

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eightieth Session
May 30, 2019**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 9:43 a.m. on Thursday, May 30, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

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

GUEST LEGISLATORS PRESENT:

Senator Marilyn Dondero Loop, Senatorial District No. 8
Senator James Ohrenschall, Senatorial District No. 21

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Senate Principal Deputy Fiscal Analyst
Cathy Crockett, Senior Program Analyst
Stephanie Day, Program Analyst
Jeff Ferguson, Senior Program Analyst
Karen Hoppe, Senior Program Analyst
John Kucera, Program Analyst
Colby Nichols, Program Analyst
Desirae Munns, Committee Secretary
Felicia Archer, Committee Secretary

OTHERS PRESENT:

Bailey Bortolin, Coalition of Legal Service Providers
Julie Ostrovsky, Nevada Commission on Autism Spectrum Disorders
Terri Janison, President and Chief Executive Officer, Grant A Gift Autism Foundation
DuAne Young, Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services
Rique Robb, Deputy Administrator, Aging and Disability Services Division, Department of Health and Human Services
Kailey Taylor, Legislative Liaison, Department of Wildlife
Nova Murray, Deputy Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services
Wayne Thorley, Deputy Secretary of State for Elections, Office of the Secretary of State
Peggy Lear Bowen

CHAIR WOODHOUSE:

We begin with Senate Bill (S.B.) 174.

SENATE BILL 174: Makes various changes relating to services provided to persons with autism spectrum disorders. (BDR S-680)

SENATOR JAMES OHRENSCHALL (Senatorial District No. 21):

The bill discusses autism. There is a conceptual amendment online ([Exhibit C](#)). The original bill proposed an audit and a rate increase for therapists. The amendment proposes to delete the rate increase but allow for the audit. The audit is very important. I understand the budget constraints. The audit would give the 81st Session valuable information about where needs are being met for children on the spectrum, where they are not being met and where we are falling short.

BAILEY BORTOLIN (Coalition of Legal Service Providers):

We have provided a historical context of problems to get to the bottom of why there are so many barriers for children in Nevada who need services for autism ([Exhibit D](#)). We come back to speak to you regularly, and parents remind you it is difficult to secure services for their children.

During the interim, the Clark County courts created a diversion court that exclusively serves children with autism who are being charged with juvenile delinquency offenses and are not able to access services. We at the Legal Aid Center of Southern Nevada provide staff to the diversion court along with health care providers and other community resource providers.

We all go to court once a week. We hear about how a child is unable to sit patiently through class, acts out, bites someone and she gets charged with domestic violence for that. Her family never had any idea that under Medicaid, she is entitled to applied behavioral analysis (ABA) therapy. It is a heartbreaking court process to watch in that we as the legal community feel we have to have this court hearing to secure health care services.

Without the court case, we are not able to make sure we can get children the assessment they need and should have been provided many years ago. We have multiple children in one day who need the basic assessment to get an initial determination that they have autism to become eligible for services. While we are there, we will hear there is only one assessment spot available, and it is six months out. It is available six months out only because someone else cancelled. We give it to the first child. A second child will need it more, and we will have to reassign it away from the first child. Then a third child who is about to turn 18 comes in, and that is a bigger emergency. By the end of the court hearing, one has a spot, but multiple children need it.

We do not know why we cannot get more assessment spots. We do not know why we cannot get these children services sooner. Securing the audit will provide some answers and a path forward. We want to tell you what it will take to get help for these children who are legally entitled to services in Nevada. Something is not working.

Funding was secured last Session. We appropriated \$42 million for children who are eligible for Medicaid. Only \$2.3 million was spent. The rest of that money did not go to ABA services. Children remained on waitlists, children did not access services, and we do not know why. We need answers.

The State Board of Education estimates 8,500 children in Nevada have autism. A conservative estimate indicates we should be serving 2,550 children under Medicaid. We serve 271 children. Nevada's Department of Health and Human Services (DHHS), Aging and Disability Services Division Autism Treatment

Assistance Program serves 668 children, but those are separate from Medicaid with some overlap.

JULIE OSTROVSKY (Nevada Commission on Autism Spectrum Disorders):

We understand we need numbers to have a good discussion about what is going on in Nevada with children on the autism spectrum, why people cannot access services and what we need to do to improve that.

We urge your support of the audit so we can get answers. We want to join you to come up with resources and things we can handle as a local community and then come to you with items we need your help on.

SENATOR KIECKHEFER:

It is a good bill. It is expensive but good. These children need a champion.

SENATOR OHRENSCHALL:

I have been at the place called Autism Court. It is the Detention Alternatives for Autistic Youth Court. You would not think you would call children who have been there lucky because they have been arrested. They are lucky, because they now have a chance to get services. Many have never had the diagnosis. It is the children who do not end up there I really worry about. They may end up at Nevada Youth Training Center in Elko or Caliente Youth Center because they never got help they needed.

TERRI JANISON (President and Chief Executive Officer, Grant A Gift Autism Foundation):

In partnership with the University of Nevada, Las Vegas, School of Medicine, we support the Ackerman Autism Center. Of the children we see at the Center, 67 percent are on Medicaid. I support S.B. 174, specifically for the audit. It is important we have the correct data. We are supporting the Autism Court in Las Vegas. Those children come to the Ackerman Center to try to receive a diagnosis. If we can see them earlier and support them with Medicaid funding with the increased rate in fiscal year (FY) 2020-2021, it would be great.

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

The proposed conceptual amendment will remove our fiscal note from S.B. 174.

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RIQUE ROBB (Deputy Administrator, Aging and Disability Services Division,
Department of Health and Human Services):
The proposed conceptual amendment will remove our fiscal note from S.B. 174.

SENATOR OHRENSCHALL:
Please move S.B. 174 forward.

CHAIR WOODHOUSE:
We will go to the budget bills.

MARK KRMPOTIC (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative
Counsel Bureau):
Karen Hoppe will present the General Appropriations Act which funds the
operation of State government with General Fund and Highway Fund
appropriations for the next two-year period.

KAREN HOPPE (Senior Program Analyst, Fiscal Analysis Division,
Legislative Counsel Bureau):
We will present the General Appropriations Act Bill Draft Request (BDR) S-1280.

BILL DRAFT REQUEST S-1280: Makes various changes regarding State
financial administration and makes appropriations for the support of the
civil government of the State. (Later introduced as A.B. 543).

The bill enacts all the decisions made by the Senate Committee on Finance and
the Assembly Ways and Means Committee during this Session regarding
General Fund and Highway Fund appropriations. It includes language to
implement some of the other decisions made by the Committees.

The total General Fund appropriations approved by the Committees for agency
budgets are included in section 1 to section 30 of BDR S-1280. These total
\$5.5 billion in General Fund appropriations over the biennium which is an
increase of approximately 15 percent from the 2017 Legislature.
In section 31 are the Highway Fund appropriations for Agency budgets.
These total \$264 million over the 2019-2021 biennium which is a decrease of
approximately \$22 million or about 8 percent from the previous biennium.

There are budgets that are excluded from the General Appropriations Act.
Twelve education accounts are included in the education bill. Appropriations for

the Nevada Gaming Control Board, the Nevada Gaming Commission and the Nevada Department of Transportation (NDOT) are included in the Authorizations Act due to specific statutory language for those agencies. Appropriations to the State Board of Examiners for General Fund and Highway Fund salary adjustments are included in the Pay Bill.

Section 32 of BDR S-1280 includes carryover language that provides appropriations must be expended in accordance with the State Budget Act. Section 33 lists budgets that may transfer appropriations from one fiscal year to another with the approval of the Interim Finance Committee (IFC). Two new budgets were added to the list: the Public Employees' Benefits Program (PEBP) NonState Retiree Rate Mitigation and the Problem Gambling budget.

Section 34 is carryover language. It provides amounts appropriated for deferred maintenance may be transferred within the same budget from one year to the other. Section 35 through Section 45 allow appropriations for specific purposes to be transferred between fiscal years. Section 35 provides the Office of Science, Innovation, and Technology may transfer funds for the Wide Area Network Incentive Program between fiscal years.

Section 36 allows the Department of Motor Vehicles (DMV) to transfer money for credit card fees between fiscal years. Section 37 allows the Civil Air Patrol to carry forward its appropriation to the next fiscal year. Section 38 allows appropriations to be spent in either fiscal year to update some of the conservation programs in the State Department of Conservation and Natural Resources (DCNR). Section 39 allows the Nevada Department of Corrections (NDOC) to transfer between fiscal years contract costs associated with housing 100 inmates out of State.

Section 40 contains new language. It allows the Office of Grant Procurement, Coordination and Management to transfer funding for a grants management system between fiscal years. Section 41 contains new language to allow the Nevada System of Higher Education (NSHE) to transfer funds between fiscal years to support the science, technology, engineering and math majors. Section 42 has new language to allow the Office of the Military to balance forward between fiscal years funds for facilities maintenance.

Section 43 is new and allows the Office of the Military to balance forward and use funding in both years for the Nevada National Guard Youth

Challenge Program. Section 44 is new and allows the use of appropriations in both fiscal years for the South Fork Dam. Section 45 is new and allows use of money for the school bus program appropriated to the Department of Tourism and Cultural Affairs to be used in both years.

Section 46 to section 48 are provisions that appropriations do not revert to the General Fund. Section 46 allows funding to the Account to Restore the Sagebrush Ecosystem to carry forward. Section 47 reinforces statutory provisions that the Catalyst Account and the Knowledge Account within the Governor's Office of Economic Development do not revert and must be carried forward.

Section 48 is a new provision that the Trust Account for the Education of Dependent Children within NSHE does not carry forward pursuant to statute.

Section 49 to section 59 of BDR S-1280 are provisions that allow appropriations to transfer between budgets. Section 49 provides that sums appropriated to support salary and payroll costs may be transferred within budgets in the same department. Section 51 allows a transfer between the budgets of the DHHS Division of Welfare and Supportive Services. Section 52 allows transfers between the Medicaid and Nevada Check Up budgets. Section 53 allows transfers between budgets of DHHS Division of Child and Family Services (DCFS) for three facilities for juvenile justice.

Section 54 is new. In the DCFS, it allows for transfers between the budgets of two children's mental health facilities. Section 55 allows transfers between budget accounts to support the Upper Payment Limit Holding Account. Section 56 allows transfers between the three regional centers within the DHHS Aging and Disability Services Division. Section 57 allows NDOC to transfer appropriations between the various accounts with two exclusions in subsection 3. Section 58 allows for transfers between budgets for the Western Interstate Commission for Higher Education. Section 59 authorizes transfers of appropriation between NSHE's State-supported operating budgets.

Section 60 and section 61 provide amounts appropriated to certain budgets are limits. Section 60 provides child welfare funds to Washoe County and Clark County child welfare budgets are limits, since these are funded through a

block grant. Section 61 specifies the amount appropriated to the Medicaid and Nevada Check Up budgets are limits.

Section 62 through Section 65 are provisions specific to NSHE. Section 62 provides NSHE must comply with any request by the Governor to set aside money from the appropriations made by the General Appropriations Act. Section 63 allows funding appropriated to the special projects budget to be made available for a two-year period to match research grants. Section 64 allows for the existing funding performance policy as approved by the Committees. Section 65 prohibits NSHE from using General Fund monies appropriated from being used for professional merit salary increases.

Section 66 through Section 68 of BDR S-1280 relate to advances from the General Fund. Section 66 allows the DCNR Division of Forestry (NDF) to apply for a General Fund advance to pay claims for current-year fire suppression that exceed the amount of money available. Section 67 requests retaining language relating to the Nevada National Guard which may request an advance from the General Fund for an activation if necessary. Section 68 is new and allows the Northern Nevada State Veterans Home to request a General Fund advance for the first year of operations of that home.

Section 69 and section 70 are amendments to the Statutes of Nevada which is Session law from the 79th Session. Section 69 is new and allows one-shot funding authorized by the 79th Session to be balanced forward to fund the DCNR Division of State Parks construction and maintenance projects through completion. Section 70 allows any balances remaining from the 79th Session for the Northern Nevada Veterans Home to provide cash flow during the home's first year of operation.

Section 71 relates to the PEBP nonState, nonMedicare retirees and provides funding for those individuals in compliance with S.B. No. 552 of the 79th Session.

Section 72 through section 79 of BDR S-1280 are new appropriations. Section 72 appropriates funding to the IFC for allocation to the DHHS Division of Public and Behavioral Health to fund three mental health counselor positions to meet caseload projections in the rural clinics budget. Section 73 appropriates funds to the IFC for NDOC to fund two program officer positions and

two substance abuse counselors to sustain and advance programming for reentry related to the Second Chance Act Recidivism Reduction Grant.

Section 74 appropriates bonds to the Public Employees' Retirement Board to administer the Legislators' Retirement System. Section 75 appropriates \$3 million in General Fund monies to the Legislative Fund for the cost of the 80th Legislative Session. This is in addition to S.B. 1 which appropriated \$15 million for a total of \$18 million.

SENATE BILL 1: Makes an appropriation to the Legislative Fund for the costs of the 80th Legislative Session. (BDR S-553)

Section 76 appropriates \$10 million to the IFC for allocation to the DCNR, NDF only for expenses incurred in the suppression of fires or responses to emergencies. Section 77 appropriates General Fund monies and Highway Fund monies to the IFC for allocation to the Governor's Office of Finance (GFO) for positions to help provide helpdesk support for the IT system that will replace the existing human resources management information system. Section 78 appropriates General Fund monies to the Nevada Department of Education Educator Effectiveness Account. This allocation is contingent upon passage and approval of S.B. 314.

SENATE BILL 314 (2nd Reprint): Revises provisions relating to education. (BDR 34-730)

Section 79 appropriates General Fund monies to the IFC for allocation to the Nevada Supreme Court to fund the replacement of the Judicial Branch Statewide Appellate Case Management System.

Section 80 allows sums to be transferred between budgets for Medicaid and Nevada Check-up Programs to the Health Care Financing and Policy Administration budget to implement the provisions of S.B. 378. This is contingent upon passage and approval of S.B. 378.

SENATE BILL 378 (1st Reprint): Revises provisions relating to prescription drugs. (BDR 18-574)

Section 81 to Section 87 are general provisions to enact the General Appropriations Act. Section 81 says appropriations may not be

committed for expenditure after June 30 of each fiscal year with some exceptions. Section 82 provides for the State Controller to pay State claims through the last business day of August. Section 83 directs the State Controller to transfer amounts necessary to carry out the budget. Section 84 directs the State Controller to pay the annual salaries of State officials biweekly. Section 85 directs the provisions if projections of the ending balance of the General Fund fall below \$120 million. Section 86 allows the State Controller to make payments under the Cash Management Improvement Act, if necessary. Section 87 lays out the effective dates for all sections of these bills.

SENATOR KIECKHEFER:

Do all the transfers within budget years and within agencies require IFC approval?

Ms. HOPPE:

Generally, that is the provision in each of the sections.

SENATOR KIECKHEFER:

That is how I saw it. It looked like they all had that requirement.

Ms. HOPPE:

That is certainly the intent.

SENATOR KIECKHEFER:

There was a section with limitations on expenditures specific to Medicaid. What was that? Is there a reason we limit Medicaid expenditures?

Ms. HOPPE:

I think you are referring to section 61.

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

In NRS 422, DHHS is authorized to adopt amendments to the Medicaid State Plan which governs reimbursements and services covered. The Department could greatly expand services not approved by the Legislature. This serves as a control on the Executive Branch.

SENATOR KIECKHEFER:

There has been much discussion about the language of BDR S-1280 regarding NSHE as it relates to the General Fund allocation and its use for professional merit salary increases. I would like to talk about whether we want to continue that language or refine it to give the institutions more flexibility with other fund sources, so they do not interpret this as a total ban on professional merit.

CHAIR WOODHOUSE:

We will talk about that later.

MR. KRMPOTIC:

Ms. Crockett will discuss the Authorized Expenditures Act and present BDR S-1281.

BILL DRAFT REQUEST S-1281: Authorizes expenditures by agencies of the State Government. (Later introduced as S.B. 553.)

MS. CROCKETT:

The Authorized Expenditures Act represents authority for agencies to collect and expend non-General Fund and non-Highway Fund revenues such as federal funds, gifts, grants, interagency transfers, fees and other funds. In total, over the upcoming biennium the Authorized Expenditures Act authorizes these funding sources in the amount of \$17.7 billion. Due to statutory language regarding the Gaming Control Board and the Gaming Commission, BDR S-1281 authorizes General Fund appropriations of approximately \$64.2 million for these agencies. It includes Highway Fund appropriations of \$971 million over the upcoming biennium for NDOT. Total funding is \$18.7 billion over the 2019-2021 biennium.

Section 1 to section 28 of BDR S-1281 outline the different expenditure authorizations in the State. A number of budgets are included in the K-12 education funding bill and are excluded from the Authorized Expenditures Act.

Section 2 of BDR S-1281 approves the Tobacco Master Settlement Agreement for tobacco settlement funds. Compliance and enforcement functions are required. These funds are distributed before the remaining tobacco funds are distributed to the Fund for a Healthy Nevada and the Millennium Scholarship

Trust Fund. There are parallel sections in this BDR due to Assembly Bill (A.B.) 535 which proposes to enact new fees on tobacco products.

ASSEMBLY BILL 535 (1st Reprint): Revises provisions relating to cigarettes and other tobacco products. (BDR 32-1242)

In A.B. 535, the Department of Taxation would replace tobacco settlement funding with new fees, and section 2 of BDR S-1281 would be effective only upon passage of A.B. 535. Section 3 of BDR S-1281 is a parallel section to section 2 and would only be effective if A.B. 535 does not pass.

Section 4 and Section 5 provide General Fund appropriations to the Gaming Control Board and the Gaming Commission. Section 6 indicates all authorizations of funding in the Authorized Expenditures Act except for the Legislative Department, judicial agencies, the Tahoe Regional Planning Agency (TRPA) and the Public Employees' Retirement System (PERS) must be expended in accordance with the State Budget Act. Those agencies are exempt from the Authorized Expenditures Act pursuant to NRS 353.246. They process work programs without IFC approval.

Section 7 of BDR S-1281 is a parallel section to section 6. It would be effective only if A.B. 535 does not pass.

Section 8 indicates the budget chief may augment or reduce authorizations through the work program revision process as outlined in NRS 353 except for the legislative budgets. It also provides legislative budgets may be augmented with the approval of the Legislative Commission. Section 9 is a parallel section to section 8 and would only be effective if section A.B. 535 does not pass.

Section 10 indicates General Fund and Highway Fund appropriations must be decreased when additional revenue is received except in specific circumstances. Section 11 indicates NSHE may expend fees and tuition from resident and nonresidential students in designated amounts. The fees may be expended beyond budgeted enrollment. Any additional fees resulting from the increases may also be expended. It requires reporting to IFC every six months on additional fees and expenditures funded with the fees. This section is exempt from section 10.

Section 12 of BDR S-1281 specifies the allocation of county assessments for the services of the public defender. Additional contributions from counties may be retained and exempt from section 10 with IFC approval. Section 13 indicates the tax on motor vehicle fuel assessed pursuant to NRS 365.535 shall be allocated equally between the Department of Wildlife and the DCNR Division of State Parks. Section 14 authorizes the NDF and the forestry conservation camps to use funding for repair and maintenance of firefighting vehicles. It is exempt from section 10.

Section 15 specifies the State Fire Marshall must use the budget and Contingency Account for Hazardous Materials funding for training purposes before any General Fund appropriations may be expended for these purposes.

Section 16 indicates funding for the incident business unit may be carried forward within the NDF. Section 17 allows for the balance forward of certain vehicle repair costs within NDF. Section 18 allows for the remaining balance of an IFC Contingency Account allocation for sagebrush habitat improvements to continue balance forward without reversion.

Section 19 relates to the Western Interstate Commission for Higher Education Loans and Stipends budgets. It indicates funding may be balanced forward to subsequent years which is received after May 15.

Section 20 of BDR S-1281 authorizes carrying forward unexpended funds in the Emergency Operations Center Account in the Office of the Military. Section 21 indicates additional nonGeneral Fund revenues may be accepted by DCFS with the approval of IFC to augment child welfare services. This is exempt from section 10. Section 22 indicates money authorized for expenditure by NSHE in section 8 of the Authorized Expenditure Act may be carried forward to the next year. This is exempt from section 10.

Section 23 is new and would authorize work program revisions to be processed for the Treasurer's Office Municipal Bond Bank Revenue and Municipal Bond Bank Debt Services budgets without IFC approval. This language was approved in closing the Treasurer's Office budget.

Section 24 of BDR S-1281 is a new section that authorizes technology fee revenues received in FY 2018-2019 in the DMV System Modernization budget to be balanced forward to the System Technology Application Redesign budget

in FY 2019-2020. Section 25 is new and requires the Department of Administration, Fleet Services Division to revert proceeds from excess vehicle sales to the General Fund rather than the Fleet Services Fund.

Section 26 is new. It would require PEBP to receive IFC approval upon recommendation of the Governor before expending or obligating reserves to modify the health benefits plan. Section 27 is new and requires the Governor's Office of Economic Development to revert the remaining balance of the Catalyst Account except for all remaining obligated grant awards in FY 2018-2019.

Section 28 specifies the effective dates of BDR S-1281. Section 2, section 6 and section 8 would only be effective if A.B. 535 is passed and approved by the Governor. Section 3, section 7 and section 9 would be effective only if A.B. 535 is not passed.

MR. KRMPOTIC:

The Authorizations Act has now been presented in the Assembly Ways and Means Committee. There were no questions regarding BDR S-1281. If it is the Committee's pleasure, it is ready for introduction by the Committee.

SENATOR DENIS MOVED TO INTRODUCE BDR S-1281.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WOODHOUSE:

The Committee will hear S.B. 275.

SENATE BILL 275: Makes various changes relating to licensing and regulation of master guides and subguides. (BDR 45-150)

SENATOR PETE GOICOECHEA (Senatorial District No. 19):

Senate Bill 275 was heard in the Senate Committee on Natural Resources and passed unanimously. The original bill included all fees provided by guides and outfitters paid by the industry. The original fiscal note was

approximately \$476,000 because it moved the associated fees. With the Proposed Amendment No. 5819 ([Exhibit E](#)), S.B. 275 creates the Advisory Guide Board (AGB) staffed by the chief law enforcement officer, two guides, a client who uses the industry and one wildlife commissioner.

The Advisory Board would not meet more than six times in a year. The Board's purpose is to review license applications and complaints. We hope to coordinate the enforcement side, the industry and users of the industry to reduce friction. We have people from the East Coast come, and it becomes an expensive civil matter that is hard to enforce if they have to travel to and from Nevada.

We expect about \$50,000 per year to be used from these fees provided by guides and outfitters paid by the industry. They generate approximately \$150,000 in fees each year from the industry.

KAILEY TAYLOR (Legislative Liaison, Department of Wildlife):

We are working to reduce the fiscal note. The way Proposed Amendment No. 5819 is written will bring the amount down.

CHAIR WOODHOUSE:

How soon can you get something to us?

MS. TAYLOR:

I will try to have it this afternoon.

CHAIR WOODHOUSE:

We are at crunch time. Please do so today.

NOVA MURRAY (Deputy Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services,):

The language regarding child support in S.B. 275 is not consistent with Title 54 of NRS. The language requires the proposed AGB to share data with the child support program, but we are looking for the ability to ask applicants to indicate they are not in compliance with child support. The AGB could deny the application upfront. That language may have changed. If that language stays in, and there is an advisory board, we need to allow the Board to identify an applicant is in arrears with child support payments. We would hope the AGB would deny that license.

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I will send the language to the Committee chair. Pending legislation, including S.B. 366, S.B. 130 and A.B. 305, has the consistent language that is compliant and the existing NRS language allowable by federal and State law.

SENATE BILL 366 (2nd Reprint): Establishes provisions relating to dental therapy. (BDR 54-661)

SENATE BILL 130 (2nd Reprint): Provides for the licensing and regulation of certain persons who administer radiation. (BDR 40-61)

ASSEMBLY BILL 305 (1st Reprint): Revises provisions relating to certain financial transactions. (BDR 56-1060)

CHAIR WOODHOUSE:
Please provide that information to us.

SENATOR GOICOECHEA:
I look forward to the fiscal note for S.B. 275.

CHAIR WOODHOUSE:
We will add to the agenda as the day goes on.

We will now go over BDR S-1283.

BILL DRAFT REQUEST S-1283: Provides for compensation of state employees.
(Later introduced as Assembly Bill 542.)

JEFF FERGUSON (Senior Program Analyst, Fiscal Analysis Division,
Legislative Counsel Bureau):

This BDR is referred to as the Pay Bill. This establishes the maximum allowed salaries for certain State employees. It makes appropriations from the General Fund and the Highway Fund for increases in the salaries of certain State employees as recommended by the Governor.

Section 1 sets forth the maximum annual salary amounts for certain employees not in the classified service of the State. The amounts represent the 3 percent cost of living allowance (COLA) approved by the 2017 Legislature for FY 2017-2018 and the 3 percent COLA approved for FY 2018-2019 by the last Legislature, but they do not include the 3 percent recommended by the

Governor and approved for FY 2019-2020. Section 2 allows the Department of Administration, Division of Human Resource Management to review the duties and responsibilities of a position that may have been omitted from the bill to establish a salary for that position. It allows for corrections of errors as determined by the Legislative Counsel Bureau (LCB), Fiscal Analysis Division with the approval of IFC. The section includes standard provisions regarding people filling or vacating unclassified positions.

Section 3 of BDR S-1283 provides for the 3 percent COLA for State employees beginning July 1, 2019. The General Fund portion of the COLA totals \$31.3 million in FY 2019-2020 and \$31.6 million in FY 2020-2021. The Highway Fund portion of the COLA totals \$6.7 million in FY 2019-2020 and \$6.8 million in FY 2020-2021. These amounts are recommended by the Governor.

Section 4 authorizes the State Board of Examiners (BOE) to distribute to the State agencies and the Judicial Branch from the amounts shown for the difference between the maximum salaries in section 1 and the 3 percent COLA approved in section 3. Section 5 authorizes the BOE to distribute to State agencies and the Judicial Branch from the amount shown for any deficiencies created between funding appropriated to State agencies and the Judicial Branch the 3 percent COLA approved for classified and non-classified positions.

Section 6 includes the same provisions as section 5 except it relates to the DMV, Department of Public Safety and Nevada Department of Business and Industry (B&I), Nevada Transportation Authority which are supported by the Highway Fund appropriations.

Section 7 authorizes the BOE to distribute funds for the amount shown for any deficiencies created between funding appropriated to NSHE and the 3 percent COLA approved for classified and professional employees of NSHE.

Section 8 of BDR S-1283 appropriates funds to the Legislative Fund to provide for the 3 percent COLA to be applied to employees of the LCB and interim legislative operations. Section 9 relates to plans for differential pay for DHHS and NDOC for unclassified physician positions.

Section 10 relates to plans for credential pay for the Nevada Gaming Control Board. Section 11 is reversion language applicable to the previous

sections. Section 12 allows funding for the 3 percent COLA to be transferred between fiscal years. Section 13 authorizes BOE to allocate and distribute the amounts shown to TRPA for any deficiencies created between funding of TRPA and the 3 percent COLA, provided the State of California provides the required two-for-one match. Section 14 lists the positions exempt from the provisions of the NRS that require the salary of a person employed by the State not to exceed 95 percent of the salary of the Governor.

CHAIR WOODHOUSE:
We will hear S.B. 123.

SENATE BILL 123 (1st Reprint): Revises provisions relating to elections.
(BDR 24-726)

SENATOR JAMES OHRENSCHALL:

Senate Bill 123 was referred here due to its fiscal impact. My Proposed Amendment No. 6017 ([Exhibit F](#)) has been provided to you. As set forth in [Exhibit F](#), S.B. 123 would provide for greater election security and make technical changes regarding electronic rosters used at the polls. It would help private property owners who have provided polling locations, and it would remove antiquated language from the NRS.

Section 8 and section 9 of [Exhibit F](#) would require the Secretary of State (SOS) to adopt regulations for conducting a risk-limiting audit after an election. That is an audit of an election contest that provides strong statistical evidence the election outcome is correct. A risk-limiting audit means an audit protocol that makes use of statistical principles and methods, and is designed to limit the risk of certifying an incorrect election outcome.

The GFO, Division of Internal Audits recommended in its October 2017 audit report that the Office of the SOS explore the possibility of implementing this kind of audit. Provisions in the proposed amendment would allow the SOS to comply with the recommendations in the audit report.

Postelection audits done before certification of election results are essential to administering a secure election. Audits against the paper vote record allow election officials to verify equipment malfunctions or vote tampering. Nevada uses fixed-percentage, non-statistical postelection audits to make sure voting machines accurately record all votes cast. That methodology may not

effectively ensure voting machines record all votes cast, according to the October 2017 audit.

Implementation of risk-limiting audits recommended by the audit report would help ensure postelection audit results are statistically supported and would allow for more effective audit methodology.

Section 81 of [Exhibit F](#) first requires the development of a pilot program for the new system for the results of the 2020 general election. The SOS may require each county to participate. In the 2022 election cycle, the risk-limiting audits will become a regular practice for the SOS and the counties.

Section 31 and section 40 of [Exhibit F](#) require city and county election officials to test all electronic poll books before each election to ensure the book is functional in accordance with regulations that would be adopted by the SOS.

While State law requires extensive certification and testing of the voting systems and the components of voting systems, testing of electronic poll books is not now required. Beginning with the 2018 election, all counties in Nevada are using electronic poll books for both early voting and Election Day voters.

Electronic poll books allow poll workers to check in voters and perform other critical administrative functions at the polling place. They also allow for the kind of voting we have in Clark County called vote centers. A person from any part of the county can vote at the closest vote center to them. If a poll book is not functioning properly, it could impact a person's ability to vote in the election. These testing provisions are important.

Section 6 and section 7 of [Exhibit F](#) provide mandatory cybersecurity awareness training for local officials, enhanced information privacy surrounding documents relating to election security and mandatory reporting of cybersecurity incidents to the SOS. A conforming change related to this is in section 64.

Section 21 and section 23 of [Exhibit F](#) address the filed list of judicial and non-judicial candidates. Existing law established separate filing periods for judicial candidates and non-judicial candidates and requires a candidate who wishes to withdraw to do so within seven days after the last day for filing. The SOS is required to forward a list of candidates to each county not later than five working days after the last day a candidate may withdraw his or her candidacy.

After that, the county clerk must publish a notice of the primary or general election in a newspaper.

Section 21 and section 23 of [Exhibit F](#) clarify the SOS must forward the list of candidates for judicial and non-judicial offices not later than five working days after the last day a candidate for non-judicial office may withdraw his or her candidacy. Then each county clerk can publish a notice of election based on the full slate of candidates. This is helpful because judicial candidates typically file for office in January, and non-judicial candidates typically file in March when the required certified list cannot technically be published. A conforming change relating to the non-judicial candidates is in Section 26.

There are other technical changes. Federal law establishes the United States Election Assistance Commission and charges it with various duties including the development of standards for voting systems. Section 5, section 30, section 38 and section 39 of [Exhibit F](#) revise references to the standards for voting systems established by the United States Election Assistance Commission.

Nevada law provides if there has been a tie vote for any office of a county, township, incorporated city or a city organized under a special charter and the charter is silent on the tie vote issue or the district is located wholly within one county, the winner is determined by lot. Section 32 of [Exhibit F](#) provides if the tie vote happens in a primary election for a nonpartisan office, those candidates who receive the highest number of votes at the primary election must be declared the nominees for the office and placed on the ballot at the general election.

If the candidates who received the tie votes did not receive the highest number of votes but received the next highest number of votes and were tied for second place, the candidate who received the highest number of votes and the candidates who received the tie votes at the primary election must be declared the nominees for the office and placed on the ballot for the general election. Section 29 of [Exhibit F](#) makes a conforming change related to this.

Section 34 of [Exhibit F](#) addresses Election Day polling places on private property. The provision gives private property owners the same protection already afforded to them during early voting. It says on Election Day, the legal rights and remedies of the owner or lessor of the private property rented as a polling place are not impaired or affected by renting the property.

In 2018, several Election Day vote center sites expressed concern they were unable to deny electioneering activities on Election Day. Those property owners may not offer their properties as vote centers if this is not changed.

Section 35 addresses the process to handle an incomplete voter registration. Nevada law says if a person does not indicate a political party affiliation or indicates he or she is not affiliated with a political party on the voter registration, the county clerk shall list the voter's political party as nonpartisan. If a person who is already registered or preregistered to vote submits a new paper application in the same county where he or she is already registered and the person does not make any such indications on the new application, the county clerk shall not change the person's existing political party affiliation as established by the prior application.

Section 54 addresses the manner in which the SOS takes in and tracks initiative and referendum petitions. It requires the SOS to assign to the petition a unique identifier that must consist of a serial number or letter, or both, and distinguish among each type of petition received. It ensures the initiative and referendum petitions received by the SOS are posted on the SOS internet website.

Section 56 of [Exhibit F](#) specifies a notice of intent to recall a public officer is filed with the filing officer with whom the public officer filed his or her declaration of candidacy. There are dozens of technical deletions of the terms "acceptancy of candidacy" and "certificate of candidacy." Proposed Amendment No. 6017 makes changes throughout Title 24 of the NRS and in a few other chapters to capture the repeal of the provision in section 80 that created the terms "acceptance of candidacy" and "certificate of candidacy." These terms are redundant to the term "declaration of candidacy" used throughout the NRS.

SENATOR SETTELMAYER:

I was apprehensive when election poll books were first being discussed, but they work very well in Douglas County to speed up the process and let people verify signatures. I support the concept.

SENATOR OHRENSCHALL:

They have been a great help in Clark County.

CHAIR WOODHOUSE:

I agree they are successful.

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SENATOR PARKS:

Is a risk-limiting audit a type of sampling?

SENATOR OHRENSCHALL:

It looks at the statistics for accuracy.

WAYNE THORLEY Deputy Secretary of State for Elections, Office of the Secretary of State):

We support S.B. 123 with the proposed amendment. It provides important improvements to election security.

SENATOR SETTELMAYER:

How much will this cost?

MR. THORLEY:

There is no fiscal impact on the SOS with the proposed amendment.

PEGGY LEAR BOWEN:

This bill does not go far enough. We had major problems in Washoe County. There was an attempt to suppress voting. Not all races were shown on the ballots due to technology issues. The machines were flawed.

The greatest thing we have in a democracy is the right to vote. The training manual for the poll workers asks for personal information about a voter instead of just getting the signature.

The system in Washoe County is not the system you thought you were getting. I do not know if my vote was counted.

CHAIR WOODHOUSE:

We will go into work session.

STEPHANIE DAY (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 211 was heard by the Committee on March 4, 2019. It was presented by Berna Rhodes-Ford, chair of the Nevada Commission on Minority Affairs. It includes General Fund appropriations not included in the Executive Budget of \$15,126 in FY 2019-2020 and \$9,109 in FY 2020-2021 to pay for operating expenses for the Commission on Minority Affairs (CMA).

SENATE BILL 211: Revises provisions relating to the Nevada Commission on Minority Affairs. (BDR 31-587)

This is in addition to the operating and travel expenditures included in the Executive Budget. Section 1 and Section 2 exempt the CMA from the requirements of the State Budget Act. The bill would be effective on July 1, 2019. Commissioner Michael Flores testified in support of the bill. There was no testimony in neutral or against.

Senator Dallas Harris submitted a proposed conceptual amendment yesterday that deleted section 1 and section 2 which would eliminate the request to exempt the CMA from the State Budget Act.

MR. KRMPOTIC:

If the Committee accepts the amendment, all that would remain in the bill are the appropriations to the CMA listed in section 3. If the Committee does not wish to approve the appropriations, the Committee may wish to not process the bill.

SENATOR BROOKS:

Please explain the conceptual amendment.

MS. DAY:

The original bill exempts the CMA from the State Budget Act which means it would not have to come to the IFC for approval of any work programs, and its budget would not be in the Executive Budget. It would treat the CMA the same as the Legislative Branch, the Judicial Branch, PERS and TRPA.

MR. KRMPOTIC:

The budget would appear in the Executive Budget. It would not receive any review or adjustment from the Governor. As with the Judicial Branch, for example, the budget is included in the Executive Budget, but it is not technically a recommendation from the Governor since that branch of the government is exempt from the State Budget Act. The same is true for PERS and TRPA.

If the CMA were exempt from the State Budget Act, it would not receive review by the GFO and would still appear in the Executive Budget.

SENATOR KIECKHEFER:

My biggest concern was the State Budget Act piece. The other agencies mentioned have real needs to be independent and exempt. If the proposal is to remove that, I support S.B. 211.

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED SENATE BILL 211 TO REMOVE SECTION 1 AND SECTION 2 WITH THE APPROPRIATIONS REMAINING.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. DAY:

Senate Bill 377 was heard in this Committee on May 25, 2019. Existing law provides for an annual 2 percent COLA increase for individuals who are permanently totally disabled due to an industrial injury or disablement that happened before January 1, 2004, and are paid by money in the Fund for Workers' Compensation and Safety. That is funded with assessments against insurers and certain employers who provide accident benefits for injured employees.

SENATE BILL 377 (1st Reprint): Revises provisions relating to workers' compensation. (BDR 53-1025)

As amended, S.B. 377 was presented by Senator Harris and provides for an annual 2.3 percent COLA increase for individuals who are permanently, totally disabled due to an industrial injury or disablement that happened before January 1, 2004, and are paid by money in the Fund for Workers' Compensation and Safety. Senate Bill 377 becomes effective July 1, 2019. The fiscal note submitted by the B&I, Division of Industrial Relations (NDIR) indicates a fiscal impact of \$356,096 in FY 2019-2020 and \$720,383 in FY 2020-2021.

There was no testimony in support or opposition. Testimony in neutral was from the deputy administrator of NDIR who discussed the fiscal note and testified

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there is no fiscal impact to NDIR for administration, but the fiscal note would still remain.

SENATOR GOICOECHEA:
Please repeat the fiscal note.

Ms. DAY:
The fiscal note is \$356,096 in the first year and \$720,383 in the second year. Funding would come from the Fund for Workers' Compensation and Safety. There are no administrative costs to NDIR.

SENATOR SETTELMAYER:
Each silo is different for the corporations, self-insured, associations and others. They each pay their own fees. That gave me a comfort level. I support it. It is not a fiscal hit to the State, it is to the categories of insureds.

SENATOR SETTELMAYER MOVED TO DO PASS S.B. 377.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. DAY:
Senate Bill 381 revises provisions relating to workers' compensation. It establishes the substantive right of an injured employee to choose a treating health care provider under the Nevada Industrial Insurance Act or the Nevada Occupational Diseases Act. The bill becomes effective upon passage and approval.

SENATE BILL 381 (1st Reprint): Revises provisions relating to workers' compensation. (BDR 53-1157)

There are two fiscal notes. The Department of Administration, Risk Management Division (RMD) fiscal note is for \$415,497 in each fiscal year of the 2019-2021 biennium. The B&I fiscal note is \$179,391 in FY 2019-2020 and \$161,333 in FY 2020-2021.

Three people testified in support, one testified in neutral, and one testified against the bill. Two proposed amendments were presented to this Committee. One would change the effective date to January 1, 2020. That has been incorporated into Proposed Amendment No. 5932 ([Exhibit G](#)). It replaces all references to health care providers in the original bill and returns the language to say physician or chiropractor. It removes physical therapists and psychologists.

The fiscal note for RMD remains intact with the amendment, as does the fiscal note for NDIR.

CHAIR WOODHOUSE:

Could you cover the sources of funding for those fiscal notes?

MS. DAY:

The RMD is funded through workers' compensation assessments to State agencies. There are sufficient reserves to cover the costs for the next biennium. For the NDIR fiscal note, funds come from the Fund for Workers' Compensation and Safety.

SENATOR SETTELMAYER:

There has been much compromise on this. I hope they can work on some of the osteopath definitions. In rural areas, there may not be enough doctors to cover the categories.

SENATOR SETTELMAYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 381.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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JOHN KUCERA (Program Analyst, Fiscal Analysis Division,
Legislative Counsel Bureau):

Senate Bill 361 expands access to contraceptive supplies by authorizing a pharmacist to prescribe, order and dispense contraceptives to a patient. It establishes associated procedures. It prescribes the practice of pharmacy includes the prescribing, ordering and dispensing of contraceptive supplies,

and it requires a pharmacist to complete a program related to doing so once every three years before the pharmacist's registration may be renewed.

SENATE BILL 361: Provides for the prescribing, ordering and dispensing of contraceptive supplies by pharmacists. (BDR 54-921)

The bill was heard in this Committee May 25, 2019. Several parties testified in support, and there was no testimony in neutral or opposition. Senator Niccole Cannizzaro presented a conceptual amendment that was provided to you during the bill hearing. The updated version includes provisions for the chief medical officer to issue a standing prescription drug order authorizing the dispensing of self-administered hormonal contraceptives in accordance with a protocol.

Senator Cannizzaro indicated the proposed conceptual amendment would remove the identified fiscal impact to the bill. The effective date of S.B. 361 is upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks necessary to carry out the provisions of the bill and on January 1, 2020, for all other purposes.

SENATOR CANCELA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 361.

SENATOR PARKS SECONDED THE MOTION.

SENATOR KIECKHEFER:

During the hearing, I asked several questions about whether this bill would provide a disincentive for young women to get into the office of an obstetrician and gynecologist's office. I have been told that is not a concern. I support the bill.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

COLBY NICHOLS (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 493 revises provisions relating to the misclassification of employees. As amended, the bill requires certain agencies to share among their offices

information related to suspected employee misclassification to the extent confidentiality required by law is maintained. It establishes a task force on employee misclassification, and the duties and reporting requirements of the task force. The bill authorizes the Labor Commissioner to impose various administrative penalties against an employer that misclassifies a person as an independent contractor and authorizes a person to file a complaint with certain agencies to seek such a penalty.

SENATE BILL 493 (1st Reprint): Revises provisions relating to misclassification of employees. (BDR 53-1087)

During the hearing, a proposed amendment was discussed that would add clarifying language regarding the definition of employee misclassification and an independent contractor. It would change the composition of the proposed task force and establish that people wishing to make a complaint would submit their complaints to the Office of the Labor Commissioner.

Senate Bill 493 as amended has two unsolicited fiscal notes. One is from the Office of the Labor Commissioner and one from NDIR. The proposed amendment would remove the fiscal note from NDIR and reduce the fiscal note from the Office of the Labor Commissioner to \$147,040 in FY 2019-2020 and \$145,662 in FY 2020-2021. Section 1 to section 13 would become effective July 1, 2019. Section 14 to section 16 would become effective upon passage and approval.

SENATOR MARILYN DONDERO LOOP:

The amendment deletes section 14 to section 23 of the proposed amendment removing the fiscal impact. Yesterday, B&I Director Michael Brown testified these deletions would remove the fiscal note.

CHAIR WOODHOUSE:

Do we still have the reduced fiscal note from the Office of Labor Commissioner?

SENATOR MARILYN DONDERO LOOP:

Yes.

SENATOR GOICOECHEA:

I will vote no out of concern about some of the language and because it still has a fiscal note of approximately \$300,000.

SENATOR CANCELA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 493.

SENATOR DENIS SECONDED THE MOTION.

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

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

Senate Bill 174 was heard this morning. Senator Ohrenschall presented a conceptual amendment during the hearing. It deletes section 1 and eliminates the fiscal notes submitted by agencies on the original bill. The amendment retains section 2 and section 3 which call for the Legislative Auditor to conduct an audit of DHHS concerning the delivery of evidence-based services for persons with autism spectrum disorders during the 2019-2021 biennium.

SENATE BILL 174: Makes various changes relating to services provided to persons with autism spectrum disorders. (BDR S-680)

The conceptual amendment was presented by Senator Ohrenschall, Bailey Bortolin and Julie Ostrovsky. One person testified in support. There was no testimony in opposition. A representative from the DHHS, Division of Health Care Financing and Policy testified the conceptual amendment would remove the fiscal impact for Medicaid. Staff from the DHHS Aging and Disability Services Division indicated the conceptual amendment would also remove the fiscal impact identified by that Agency.

The bill would be effective upon passage and approval.

SENATOR CANCELA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 174.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

This morning the Committee received a presentation on the State Appropriations Act, BDR S-1280. Since the Committee's review, one section was stricken. Section 65 will be stricken in the bill form. Section 65 said it would be the intent of the Legislature that the amounts appropriated by section 16 of this Act for NSHE shall not be allocated by NSHE to support expenditures related to professional merit salary increases.

MS. BOWEN:

I did not hear physical therapists mentioned in the discussion of S.B. 381. I want to remind you of my concerns about the voting process problems in Washoe County. Some people do not get to vote for their representative now due to no competition in the primary of their party.

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CHAIR WOODHOUSE:

Seeing no further public comment, this meeting is adjourned at 7:37 p.m.

RESPECTFULLY SUBMITTED:

Felicia Archer,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	10		Attendance Roster
S.B. 174	C	1	Senator James Ohrenschall	Conceptual Amendment
S.B. 174	D	7	Bailey Bortolin/Nevada Coalition of Legal Service Providers	Testimony in support
S.B. 275	E	11	Senator Pete Goicoechea	Proposed Amendment No. 5819
S.B. 123	F	59	Senator James Ohrenschall	Proposed Amendment No. 6017
S.B. 381	G	39	Stephanie Day/LCB	Proposed Amendment No. 5932