservation and Natural Resources (SDCNR) to prepare an annual report concerning the sources and amounts of greenhouse gas emissions in the State and in consultation with the Governor's Office of Energy (GOE) and other agencies. The bill identifies specific reporting requirements and outlines greenhouse gas emission reduction goals compared to the 2005 emission levels for the State. These levels consist of 28 percent by 2025, 45 percent by 2030 and zero or near zero by 2050. The report must include a Statewide inventory of greenhouse gas emissions and

a projection of annual greenhouse gas emissions in Nevada for 20 years following the date of the report.

Additionally, the report must identify policies that could achieve reductions in greenhouse gas emissions and include a qualitative assessment of whether such policies support the long-term goal of greenhouse gas emission reduction to zero or near zero by 2050. Senate Bill 254 was introduced by Senator Brooks and had 6 individuals who testified in support and 1 individual who testified against the bill. There was no neutral testimony. This bill was passed as amended by the Senate Committee on Growth and Infrastructure on March 19, 2019. Senator Brooks offered Amendment No. 53 ([Exhibit H](#)) which modified the schedule of inventory and projection of annual greenhouse gas emission sources and amounts from certain sectors that must be included in the report.

The SDCNR's Division of Environmental Protection (DEP) has indicated that the bill as amended would cost \$51,460 in FY 2019-2020, \$48,586 in FY 2020-2021 and \$67,388 in the fourth reporting year for the additional personnel and associated operating costs to the new reporting requirements. The SDCNR indicated that a part-time environmental scientist position would be required at a 0.75 full-time equivalent during the first year and every fourth year, and 0.5 full-time equivalent during the second and third year. This amounts to an average of 30 hours and 20 hours a week respectively.

The SDCNR indicated that the DEP Air Quality account B/A 101-3185, which would support these costs, has declining reserves that are being addressed. If no other funding is identified for the position needed to fulfill the reporting requirements during the 81st Session, the SDCNR will need to address the position funding to maintain an appropriate and stable funding source. Recognizing the declining reserves in B/A 101-3185, Fiscal staff notes that the Senate Committee on Finance and the Assembly Committee on Ways and Means approved issuing a letter of intent to direct the SDCNR to submit a long-term plan for financial sustainability of the air quality program. This includes identifying expenditure reductions and potential revenue increases to the IFC by June 1, 2020.

INFRASTRUCTURE

CONSERVATION AND NATURAL RESOURCES



DCNR - DEP Air Quality — Budget Page DCNR-144 (Volume III)  
Budget Account 101-3185

The GOE has indicated that the bill, as amended, would cost the office \$88,667 in FY 2019-2020, \$91,181 in FY 2020-2021 and \$189,904 in future biennia for one new renewable energy analyst position to perform the policy analysis and consultation requirements. The SDCNR indicated that the Renewable Energy Account B/A 101-4869 funds would support these costs. Pursuant to *Nevada Revised Statutes* (NRS) 701A.450, 25 percent of funds in B/A 101-4869 may be used to support the operations of the GOE.

ELECTED OFFICIALS

GOE - Renewable Energy Account — Budget Page ELECTED-25 (Volume I)  
Budget Account 101-4869

Given the budgeted administrative transfers to the GOE and the projected decline in renewable tax abatement revenue, the administrative transfer is projected to exceed the 25 percent allowable amount for administrative costs beginning in FY 2022-2023. It appears to Fiscal staff that the DEP and the GOE have sufficient funds available to support the costs associated with implementing this bill in the 2019-2021 biennium. Considering the status of B/A 101-3185 and B/A 101-4869, other funding sources to support these activities may be necessary in future biennia. Senate Bill 254 would become effective on October 1, 2019.

SENATOR PARKS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 254.

SENATOR DENIS SECONDED THE MOTION.

SENATOR KIECKHEFER:

I have continued to receive conflicting interpretations of the authority granted to the Executive Branch through this legislation. I requested clarity on this and have not received any response. For this, I cannot support this motion.

SENATOR BROOKS:

The intent was not to grant additional authority to the agencies named as cooperating with the report. Any regulations, suggestions or plans would be under their current authority. This was the intent of S.B. 254.

SENATOR KIECKHEFER:

This is a discussion that I continue to have with people who may have confused me due to my lack of understanding. I will be voting against this and reserve the right to change this on the Floor. I do support the goal of S.B. 254 to resolve this issue.

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

\* \* \* \* \*

MR. KRMPOTIC:

Senate Bill 293 was heard on May 3, 2019.

**SENATE BILL 293 (1st Reprint)**: Makes various changes relating to children who are victims of commercial sexual exploitation. (BDR 38-517)

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

Senate Bill 293 was subsequently heard in work session on Tuesday, May 21, 2019. Since then, the bill sponsor has provided a proposed conceptual amendment which would appropriate \$70,861 from the GF to the DHHS Division of Child and Family Services (DCFS) for FY 2019-2020 and \$88,701 in FY 2020-2021. The purpose of this funding is to fund the cost of a coordinator position to implement the bill as specified in section 1 of S.B. 293. Lines 5 and 6 of section 1, subsection 1 of S.B. 293 reference that the coordinator position is an employee of the DCFS. The funding that is being provided is the cost of funding a contractor to serve as the coordinator. If the Committee wished to move forward with the conceptual amendment, Fiscal staff recommends that the language identifying the individual as an employee to be modified by either removing this language or adding additional language indicating that the position can either be a contractor or an employee of DCFS.

MR. KRMPOTIC:

For the Committee's information, there was an amendment submitted by Bailey Bortolin for S.B. 293. I do not recall if Senator Julia Ratti supported the amendment or not.

SENATOR CANCELA:

The amendment is friendly.

SENATOR CANCELA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 293 TO INCLUDE A LANGUAGE CHANGE FOR THE CONTRACTOR POSITION AND THE AMENDMENT PROVIDED BY BAILEY BORTOLIN.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRMPOTIC:

New information on S.B. 485 will be presented to the Committee regarding an amendment that may allow this bill to move forward.

**SENATE BILL 485 (1st Reprint)**: Revises provisions relating to the education of certain children from Nevada who are patients or residents of certain hospitals or facilities. (BDR 34-397)

JULIE WALLER (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The proposed conceptual amendment for S.B. 485 would be similar to an amendment ([Exhibit I](#)) previously proposed. The new amendment would remove language relating to the subtraction of reimbursement amounts from school district or charter school where a child is enrolled. These reimbursement amounts go towards hospital facilities and a percentage of basic support that is guaranteed per pupil. This was based on the fact that the count day had been changed to average quarterly enrollment. Therefore, the school districts no longer receive that funding that is passed through to the hospitals; hospitals would be paid directly. This is permissible and can be mechanically accomplished through the DSA.

The second part of the proposed conceptual amendment for S.B. 485 deals with suggestions from the Washoe County School District (WCSD) to remove language requiring the Nevada Department of Education to distribute funds for students with disabilities to the hospital. It was discussed how this may not be feasible, since it is a separate category. The State maintenance-of-effort would increase if the State added funds. All parties involved, including the WCSD, have agreed to not remove this language, so that it will revert back to current NRS where funding provided to hospitals for students with disabilities would be deducted from the school district where the student was formerly enrolled.

CHAIR WOODHOUSE:

A lot of work has been done to resolve this issue.

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 485.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. HAARTZ:

Senate Bill 366 was heard on May 3, 2019. This bill proposes the creation of midlevel practitioners in oral health.

**SENATE BILL 366 (1st Reprint)**: Establishes provisions relating to dental therapy. (BDR 54-661)

There was a fiscal note originally presented on S.B. 366 by the DHHS Division of Health Care Financing and Policy (DHCFP). Fiscal staff has received the unsolicited fiscal note based upon the first reprint of the bill and Proposed Amendment No. 5838 ([Exhibit J](#)). The first reprint removed this fiscal note of \$37,250 in GF appropriations. The bill is effective upon passage and approval for administrative purposes on January 1, 2020, for all other purposes. There are no other amendments on the bill.

SENATOR GOICOECHEA:

Was this conceptual proposed amendment drafted in the last 24 hours?

MR. HAARTZ:

The conceptual proposed amendment was prepared on May 2, 2019. The revised fiscal note was provided by the DHCFF on May 7, 2019.

SENATOR GOICOECHEA:

There has been a lot of work done on this conceptual proposed amendment in the last week. I am not prepared to vote on this until I can see the amendment from May 2, 2019, in writing. How are we going to address the amendment?

CHRIS FERRARI (Nevada Dental Association):

The bill sponsor, Senator Ratti, sent an amendment to interested stakeholders dated May 22, 2019. I can provide this to the Committee and staff. This is the most current amendment that has been discussed with interested parties.

MR. KRMPOTIC:

Fiscal staff has a copy of this amendment. We will provide this to the Committee.

We will move on to S.B. 523. The appropriation for this bill totals \$11,344. The bill was heard on May 22, 2019, and testimony on the bill provided information to support the supplemental appropriation. Fiscal staff has no adjustments and recommends the action of "do pass" by the Committee.

**SENATE BILL 523**: Makes a supplemental appropriation to the Department of Education for an unanticipated shortfall in personnel services expenditures for literacy programs. (BDR S-1248)

SENATOR PARKS MOVED TO DO PASS S.B. 523.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. HAARTZ:

Senate Bill 524 was heard on May 22, 2019. The supplemental appropriation totals \$127,819. Fiscal staff concurs that this is a reasonable amount; there are no proposed changes to the bill.

**SENATE BILL 524**: Makes a supplemental appropriation to the Non-State Retiree Rate Mitigation Account for a projected shortfall related to payment of supplemental subsidies for coverage of non-state, non-Medicare retirees under the Public Employees' Benefits Program. (BDR S-1249)

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

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

Senate Bill 530 was heard on May 22, 2019. The individual who testified on this bill indicated that the amount of the supplemental appropriation could be reduced. Currently, the appropriation totals \$10,500 and could be reduced to \$6,000 based on a selection that was pushed into July 2019. Fiscal staff recommends amending this amount from \$10,500 to \$6,000. There are no other issues with the bill.

**SENATE BILL 530**: Makes a supplemental appropriation to the Nevada Supreme Court for a projected shortfall related to judicial selection processes. (BDR S-1250)

SENATOR SETTELMAYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 530.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CATHY CROCKET (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 532 was heard on May 22, 2019.

**SENATE BILL 532**: Makes a supplemental appropriation to the Division of Health Care Financing and Policy for an increase in the Medicaid cost-per-eligible participant and decrease in intergovernmental transfer revenue for Fiscal Years 2017-2018 and 2018-2019. (BDR S-1232)

As introduced, S.B. 532 would appropriate GF money of \$14.5 million and authorize federal funds totaling \$115.6 million for the Nevada Medicaid, Title XIX B/A 101-3243.

## HEALTH AND HUMAN SERVICES

### HEALTH CARE FINANCING AND POLICY

HHS-HCF&P - Nevada Medicaid Title XIX — Budget Page DHHS-DHCFP-33  
(Volume II)

Budget Account 101-3243

During the hearing on S.B. 532 the DHCFP indicated that the projected shortfall had increased to \$16,189,275 in GF appropriations. The federal fund shortfall has decreased to \$24,490,331. The DHCFP indicated that they are projecting a shortfall for the Nevada Check-Up program totaling \$33,695. Due to variability in the DHCFP's cost projections, the Committee may wish to consider allocating a 10 percent contingency to the DHCFP to allow for minor cost fluctuations in the upcoming month. This would increase GF appropriations in B/A 101-3243 to \$17,808,203, federal funds to \$25,839,364 and the Nevada Check-Up program appropriation to \$37,065. There are no federal funds associated with the Nevada Check-Up program shortfall. The NRS referenced in section 1 of S.B. 532 is incorrect and will need to be amended to reflect section 17 of chapter 396 of Statutes of Nevada 2017.

SENATOR KIECKHEFER:

If we put a 10 percent contingency into the supplemental request, will this revert at the end of the biennium if they do not spend it?

Ms. CROCKET:

Yes. It would revert at the end of FY 2018-2019.

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 532 TO INCLUDE THE 10 PERCENT CONTINGENCY.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRMPOTIC:

Senate Bill 535 was a budget implementation bill submitted by the Governor to affect changes to the transfers of funding to the Problem Gambling B/A 101-3200.

**SENATE BILL 535**: Revises provisions governing the financial support for programs for the prevention and treatment of problem gambling.  
(BDR 41-1200)

HEALTH AND HUMAN SERVICES

PUBLIC AND BEHAVIORAL HEALTH

HHS-DPBH - Problem Gambling — Budget Page DHHS-DPBH-136 (Volume II)  
Budget Account 101-3200

In closing B/A 101-3200, the Senate Committee on Finance and the Assembly Committee on Ways and Means did not concur with the Governor's recommendation to eliminate the \$2 Slot Tax in lieu of transferring 0.6 percent of the percentage fee to B/A 101-3200. The Senate Committee on Finance and the Assembly Committee on Ways and Means did not support the portion of the percentage fee transfer and appropriated GF money of \$2 million in each year of the 2019-2021 biennium to B/A 101-3200. To amend S.B. 535 consistent with the actions previously taken by the Senate Committee on Finance and the Assembly Committee on Ways and Means, Fiscal staff recommends removing language in section 1, subsection 2, paragraph (e) which contains language that provides for the change in transfers.

The amendment the Committee would consider would be to eliminate the language that the Governor recommended to transfer a portion of the percentage fee and leave the existing \$2 Slot Tax transfer that is currently in place. This amendment would line up the bill with the budget actions made by



the Senate Committee on Finance and the Assembly Committee on Ways and Means.

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 535.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

Next is S.B. 537. The Department of Business and Industry's (DBI) Consumer Affairs Unit is currently scheduled to expire on June 30, 2019. This bill would extend the unit until July 1, 2021, and would be consistent with the actions taken by the Senate Committee on Finance and the Assembly Committee on Ways and Means.

**SENATE BILL 537**: Extends the prospective expiration of the Consumer Affairs Unit of the Department of Business and Industry. (BDR 18-1206)

In supporting the Consumer Affairs Unit, the Senate Committee on Finance and the Assembly Committee on Ways and Means appropriated \$671,893 in FY 2019-2020 and \$690,339 in FY 2020-2021 to continue funding through the 2019-2021 biennium. When this S.B. 537 was heard on May 22, 2019, there was discussion on whether this would appear in the base budget for the 81st Session or as an enhancement. The DBI testified that it would attempt to identify alternative funding sources to support the Consumer Affairs Unit in the future. If the DBI provides an alternative funding source during the 81st Session, it would appear as an enhancement in the Executive Budget. If the Committee concurs with the sunset provision of S.B. 537 to continue the Consumer Affairs Unit through FY 2020-2021, this would also appear as an enhancement to continue through FY 2022-2023.

SENATOR DENIS MOVED TO DO PASS S.B. 537.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRMPOTIC:

Senate Bill 541 was heard on May 22, 2019. This bill would extend the redirection of the Governmental Services Tax. The Governor recommends 25 percent to be directed to the GF and 75 percent to the Highway Fund.

**SENATE BILL 541**: Revises provisions governing state financial administration.  
(BDR 43-1213)

Senate Bill 541 removes the expiration of the provision which would expire on June 30, 2019, and makes the redirection permanent. Revenues derived from this redirection are reflected in the Governor's revenue estimates and budget for the 2019-2021 biennium. If the Committee wishes to continue this by eliminating the sunset provision, the action would be "do pass."

SENATOR PARKS MOVED TO DO PASS S.B. 541.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRMPOTIC:

Proposed Amendment No. 5975 ([Exhibit K](#)) is for S.B. 346.

**SENATE BILL 346 (1st Reprint)**: Revises provisions related to marijuana.  
(BDR 40-1065)

There were fiscal notes on S.B. 346 from the Department of Taxation, the Governor's Office of Economic Development and the DBI. Exhibit K removes significant provisions of the bill including section 2, which would have added additional duties on the Department of Taxation. Removing these provisions would reduce the Department of Taxation's fiscal note. The Department of Taxation identified fiscal impacts associated with sections 3 and 7 of the bill in providing marijuana establishment agent registration cards. The Department of

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Taxation indicates that this portion of the fiscal impact could be absorbed in its Marijuana Regulation and Control Account B/A 101-4207.

## FINANCE AND ADMINISTRATION

### TAXATION

Taxation - Marijuana Regulation and Control Acct — Budget Page TAXATION-15  
(Volume I)  
Budget Account 101-4207

Regarding the Governor's Office of Economic Development's fiscal impact, [Exhibit K](#) would eliminate sections 15 through 20. It appears that the fiscal impact associated with S.B. 346 as previously presented to the Committee would be addressed by [Exhibit K](#).

SENATOR SETTELMAYER:  
Did this amendment come out of Committee?

MR. KRMPOTIC:  
This is a new amendment proposed by Senator Dallas Harris.

CHAIR WOODHOUSE:  
I believe Senator Harris submitted this amendment when she testified on S.B. 346 on May 22, 2019. Is this correct?

MR. KRMPOTIC:  
Yes. This amendment is dated May 22, 2019.

CHAIR WOODHOUSE:  
Did the sponsor intend to remove the fiscal impacts on the measure while still being able to move forward with some of the content from the bill?

SENATOR SETTELMAYER:  
I am trying to figure out what this bill does that is not already legally permissive. It looks like an independent contractor can already enter into agreements in a contract.

SENATOR BROOKS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 346 WITH PROPOSED AMENDMENT NO. 5975.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

MR. KRMPOTIC:  
We will revisit S.B. 366.

MR. HAARTZ:  
The conceptual amendment ([Exhibit L](#)) has been provided and amends section 61.1 of S.B. 366 to perform various actions including clarifying that dental therapists may not provide services beyond the scope of practice of the authorizing dentist. Found in [Exhibit L](#), a subsection is added stating that an authorizing dentist must have an active license to practice, a location from which to practice and must be actively seeing patients. The conceptual amendment also list the settings in which a holder of a dental therapy license may practice. This list can be found in [Exhibit L](#).

SENATOR GOICOECHEA:  
I accept this amendment as it appears to be what we agreed to.

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS AS  
AMENDED S.B. 366 WITH LANGUAGE CHANGE IN THE CONCEPTUAL  
AMENDMENT.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS KIECKHEFER AND SETTELMAYER  
VOTED NO.)

\* \* \* \* \*

MR. ERVIN:  
I would like to bring the Committee's attention to one remaining issue that was not addressed during the Nevada System of Higher Education (NSHE) budget

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closing. This issue is with the Appropriations Bill back language that would prohibit State appropriated funds from being used for professional merit that was first added in 2015. The NSHE has interpreted this as applying to any regular performance-based salary increases. It is treated as reducing their flexibility so that the universities can do it because they have a lot of student income in their instructional budgets. There are budgets that are funded by the State at 100 percent and community colleges are student funded at 75 to 80 percent. When the Appropriations Bill comes out, it will be too late to change this. I hope this issue will be considered favorably.

Remainder of page left intentionally blank. Signature page to follow.

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CHAIR WOODHOUSE:

There being no further business, this meeting is adjourned at 9:47 p.m.

RESPECTFULLY SUBMITTED:

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Michael Keever,  
Committee Secretary

APPROVED BY:

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Senator Joyce Woodhouse, Chair

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

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit / # of pages</b>		<b>Witness / Entity</b>	<b>Description</b>
	A	2		Agenda
	B	5		Attendance Roster
S.B. 378	C	35	Senator Yvanna D. Cancela	Proposed Amendment 5969
S.B. 378	D	2	Jeanette Belz/ Nevada Psychiatric Association	Proposed Amendment to Proposed Amendment 5969
S.B. 513	E	11	Steve Fisher/ Division of Welfare and Supportive Services	Presentation
S.B. 514	F	1	Mindy McKay/ Communication and Compliance Division	Testimony
	G	6	Tammy Trio/Records, Communications and Compliance Division	Budget Amendment A192974709
S.B. 254	H	4	Senator Chris Brooks	Amendment 53
S.B. 485	I	1	Dan Musgrove/ Universal Health Services	Proposed Amendment
S.B. 366	J	31	Senator Julia Ratti	Proposed Amendment 5838
S.B. 346	K	8	Senator Dallas Harris	Proposed Amendment 5975
S.B. 366	L	2	Senator Julia Ratti	Conceptual Amendment