

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Eighty-first Session  
May 12, 2021**

The Senate Committee on Finance was called to order by Chair Chris Brooks at 6:26 p.m. on Wednesday, May 12, 2021, Online and in Room 1214 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Chris Brooks, Chair  
Senator Moises Denis, Vice Chair  
Senator Julia Ratti  
Senator Nicole J. Cannizzaro  
Senator Marilyn Dondero Loop  
Senator Ben Kieckhefer  
Senator Pete Goicoechea  
Senator Scott Hammond  
Senator Heidi Seevers Gansert

**GUEST LEGISLATORS PRESENT:**

Senator Dina Neal, Senatorial District No. 4

**STAFF MEMBERS PRESENT:**

Wayne Thorley, Senate Fiscal Analyst  
Alex Haartz, Principal Deputy Fiscal Analyst  
Joko Cailles, Committee Secretary

**OTHERS PRESENT:**

Melanie Young, Executive Director, Department of Taxation  
Dylan Keith, Policy Analyst, Vegas Chamber  
Arielle Edwards, Government Affairs Specialist, City of North Las Vegas  
Kevin Raiford, Business Professor, College of Southern Nevada  
Marlene Lockard, Service Employees International Union 1107

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Shannon Chambers, Labor Commissioner, Office of Labor Commissioner,  
Department of Business and Industry  
Paul Shubert, Chief, Bureau of Health Care Quality and Compliance, Division of  
Public and Behavioral Health, Department of Health and Human Services  
Rozetta Love, Service Employees International Union 1107  
Irma Nunez, Service Employees International Union 1107  
Shanieka Cooper, Service Employees International Union 1107  
Tess Opferman, Nevada Women's Lobby  
Terri Laird, Executive Director, Retired Public Employees of Nevada  
Kent Ervin, Legislative Liaison, Nevada Faculty Alliance  
Allan Ward, Personal Care Association of Nevada  
Connie McMullen, Personal Care Association of Nevada  
JD Decker, Administrator, Division of Compliance Enforcement, Department of  
Motor Vehicles  
Michael Alonso, Turo  
Beth Slamowitz, Senior Policy Advisory on Pharmacy, Department of Health and  
Human Services  
Brett Michelin, Senior Director, State Government Affairs, Association for  
Accessible Medicines  
Stephanie Woodard, Psy.D., Medical Epidemiologist, Division of Public and  
Behavioral Health, Department of Health and Human Services  
Jessica Adair, Chief of Staff, Office of the Attorney General  
Margie Turner, Nevadans for the Common Good  
Robin Reedy, Executive Director, National Alliance on Mental Illness, Nevada  
Sam Brinton, Vice President, Advocacy and Government Affairs,  
The Trevor Project  
Stephanie Pasternak, Manager, State Affairs, National Alliance for Mental Illness  
Taryn Hiatt, Area Director, American Foundation for Suicide Prevention, Nevada  
Helen Foley, T-Mobile

CHAIR BROOKS:

We begin with a hearing on Senate Bill (S.B.) 281.

**SENATE BILL 281 (1st Reprint)**: Enacts provisions relating to certain products  
containing hemp. (BDR 32-974)

WAYNE THORLEY (Senate Fiscal Analyst):

Section 11 of S.B. 281 imposes a new excise tax of 3 percent on consumable  
hemp products. The Department of Taxation submitted a fiscal note indicating a

master services agreement (MSA) programmer would be needed to implement system modifications. An additional seven positions would be needed to administer the excise tax.

The Department of Taxation estimates S.B. 281 will cost \$485,963 in fiscal year (FY) 2022-2023 and \$971,926 in future biennia.

SENATOR DINA NEAL (Senatorial District No. 4):

Senate Bill 281 is an attempt to regulate cannabidiol (CBD) products. In 2019, the Department of Health and Human Services (DHHS) was given the authority to handle the labelling and testing of hemp intended for human consumption. Pursuant to *Nevada Revised Statutes* (NRS) 439.532, the DHHS handles CBD regulation.

Because S.B. 281 will affect retail sales of CBD, I propose an excise tax to pay for regulatory activities. The 3 percent rate is based on the rate used in Louisiana. Senate Bill 281 will allow the State to investigate and regulate CBD products to ensure they are safe. The DHHS has the ability to test hemp products. Products with CBD are rolled into that category.

SENATOR GOICOECHEA:

Would CBD products for external application be covered by the tax?

SENATOR NEAL:

Senate Bill 281 would encompass all retail CBD products. This includes lotions, gels and other products sold in retail spaces. The extended deadline in S.B. 281 gives the Department of Taxation time to setup its computer systems as electronic filing will make it easier to administer the new excise tax.

MELANIE YOUNG (Executive Director, Department of Taxation):

The new excise tax and the growth in taxpayer accounts require three tax examiner positions and two accounting assistant positions to accommodate the workload. The positions would begin in December 2022, as would operating costs and some programmatic costs. The effective date of S.B. 281 is January 1, 2023.

When a new tax is introduced, the Department of Taxation brings on tax examiners during initial implementation. After six months, revenue officers

are added as some taxpayer accounts may be delinquent by that point. After a year, an auditor would be added.

The fiscal impact in FY 2022-2023 is estimated at \$485,963.

SENATOR KIECKHEFER:

New Department of Taxation staff are slated to begin in December 2022. Why do estimated costs in FY 2022-2023 reflect expenditures for half of the costs for future biennia instead of a quarter of the costs?

If the Department of Taxation hires staff for the excise tax in December 2022, position costs will be reflected in about 25 percent of the 2021-2023 biennium.

Ms. YOUNG:

The cost estimate is based on five staff positions starting in December 2022.

SENATOR KIECKHEFER:

If the positions begin in December 2022, they would be active for a quarter of the 2021-2023 biennium. The effect of the positions on future biennia seems understated.

Ms. YOUNG:

The effect on future biennia was calculated by multiplying the FY 2022-2023 impact by two. I have to look at the fiscal impact on future biennia. If the Department of Taxation adds a revenue officer and auditor positions, the current figures are not as high as they should be.

SENATOR KIECKHEFER:

Will the \$971,926 cost be more reflective of annual costs for these positions?

Ms. YOUNG:

The Department of Taxation needs to recalculate projections for future biennia.

SENATOR KIECKHEFER:

Have you estimated the revenue from the 3 percent excise tax?

Ms. YOUNG:

No. We estimate about 7,500 new taxpayer accounts will come online.

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CHAIR BROOKS:

Does the Department of Taxation have the ability to estimate gross sales or tax revenues?

MS. YOUNG:

The Department of Taxation has not estimated revenues. We work with Fiscal staff on those projections.

SENATOR NEAL:

Fiscal staff has not yet created revenue projections. They will do so.

CHAIR BROOKS:

I close the hearing on S.B. 281. We move to S.B. 310.

**SENATE BILL 310 (1st Reprint)**: Makes an appropriation to the Nevada System of Higher Education and requires the disbursement of certain federal money in certain circumstances to enable the College of Southern Nevada to assist and carry out the NV Grow Program. (BDR S-570)

MR. THORLEY:

Senate Bill 310 appropriates \$400,000 to the Nevada System of Higher Education to allow the College of Southern Nevada to administer the NV Grow program. The measure also requires \$200,000 of any federal funds received by the State by July 1, 2021, to assist small businesses impacted by the Covid-19 pandemic to be allocated to the College of Southern Nevada to administer the NV Grow program.

SENATOR NEAL:

Senate Bill 310 continues the NV Grow program established in 2015. The program assists small businesses achieve growth. Over 300 businesses have participated in the program, which has grown every year. The NV Grow program has had an \$8 million positive impact on the State.

The chambers of commerce listed in section 4 of S.B. 310 receive \$25,000 allocations. We have a partnership with the Urban Chamber of Commerce, Latin Chamber of Commerce, Henderson Chamber of Commerce and the Asian Community Development Council. They would use the \$25,000 allocations over the 2021-2023 biennium to advertise and bring businesses into the NV Grow program. The program pays for its own data and geographic

information system specialists. Operational expenses are roughly \$200,000. Salary costs, including stipends for professors and counselors, total about \$200,000 over the 2021-2023 biennium.

The NV Grow program has done well assisting small businesses. During the pandemic, the program helped small businesses remain afloat. The program also helped small businesses pivot into digital spaces. Receiving \$200,000 from federal relief monies will allow the program to create an incubator to help small businesses continue on different business models after the pandemic.

CHAIR BROOKS:

The NV Grow program has a successful record. Most of S.B. 310 is straightforward and supports what the program has done in the past.

I am concerned about section 4 of S.B. 310. The measure tries to be specific about what type of federal dollars to draw NV Grow program monies from. However, we do not yet fully understand how the federal funding will operate.

SENATOR NEAL:

Section 4 of S.B. 310 was added in light of business activities that have taken place during the pandemic. The legislation made an assumption that other federal dollars for small business relief will be available.

I would not object to removing the language pertaining to federal small business monies and continuing the NV Grow program as is. I had conversations with Clark County as it wanted to build out an incubator component.

DYLAN KEITH (Policy Analyst, Vegas Chamber):

The Vegas Chamber supports S.B. 310. The NV Grow program has a long history of success. Allocations per business average less than \$1,000, with economic impacts being over \$50,000 per business. This is a good use of tax dollars. The NV Grow program supports small businesses, creates jobs and diversifies the State economy.

ARIELLE EDWARDS (Government Affairs Specialist, City of North Las Vegas):

The City of North Las Vegas supports S.B. 310. The NV Grow program has had a positive impact on hundreds of small business owners and their families. It has been able to provide direct consulting services to small businesses in

North Las Vegas. We believe the measure could be a game changer for families, helping them succeed.

KEVIN RAIFORD (Business Professor, College of Southern Nevada):

I support S.B. 310. The NV Grow program has many successful clients. The College of Southern Nevada looks forward to helping small businesses move forward through the NV Grow program.

CHAIR BROOKS:

I close the hearing on S.B. 310. We move to S.B. 340.

**SENATE BILL 340 (1st Reprint)**: Revises provision relating to the wages and working conditions of certain employees. (BDR 53-573)

MR. THORLEY:

There were two fiscal notes submitted for S.B. 340. The Department of Business and Industry (B&I), Office of Labor Commissioner (OLC) indicates a new compliance audit investigator II position is needed to conduct home care employee investigations that would be required by S.B. 340. The associated costs are \$71,665 in FY 2021-2022 and \$88,469 in FY 2022-2023.

The DHHS Division of Public and Behavioral Health (DPBH) indicates a new management analyst position would be needed to manage the work of the home care employment standards board created by S.B. 340. Associated costs are \$86,609 in FY 2021-2022 and \$110,120 in FY 2022-2023.

SENATOR NEAL:

Senate Bill 340 requires the DHHS to establish a home care employment standards board. The board would investigate certain matters related to the wages and working conditions of home care employees. The board would assist in ensuring employers follow applicable laws, develop recommendations regarding the minimum wage and working conditions, and submit a report to the DHHS director. Senate Bill 340 would allow home care employees to bring civil actions against employers who pay them less than the minimum wage established by the DHHS director through regulation. The measure is meant to help Nevada move forward in supporting health care workers on the frontlines during the pandemic.

MARLENE LOCKARD (Service Employees International Union 1107):

I represent Service Employees' International Union (SEIU) 1107, the largest movement of health care and public workers in Nevada with approximately 19,000 members. Last fall, the Guinn Center for Policy Priorities issued an assessment of the State's personal care workforce. The Center reported a dire crisis is on the horizon. A dangerous home care worker shortage would hurt Nevada seniors, people with disabilities and home care workers alike. Nevada has approximately 13,000 home care workers. The Center reports the State will need to add over 5,300 workers by 2026.

To compound the problem, the *Elders Count Nevada 2021* report indicates "Nevada has been and will continue to experience an aging tsunami." Nevada's population has increased by 11.5 percent. The 65-and-older population increased by 40 percent. The 85-and-older population in the State is double the National average. About half of home care workers leave the job within a year of taking it. The need to attract and retain a dedicated home care workforce is clearly established. Nevada does not have the policies to meet this need.

Senate Bill 340 is the Nevada Home Care Workforce Safety and Standards Act. It will create a board made up of home care employees, consumers, employers and State officials to recommend improvements based on examinations of training, Covid-19 protocols, protective equipment, benefits and other issues to help retain home care workers. The board will bring all stakeholders to the table to coordinate the development of consistent standards and best practices. It will help establish a stable, long-term and committed workforce recognizing home care as an undervalued yet critically important profession.

Senate Bill 340 will save Nevada money. According to expenditure data provided to the Centers for Medicare and Medicaid Services, the State estimates an average per capita savings of over \$70,000 when a senior is served through the Medicaid waiver program instead of through a nursing facility.

Those of us who care for loved ones know people prefer to stay in their own homes as long as possible. The pandemic exposed the risks and safety issues present in many institutional care facilities.

The fiscal notes attached to S.B. 340 have impacts that are half of what was originally projected. The fiscal notes pertain to a new management analyst position for the DHHS and a compliance investigator position for the OLC.



Investing in home care now will pay dividends to the State by saving millions of future dollars.

Under the *Every Nevadan Recovery Framework*, legislators and the Governor have shown foresight in the strategy needed to stave off the consequences of ignoring warnings experts have sounded on home care work. This is the time to act to ensure the safety and protection of seniors and the disabled. We have a chance to improve the lives of essential home care workers.

SHANNON CHAMBERS (Labor Commissioner, Office of Labor Commissioner, Department of Business and Industry):

The OLC submitted a fiscal note for S.B. 340 that has been reduced. I am working with the bill's sponsors to possibly remove our fiscal note. The OLC is dealing with uncertainty as we are unsure how many investigations we would have to conduct under S.B. 340. I have worked with Ms. Lockard and can work with Senator Neal to address that issue.

The B&I Labor Commissioner budget account (B/A) 101-3900 was closed. When I submitted the fiscal note, the OLC was in the position of possibly not being able to fill two vacant positions. The fiscal note was added as the OLC is handling a myriad of legislation and labor commitments.

## COMMERCE AND INDUSTRY

### BUSINESS AND INDUSTRY

B&I - Labor Commissioner — Budget Page B & I-181 (Volume II)  
Budget Account 101-3900

CHAIR BROOKS:

I understand the bills passed by the Legislature have a cumulative effect on the OLC.

PAUL SHUBERT (Chief, Bureau of Health Care Quality and Compliance, Division of Public and Behavioral Health, Department of Health and Human Services):

The DPBH looked at the language in S.B. 340 and realized it would require DPBH staff to manage the board to be created. As such, we propose a new management analyst position to fulfill that work.

CHAIR BROOKS:

Will the management analyst position be permanent?

MR. SHUBERT:

Yes. The DPBH would retain the position to ensure all Open Meeting Law requirements are met for the board that would be established by S.B. 340. The position would help the board meet its objectives and process meeting minutes.

ROZETTA LOVE (Service Employees International Union 1107):

I am a constituent of Senator Neal and was born and raised in Las Vegas.

I have watched Las Vegas grow along with the need for home care service. I ask legislators to pass S.B. 340 and create the home care standards board needed to investigate the issues facing consumers and home care workers such as myself.

Home care workers care about our clients and community. Despite our vital work, we are paid poverty wages. Most of us do not even have health insurance or paid sick days. Home care workers deserve to be treated fairly. Our clients deserve the highest quality of care.

About half of home care workers leave their jobs within a year. This is essential work. Too many workers cannot make a living doing this. My hope is that Nevada reforms the home care system and makes home care jobs high quality jobs with living wages. I want the next generation of home care workers to proudly take care of our loved ones.

IRMA NUNEZ (Service Employees International Union 1107):

I have lived in Las Vegas for 16 years and support S.B. 340.

I have been a home care worker for 12 years. I work for three agencies and have seven clients. I support S.B. 340 because I have difficulty being a home care worker while supporting my own health. I only make \$10 an hour and do not have access to quality, affordable health insurance.

I have diabetes and need to see doctors on a regular basis. I require electrocardiograms and blood work to know the status of my health. Because I lack insurance, medical costs are high. I have to leave the Country to see

doctors and get medications. Leaving the Nation takes time away from client care.

I recently had a health emergency and had to go to University Medical Center with a severe hemorrhage. Services were expensive due to the tests that had to be done. Senate Bill 340 is important so home care workers across the State have a voice to address the lack of health care and other basic benefits.

Home care work has been essential during the pandemic. We are risking our lives to do our jobs. Please support my health and wellbeing through S.B. 340.

SHANIEKA COOPER (Service Employees International Union 1107):

I am a long-term health care worker and resident of Assembly District 3 in Las Vegas.

I support S.B. 340 because home care is essential for the safety and well-being of seniors. Our services save taxpayers money. We need to ensure Nevada has a high quality home care system so workers such as myself can provide decent lives for our families. We want our clients to have the best possible care.

I started in home care when my great aunt became ill and became passionate about helping others. I moved to Las Vegas from California several years ago. I learned Nevada lacks many basic protections and benefits for home care workers. I only make \$10 an hour. In California, I made \$25 an hour. The agencies we work through do not provide health insurance or paid sick days.

I was surprised to discover home care workers have to pay for all job requirements—including fingerprints and basic training. This is burdensome for Nevadans who do not have incomes. Home care workers and our clients are struggling. Because wages are low and workers lack benefits, it is difficult for clients to find and retain quality care givers. With Nevada's aging population, this has become a major crisis. Senate Bill 340 will give workers and consumers a seat at the table with employers and elected leaders. We want to lift home care workers out of poverty and provide seniors with the care they deserve.

TESS OPFERMAN (Nevada Women's Lobby):

The Nevada Women's Lobby supports S.B. 340.

TERRI LAIRD (Executive Director, Retired Public Employees of Nevada):

The Retired Public Employees of Nevada is a nonprofit organization formed in 1976 with nearly 8,000 dues-paying members—a majority of whom are retired. We support S.B. 340 because of the ages of our members.

KENT ERVIN (Legislative Liaison, Nevada Faculty Alliance):

The Nevada Faculty Alliance supports S.B. 340. Faculty and teachers are known for their long lifespans. This means good home care is essential for a high quality of life for our seniors. It is worth the small fiscal impact.

ALLAN WARD (Personal Care Association of Nevada):

I submitted written testimony ([Exhibit B](#)).

There are factors to consider when looking at what Medicaid providers pay compared to private providers. If you take a \$10 wage for a personal care employee, add 18 percent to 20 percent to that wage for payroll contributions—these include Federal Insurance Contributions Act taxes, workers' compensation and unemployment insurance—that represents \$2 on top of the \$10 wage. Then you add 20 cents for paid time off and another 15 cents for the modified business tax. Health care for an average caregiver between 45 and 55 years old costs us about \$450 per month. Divided by 30 hours per week or 120 hours, that represents another \$3.75. That brings us to a total of \$16.10 when the highest reimbursement rate in our State is \$17.50.

Some of the reimbursements for Nevada counties are below minimum wage. The monies amount to \$1.40 to pay for staff, technology, general liability fees, employment practices liability insurance, licensing and training. Rates for employment practices liability insurance doubled in the past year.

The Medicaid providers are not the bad guys. They are angels. They are losing money for every Medicaid hour they take. This is why a lot of providers walk away from Medicaid contracts. We cannot meet the needs of individuals on Medicaid and low-income seniors. Putting another layer of costs would further prevent us from meeting growing needs.

CONNIE McMULLEN (Personal Care Association of Nevada):

I have represented the Personal Care Association of Nevada for six years. I worked on State strategic plans for 22 years.

Medicaid providers in the personal care industry have not been reimbursed at a decent rate since 2002 or 2003. Governor Kenny Guinn established a commission to study weights. It recommended the personal care reimbursement rate be increased. Today's rate is the same as it was in 2002. While the rate has increased twice, it has always come back down afterwards.

I appreciate the 6 percent provider rate that was restored, and thank the Governor for making that choice. There are several regulations within the DPBH pertaining to health care quality and compliance. Regulated areas include wages, training, health care, licensing portability and unlicensed providers. Some of the agencies just need to follow regulations already in place. Medicaid providers also need more money for the services we want to provide to clients and employees. It is difficult to provide Medicaid services with the provider rate.

CHAIR BROOKS:

I close the hearing on S.B. 340. We move to S.B. 389.

**SENATE BILL 389 (1st Reprint)**: Establishes provisions governing peer-to-peer car sharing programs. (BDR 43-585)

MR. THORLEY:

The Department of Taxation submitted an unsolicited fiscal note on the first reprint of S.B. 389. The requirements of the measure include the remittance of a 10 percent fee from peer-to-peer car sharing programs to the Department of Taxation. The Department of Taxation estimates four new positions in information technology (IT) programming would be needed to implement the provisions of the bill with an estimated cost of \$375,000 in FY 2021-2022 and \$407,000 in FY 2022-2023.

The Department of Motor Vehicles (DMV) submitted a fiscal note to S.B. 389 as introduced. The fiscal note indicated system programming would be required to comply with new provisions. The DMV estimates a contract programmer would cost \$127,000 in FY 2021-2022 to comply with the legislation.

SENATOR NEAL:

Senate Bill 389 creates a statutory structure for peer-to-peer car sharing. Peer-to-peer car sharing is provided by companies like Turo and Enterprise. Senate Bill 389 aims to create the same State and local tax structure under

NRS 482 and NRS 244A for peer-to-peer car sharing that exists for the rental of passenger cars from car rental businesses.

The proceeds from State and local taxes on peer-to-peer car sharing programs would be required to be distributed and used in the same manner as the proceeds from the taxes collected by the car rental businesses. Under current statute, there is a 10 percent Governmental Services Tax imposed on the passenger car rented by the car rental business. The same tax rate would apply to peer-to-peer car sharing programs that allow vehicle rentals under S.B. 389.

There is a 2 percent tax on passenger cars rented by car rental businesses under NRS 224A and NRS 244A imposed by Washoe County and Clark County. Under S.B. 389, the same 2 percent tax would be applied on peer-to-peer car sharing programs by Washoe County and Clark County for the total amounts for passenger cars rented in those jurisdictions.

The proceeds from the 10 percent rate would go to the General Fund. The proceeds from the 2 percent rate would go to the specified projects authorized in NRS 244A or NRS 244A.860. The projects include the performing arts center project in Clark County and the minor league baseball stadium project in Washoe County.

CHAIR BROOKS:

I want to confirm that the first reprint of S.B. 389 does not change the DMV's fiscal note to the measure as introduced.

JD DECKER (Administrator, Division of Compliance Enforcement, Department of Motor Vehicles):

The reprint does not change the fiscal note, which includes 2,057 hours of programming costs for the DMV's IT section to create a new license type in its database and the functions associated with database tracking.

The DMV's IT team calculated the amount of in-house work it had the bandwidth for. The team included the hours it felt it would need to delegate to an MSA contractor.

Ms. YOUNG:

Senator Neal stated there is a 10 percent excise tax on passenger vehicle rentals with an additional 2 percent rate levied by Washoe County and

Clark County. Senate Bill 389 would allow the Department of Taxation to enter into a memorandum of understanding with peer-to-peer car rental companies to collect sales and use taxes for vehicles purchased without taxes being paid at the time of sale.

For the Department of Taxation to collect additional tax revenues, handle new accounts and ensure proper remittance, it requests two tax examiner positions to begin in October 2021. It also requests a revenue officer position to begin in March 2022 and an auditor position to begin in October 2022.

For operating and programming changes to the Department of Taxation's tax systems, the estimated fiscal impact is \$374,871 in FY 2021-2022 and \$406,699 in FY 2022-2023.

CHAIR BROOKS:

Is there a revenue projection associated with S.B. 389?

Ms. YOUNG:

The Department of Taxation has not made a projection. We work with Fiscal staff on projections to ensure we are aligned with legislative estimates.

SENATOR NEAL:

Projections were delayed as Fiscal staff was working on materials for the Economic Forum. Fiscal staff is working to collect confidential taxpayer information to determine revenue projections based on the number of cars and trucks subject to new peer-to-peer vehicle sharing taxes. The information is not accessible by me. It is only provided to Fiscal staff.

CHAIR BROOKS:

Do you know when revenue projections may arrive?

SENATOR NEAL:

No. I will follow up with Fiscal staff.

CHAIR BROOKS:

When would trucking companies use peer-to-peer services?

MICHAEL ALONSO (Turo):

Turo is one of the peer-to-peer vehicle sharing programs in Nevada. Other lobbyists represent entities focusing more on vans and utility vehicles outside the passenger car category.

CHAIR BROOKS:

We need trucks and vans, as we do cars.

I close the hearing on S.B. 389. We move to S.B. 380.

**SENATE BILL 380 (1st Reprint)**: Revises provisions governing the reporting of data concerning the prices of prescription drugs. (BDR 40-445)

MR. THORLEY:

The DHHS submitted an unsolicited fiscal note on the first reprint of S.B. 380. The DHHS estimates the fiscal impact of the measure to be \$756,000 over the 2021-2023 biennium. The expenditures would cover the transfer of the DHHS SQL database to the Department of Administration, Division of Enterprise Information Technology Services (EITS). The expenditures also address a contract pharmacist position, management analyst position and database maintenance costs. A detailed breakdown of estimated costs is included with the DHHS fiscal note.

SENATOR JULIA RATTI (Senatorial District No. 13):

I present S.B. 380 on behalf of the Committee to Conduct an Interim Study Concerning the Costs of Prescription Drugs.

Senate Bill 380 updates the work former Senator Yvanna Cancela began during the Seventy-ninth Session, during which the State led the Nation in trying to increase transparency on pharmaceutical pricing. We wanted to gather information from pharmaceutical manufacturers.

Work began on diabetes medications during the Seventy-ninth Session. Transparency measures for asthma medication were added during the Eightieth Session.

Since 2017, other states have gotten involved in efforts to increase price transparency. Nevada has learned lessons from them and from similar efforts at the federal level.



Supply chains include more than just manufacturers. The measure would gather information from pharmacy benefit managers and wholesalers. Senate Bill 380 was originally going to include more provisions pertaining to insurance companies. If Senate Bill 40 passes, it would provide related transparency pertaining to insurance, and this bill would not need to duplicate that effort. Instead of being focused on two specific disease categories, S.B. 380 addresses certain levels of costs—the \$40 wholesale acquisition cost for a course of therapy and if said cost increases by more than a certain percentage.

**SENATE BILL 40 (1st Reprint):** Provides for the collection of certain data relating to health care. (BDR 40-415)

Senate Bill 380 is a maturation of Nevada's transparency program. With respect to the fiscal impact, the DHHS has worked to fulfill statutory requirements around transparency reporting. Resources have not always been present for robust analysis and reporting. The DHHS fiscal note allows us to look at how much it costs to implement the State's drug transparency initiatives in a sustainable way.

We changed the usage of revenues collection from fees and penalties collected when organizations do not comply with drug transparency requirements. Over \$1 million has been sitting in an account since the State transparency program started. Senate Bill 380 aims to use these monies to fund the transparency program over the 2021-2023 biennium. It is not a long-term funding source. However, this gives us the opportunity to further mature the drug transparency program over the 2021-2023 biennium and add full supply chains to the process. At the end of the 2021-2023 biennium, we will be able to assess revenues from non-compliance fees and penalties. If the revenue is not sufficient, it would be up to the Office of the Governor as to whether it wants to put this program in the base budget so the drug transparency program would be ongoing.

Revenue from fees and penalties should offset costs for S.B. 380. The DHHS fiscal note shows the amount of revenues remaining at the end of the 2021-2023 biennium to pay for the drug transparency program.

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

Two contractor positions would be required to maintain and manage the drug transparency program in S.B. 380. One of the positions would be filled by an advanced full-time pharmacist whose expertise and knowledge would be needed for pharmaceutical processes, to understand supply chains, to analyze pharmacy data, and to complete and submit reporting required by section 14 of S.B. 380.

There is also a request for one contracted management analyst position. The position would assist with the required reporting, forms and guidance documents. The position would also manage correspondence through the transparency program's email account and direct communications with manufacturers and wholesalers. Senate Bill 380 will likely increase the volume of correspondence. The contracted position would help process necessary analysis and audit information. It would facilitate public hearings that take place for the drug transparency program.

The DHHS fiscal note addresses other operating expenses and software equipment. One of the major expenses is the transfer of the SQL database to EITS. There are about 300 gigabytes of data. With the movement away from looking at diabetes and asthma drugs in favor of looking at all drugs within a certain price parameter, the amount of information in the database may increase. The \$60,000 database maintenance cost in FY 2021-2022 assumes new reporting requirements begin April 1, 2022. We may start receiving reports from entities in March 2022. The costs account for four months in FY 2021-2022. The costs in FY 2022-2023 represent a full year's worth of database maintenance efforts by EITS.

There is a \$100,000 cost for the transportation of the SQL database from the DPBH to EITS. The maintenance piece includes software licensing, server, computing, network, disk storage and database backup costs.

The total amount on the fiscal note is just over \$770,000 for the effect on the 2021-2023 biennium. There is roughly \$1 million in an account outside the Executive Budget in the DHHS Director's Office that would be used to cover the costs of the fiscal impact.

SENATOR KIECKHEFER:

The pharmacist position outlined in the fiscal note works for 37.5 hours until December 2022 and 40 hours a week after. Why is that?

MS. SLAMOWITZ:

I agree it is a random figure. The current contractor works about 10 hours per month. Beginning July 1, that amount would increase. I believe the workload would go to 40 hours. I am not sure where the 37.5 hour figure came from.

SENATOR KIECKHEFER:

I am concerned about the workload S.B. 380 would generate and whether the proposed staff positions would be able to handle it.

I understand there are between 80 and 90 different reports for asthma and diabetes drugs under the drug transparency program. In California, changes similar to those proposed in S.B. 380 generated reports for approximately 1,300 drugs. Do you have an estimate of how many medication reports will be generated through the legislation? Will the DHHS have enough capacity to process that data to make it useable?

MS. SLAMOWITZ:

The contracted pharmacist in the DHHS will take a look at the current data we have and the drug file information based on the changes that S.B. 380 would bring to determine whether a threefold increase in data would occur.

The pharmacist's guess was the increase would not be threefold but still sizeable. Because the reporting would not occur until April 2022, some drug prices could change. Some drugs may be taken off the reporting list, whereas other drugs might be added.

We have a contracted pharmacist who works 10 hours per month. The analyst who assists with the drug transparency program is tied to other programs and responsibilities. Having two full-time staff members for the program would allow the DHHS to manage the level of work—including analysis and reporting—that would be required.

SENATOR KIECKHEFER:

Based on the data collected on asthma and diabetes drugs, what policies has the State implemented that affect drug prices?

SENATOR RATTI:

Are we doing any policy work with the data coming in? I cannot point to a specific bill or statute.

The first round of reporting increased transparency on pharmaceutical representatives and how much money was being spent to wine and dine prescribers. Can I show you a report showing those behaviors have changed? Not necessarily. Do I believe the behaviors have changed because of transparency? Yes.

What Nevada and other states are learning is we need to analyze the greater supply chain. Knowing what the manufacturer is doing is one thing. Knowing what the manufacturer, pharmacy benefit manager, wholesaler and insurance companies are doing will give us a more nuanced level of information that may lead to greater policy changes. Senate Bill 380 will lead to that deeper level of understanding.

SENATOR SEEVERS GANSERT:

Where did the \$1 million in the account outside the Executive Budget in the DHHS Director's Office come from? What was it intended to be used for? Why is it still available?

SENATOR RATTI:

The \$1 million was generated from the fines and penalties for noncompliance with drug transparency measures.

As the asthma and diabetes drug transparency bills were conceived, a goal was to use the monies for diabetes and asthma education and intervention. These services are still in statute as allowable uses for the \$1 million.

The budget problems facing the State during the Eighty-first Session have required us to be more practical with the \$1 million. We need to fund the actual work we are doing.

If economic conditions improve and there are more revenues in the General Fund, we could return to using the penalty revenues on asthma and diabetes education and intervention.

SENATOR SEEVERS GANSERT:

Nevada is not the only State trying to increase drug transparency. Is there a benefit going state by state?

It seems like the transparency piece is being revealed across the Nation. We may be duplicating what is happening in other states. It sounds like there are no parallel measures at the federal level.

SENATOR RATTI:

States have been leading on drug transparency. The information we get from California does not necessarily tell us what is happening in Nevada. There are nuances based on our contracts and landscapes.

Ms. SLAMOWITZ:

Each state has its own approach to transparency. Some are requesting the manufacturers report when any type of price increase occurs. Other states are looking at wholesale acquisition costs. Some states are analyzing impacts to the respective states in terms of highest utilized or most expensive drugs.

States are looking at what has affected them most and what the best approaches are. When transparency legislation was passed during the Seventy-ninth Session, there were legal challenges pertaining to the proprietary nature of pricing. Other states, including California, have struggled with these challenges. States are trying to find a happy medium where they can understand what is happening within pharmaceutical supply chains and how that information can impact policy.

The biggest development with transparency legislation is the creation of reputational risk for manufacturers and other entities within the supply chains. Entities are being put on notice. Not only is information being made public, but states will also impose penalties for noncompliance. Companies have had to create internal systems to be able to comply with reporting mandates. To an extent, that has affected companies' pricing policies. With diabetes, much of the transparency work Nevada did was addressed due to increasing costs for insulin medications. Over the past four or five years, insulin prices have decreased and copay caps have been instituted—although we are still trying to reduce prices.

We have seen different ways in which manufacturers have come forward to address price increases for drugs. There often were not reasons why prices for a particular drug had to be dramatically increased without improvements in product quality.

We will make better-informed policy decisions through learning about different pieces of the supply chain, and making that information public and transparent. We are taking baby steps in maturing the drug transparency program so we can get to a better place in the future.

SENATOR RATTI:

States have been incubators. The federal government has been intrigued by work at the state level. Congressman Steven Horsford has done some work around drug transparency at the National level. States are where the experimentation is happening.

BRETT MICHELIN (Senior Director, State Government Affairs, Association for Accessible Medicines):

I submitted written testimony ([Exhibit C](#)).

We need to consider what the State will get by using fee funds to aggregate and record information submitted by drug manufacturers. Senate Bill 380 requires drugs that have a \$40 wholesale acquisition cost over 30 days during the course of treatment to report information. This will only capture low-cost drugs, which have already saved Nevadans \$2.4 billion in 2019. A daily pill would only cost around \$1.33 for a 30-day course of treatment. A pill taken 3 times a day would only cost 44 cents for a 30-day course of treatment.

A better use of State funding would be to capture drugs that are significantly increasing costs for the State and consumers. For example, a \$10,000 drug that increases by \$900—or only 9 percent—is not going to be required to be reported under S.B. 380.

Maximum allowable costs or wholesale acquisition costs reflect national sales prices. The costs are not based just in Nevada or California. The reporting from California is actually going to be pretty accurate on the generic side.

The drug price does not have much to do with what the patient or the State is paying. This is a price that is negotiated down by the manufacturer to the

wholesaler. The price for the patient is set by the insurer or the pharmacy benefit manager. The pharmacists are the ones purchasing the drugs, and they keep the spread price. Senate Bill 380 would capture information for drugs that is not really driving costs.

The Association for Accessible Medicines made suggestions on S.B. 380 pertaining to how to differentiate between the more expensive brand drugs and the less expensive generic drugs, while still capturing the information for drugs that are really increasing in price.

We used thresholds set by the National Academy for State Health Policy (NASHP). The NASHP used a \$100 wholesale acquisition cost for generic drugs that increases by 200 percent. For biosimilars on the market, the NASHP used a threshold of prices below 85 percent of the referenced price. The benchmarks are similar to other states where the \$100 reference actually goes to capture the cost of drugs that are costing state governments and patient's money.

Senate Bill 380 would duplicate much of the transparency work that has already taken place in California. These are national sales prices, not individual state prices. States do not negotiate on generic drug prices. It does not matter what one manufacturer's cost is. In California, we know that the 25 costliest drugs represent 25 percent of prescriptions, 8 percent of expenditures and under 1 percent of premium costs.

To conclude, we believe it would be better to capture the drugs that are increasing costs, not the ones reducing costs. We are duplicating California's work.

CHAIR BROOKS:

I close the hearing on S.B. 380. We move to S.B. 390.

**SENATE BILL 390 (1st Reprint)**: Revises provisions relating to behavioral health.  
(BDR 39-635)

MR. THORLEY:

Senate Bill 390 does not have a direct fiscal impact. Section 8 of S.B. 390 establishes the Nevada Fund for Healthy Communities (NFHC) and requires all money received by the State pursuant to any opioid settlements or judgements to be deposited in the NFHC. Section 8 of the measure further indicates that

money in the NFHC is generally appropriated to the DHHS to be used for various purposes subject to legislative authorization.

SENATOR RATTI:

Proposed Amendment No. 3328 to S.B. 390 First Reprint is ([Exhibit D](#)).

While there is no direct fiscal impact, there are fiscal implications in certain sections of S.B. 390.

The measure pertains to two behavioral health-related subjects and is in response to developments at the National level. The first portion of S.B. 390 pertains to the National Suicide Hotline Designation Act (NSHDA) of 2020, enacted October 17, 2020. The NSHDA requires the Federal Communications Commission (FCC) to designate 988 as the universal telephone number for a national suicide prevention and mental health crisis hotline. This is similar to how 911 is used for emergency response. The 988 line will exclusively be for suicide and behavioral health crisis calls.

The emergency medical services (EMS) system is not well-designed to respond to someone who is experiencing a behavioral health crisis. When calling 911, you are directed to police, medical or fire services. In many cases, none of these are the appropriate organizations to address behavioral health crises.

Work has been done across the Nation to identify best practices for crisis response. Our crisis response strategy should include a 988 hotline that directs callers to a national suicide prevention lifeline program. Nevada has one of under ten national centers. It is run by Crisis Support Services of Nevada (CSSN).

Senate Bill 390 calls for establishing a hotline, but it does not delineate the specific provider as the provider could theoretically change over time. Already having CSSN is good for the measure's implementation.

The NSHDA requires that the 988 hotline be rolled out by July 16, 2022. Regardless of whether S.B. 390 is passed, the 988 hotline will be established.

The NSHDA contains model provisions which recognize national best practices, including the 988 hotline and the ability to dispatch mobile outreach teams. Around 90 percent of calls will have a dispatcher help stabilize a person in a behavioral health crisis over the phone. For the remaining 10 percent of cases



where a caller cannot be stabilized on the phone, the call center would be able to dispatch a mobile crisis team.

In S.B. 390, three types of mobile crisis teams are defined. One of the models pairs a law enforcement officer and a behavioral health professional. The second type is an EMS model, which has seen success in southern Nevada with EMS-type services which are more oriented towards behavioral health response. The third is the national model which sees a behavioral health professional and a peer—somebody with lived experience in either behavioral health or substance use crisis—who can relate to the caller having a crisis.

Best practices indicate if you can stabilize 90 percent of callers over the phone and dispatch mobile crisis teams for the remaining 10 percent of callers, 99 percent of callers can be stabilized. The remaining 1 percent of callers will need to be transported to what is known as a crisis stabilization center for more intensive crisis stabilization work.

This model is aligned with that system of care. We are trying to build a new paradigm where suicide calls and behavioral health crisis calls are not referred to 911, but are instead referred to 988 and receive a more appropriate response.

Senate Bill 390 would enable a surcharge to be placed on all telephone lines to fund a portion of the 988 implementation. The NSHDA specifically allowed states to implement a phone surcharge for 988-related services. Surcharges will be established through regulations as Nevada is further along in the process of understanding what 988 costs will be.

Whether or not we pass S.B. 390, the 988 system is coming in July 2022. Calls will start coming in. The volume will be small at first, but will increase as awareness grows. The 988 system will need the resources to operate. If resources do not come through the surcharge, they will need to be derived by another source.

In other states, established rates have hovered between 45 cents and a \$1.25 per month. We want to implement a planning process, understand the necessary service level, and set rates through the regulatory process based on our analysis.

Dr. Stephanie Woodard, with the Social Entrepreneurs consulting firm, is leading a federal planning grant the State has for a public engagement and planning process, so we have more information about the 988 process. The information would be used in the regulatory process to establish the surcharge rate.

SENATOR KIECKHEFER:

Telecommunication companies have expressed concerns on S.B. 390. We did not speak with those companies during the S.B. 390 hearing in the Senate Committee on Health and Human Services.

Are surcharge revenues meant to fund mental health services or the infrastructure of the telephone line?

SENATOR RATTI:

The intent is that surcharge revenues fund 988-related services. The services are outlined in S.B. 390 in section 3. The 988 hotline is intended "for persons who are considering suicide or otherwise in a behavioral health crisis."

Senate Bill 390 outlines that Nevada must establish at least one support center that meets certain requirements, which the State already has—the CSSN.

To the extent monies are available, S.B. 390 directs the State to establish mobile crisis teams to provide community-based intervention. The State would also participate in any collection of information by the federal government concerning the National Suicide Prevention Lifeline program and collaborate on the Lifeline's operations.

Senate Bill 390 is not intended to fund the entire behavioral health system of care. The State has good components of infrastructure through the CSSN. I anticipate the CSSN will need more resources as the number of 988 calls increases. The CSSN will need resources to collaborate with 911 centers for interoperability.

Mobile crisis teams will also be supported to the extent funds are available. The teams are an important part of behavioral health response. Unlike the EMS framework, where an entire system exists for law enforcement, medical staff or fire departments to act, an analogous system does not exist for behavioral health emergencies.

We know there are significant developments at the national level on mobile crisis teams. United States Senator Catherine Cortez Masto has worked on these efforts. The State has been working on Medicaid rate reimbursements to bring down federal match requirements.

The telecommunications industry is not expected to fund all aspects associated with the 988 system. Surcharge revenues are intended as leverage to reduce federal match requirements to conduct 988 services.

Some representatives of the telecommunications industry testified during the S.B. 390 hearing in the Senate Committee on Health and Human Services. Representatives expressed broad support for the 988 concept but are concerned about how widely the surcharge monies could be used. I expressed a willingness to continue dialogue. There are good aspects regarding amendments proposed by the telecommunications industry. I am neutral on accepting amendments within this setting as the Senate Committee on Finance is focused on fiscal impacts.

SENATOR KIECKHEFER:

I was left with the impression during the Senate Committee on Health and Human Services hearing that the surcharge was designed to fund physical telephone line infrastructure, the call center, and related functions. Perhaps I misunderstood the information.

A rate of a dollar a month per line would generate a few million dollars in revenue given the amount of cellphones in Nevada.

SENATOR RATTI:

There is much work that has been done with a telecommunications company and through the federal planning grant. I believe a rate of a cent per phone line would generate \$380,000 annually in the State.

SENATOR KIECKHEFER:

Did you say that other states were doing \$1 to \$1.20 per month?

SENATOR RATTI:

The range we have seen implemented in other states so far is somewhere between \$0.40 and \$1.25.

SENATOR KIECKHEFER:

Would the revenues be \$380,000 per month or per year?

SENATOR RATTI:

That would be annually.

We do not have a rate in the bill because we do not really know what the needs in Nevada are yet and did not want to set the rate too high.

SENATOR KIECKHEFER:

The funding level is higher than I thought it was based on the Senate Health and Human Services Committee hearing on S.B. 390. I may have misinterpreted the information.

SENATOR RATTI:

The rate for the 911 system is 30 cents. The 911 system is conducted differently than 988 would be, and is done at the local level. The 911 rate is the highest in the State and varies by county.

The 911 system is focused on hard infrastructure. The 30-cent rate for the 911 system does not cover the hard infrastructure costs. During the Seventy-ninth Session, there was legislation pertaining to funds for body-worn cameras. We are proposing a new system through which behavioral emergency calls come into the 988 hotline.

Much of the infrastructure is in place. We have the CSSN call center, response teams and other services working. There are still gaps to address. The 988 planning grant would allow us to conduct a gaps assessment of what we have, what we need to work on and how much money would be required. This process, which would involve public hearings and workshops in a regulatory environment, would inform what the surcharge rate would be.

SENATOR SEEVERS GANSERT:

Will the surcharge cover both landlines and mobile lines?

SENATOR RATTI:

Yes. The telecommunications industry helped clarify that point.

SENATOR SEEVERS GANSERT:

We have teams where behavioral health professionals are paired with police officers. What are the other types of response teams for behavioral health situations?

SENATOR RATTI:

Senate Bill 390 is inclusive of three different types of mobile outreach teams. The law enforcement-behavioral health professional model, the EMS model and a National best practice model through which a behavioral health professional responds with a peer.

We do not contemplate funding all of these programs with surcharge revenues. Much of the infrastructure is in place, but we have significant gaps. In theory, the 988 call center could dispatch any of the three types of response teams outlined in S.B. 390. These include the type where a law enforcement officer is paired with a behavioral health professional, as seen in Washoe County. The 911 system might be reserved for when a person's individual safety is involved. These include behavioral crises paired with domestic violence incidents or a situation in which a person is publicly threatening suicide.

Lower-cost alternatives, such as a peer working with a behavioral health professional, could be used in instances that are behavioral crisis oriented as opposed to public safety oriented.

We are building a system of crisis care using existing assets and trying to take it up to the next level.

SENATOR SEEVERS GANSERT:

I want to recheck how much revenue the surcharge would generate.

SENATOR DONDERO LOOP:

When will the 988 system be operational?

SENATOR RATTI:

The 988 hotline goes live in July 2022. Staff has begun working on the planning grant.

SENATOR DONDERO LOOP:

When will the surcharge begin?

SENATOR RATTI:

It does not begin until the end of the regulatory process, as the fee will not be established until that point.

We would anticipate a ramp-up. When 911 was established, it took a while for the public to understand that it was a number to call for emergencies. We anticipate it will take a while until the public understands that 988 is a number for behavioral health response. More resources will be needed over time.

We have the data about how many calls suicide hotlines receive. Several 911 calls are directed to those lines. A ramp-up will be needed for the 988 system.

SENATOR DENIS:

Will the Public Utilities Commission set the rates?

STEPHANIE WOODARD, PSY.D. (Medical Epidemiologist, Division of Public and Behavioral Health, Department of Health and Human Services):

The Public Utilities Commission would draft the rate in consultation with the DPBH. Together, we would look at the data and information we have. We would scrutinize the data and use that as the basis for helping to establish the rate.

SENATOR RATTI:

A one-page overview of the opioid settlement provisions of S.B. 390 is ([Exhibit E](#)). The fiscal implications of this are similar in that there is no cost to the State per se. There is opportunity that comes along with S.B. 390.

State attorneys general have been trying to address the impact of the opioid epidemic. Attorney General Aaron Ford has worked on litigation against the players responsible for the opioid impact on Nevada. Too many Nevadans have become addicted, boosting costs for individuals and the State.

The litigation has begun seeing results. The first settlement was \$45 million for the State. The Office of the Attorney General, Assemblywoman Jill Tolles and other legislators have been working on how to use the monies. The DHHS has looked at what the best use of the dollars is, dependent on the framework of the settlement agreements.

Members of the Senate Committee on Health and Human Services heard the resources from litigation may come to billions of dollars over the next decade. The State has settled 1 case, with 60 still outstanding. Senate Bill 390 is intended to provide a framework to ensure the State is doing a good job to address the impacts of the opioid epidemic on our residents.

Senate Bill 390 was revised based on the Senate Health and Human Services Committee meeting. The cases being pursued by the Office of the Attorney General are about the impact to the State. There are cases being pursued by local governments, tribes, cities and counties about the opioid impacts at the local level. [Exhibit D](#) represents the changes aimed at addressing the Statewide impact.

CHAIR BROOKS:

We just need to understand the identified funding source for the Nevada Fund for Healthy Communities.

SENATOR RATTI:

It is now the Fund for a Resilient Nevada. The funding source is the money from Nevada's opioid settlements. Under S.B. 390, settlement dollars will flow into that Fund as established. The Fund for a Resilient Nevada monies can be used for administrative costs to set up the program, committee travel, planning work and distribution. The rest of the monies would then be spent on opioid impacts identified through the settlement process.

CHAIR BROOKS:

Are opioid settlement funds going to the Fund for a Resilient Nevada? Are the policy suggestions in [Exhibit D](#) intended to direct those funds to Nevadans most affected by the opioid crisis? [Exhibit D](#) also includes language pertaining to the 988 program.

SENATOR RATTI:

Senate Bill 390, as introduced, subgranted the monies to local governments and nonprofits. Senate Bill 390, as amended, is more focused on Statewide impacts. The money could be used at the DHHS, Department of Corrections, the DHHS Division of Child and Family Services and other State agencies.

The funds could also be subgranted to local governments if that is more efficient for meeting the Statewide impact. These monies would not supplant

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State work, but may enhance the work Nevada is doing to address opioid impacts as outlined by the settlement process.

CHAIR BROOKS:

Local jurisdictions are having their own conversations about their needs and how to use settlement monies.

SENATOR KIECKHEFER:

Under the revisions, who approves expenditures from the fund? What is the process?

SENATOR RATTI:

The process has significant front-end work establishing the advisory committee. The committee oversees the process of a needs assessment and a planning process; the planning process recommends what should be funded, and the advisory committee approves the plan.

SENATOR KIECKHEFER:

Is the Fund for a Resilient Nevada in the Executive Budget?

SENATOR RATTI:

I do not know.

SENATOR KIECKHEFER:

If the Legislature has no authority over approving how the funding gets spent, it would not be an account in the Executive Budget.

SENATOR RATTI:

My understanding is it will be set up like the Fund for a Healthy Nevada.

SENATOR KIECKHEFER:

In the Fund for a Healthy Nevada, the grants management unit makes recommendations which are considered through the normal budgetary process.

SENATOR RATTI:

I believe the Subcommittees have the authority to approve the categories of expenditure.



DR. WOODARD:

The Office of the Attorney General can explain how money flows from it to the DHHS. My understanding is this does establish an account outside the Executive Budget with the dollars awarded to the Office of the Attorney General minus costs and fees associated with the litigation. Funds expended from the account would have to meet all the requirements in S.B. 390, meaning they would have to go through the needs assessment. The needs assessment would establish priorities. The priorities would then inform the State plan. Everything in the State plan has to be vetted and considered evidence-based. The State plan would be used to help identify services and priorities that would be funded from the account.

JESSICA ADAIR (Chief of Staff, Office of the Attorney General):

I believe Senator Kieckhefer's question pertains to section 8 in [Exhibit D](#).

Funding will be received by the Office of the Attorney General. Litigation costs will be subtracted and the vast majority of the remaining funding goes to the Fund for a Resilient Nevada.

The DHHS is the one with the authority to actually distribute this funding. The Legislature would not authorize each disbursement. The DHHS would have authority through S.B. 390 to make those disbursements. There are extensive parameters in S.B. 390 for the needs assessment, the State plan and advisory committee. Like any State budget account, the monies would be subject to significant transparency requirements and other State rules pertaining to subgranted monies.

SENATOR KIECKHEFER:

This could be a multibillion dollar settlement fund. The idea that it sort of lies exclusively in the Executive Branch seems a lot like last summer to me when the Legislature rubberstamped several expenditures. I want to have further conversations on that.

SENATOR SEEVERS GANSERT:

I have the same concerns. Money from past settlements has been disbursed with little to no oversight through the legislative process.

I know we created the Fund for a Healthy Nevada when we had the tobacco dollars. The Fund for a Healthy Nevada had longevity because we get funds

annually. There is a different structure proposed for the Fund for a Resilient Nevada. It makes sense for planning around these dollars to go through the DHHS. It seems like the Legislature should have authority over final approval.

SENATOR RATTI:

Is the preference of the Committee that appropriations go through both the biennial budget process and the Interim Finance Committee (IFC) process? Is our preference to go with one but not the other?

SENATOR KIECKHEFER:

I want to understand if there is a need to disburse funds on a more immediate basis than our biennial budget process. Even if we are disbursing monies out of an account outside the Executive Budget, we have to approve the expenditure authority through IFC.

We would have less oversight over grants to community organizations and local governments. I want to see something more similar to what we do with tobacco settlement funds right now.

SENATOR RATTI:

Through S.B. 390, we are committed to community engagement on a scale not seen before. We would move away from subject matter experts having conversations among themselves toward having people actually affected by the opioid epidemic having the conversations.

Senate Bill 390 is strong on its outreach to communities that have been disproportionately impacted by the opioid epidemic. We want to ensure those voices are at the decision-making table. The advisory committee is a critical piece of S.B. 390.

I am happy to work on how to incorporate legislative input into the processes in S.B. 390. I want to work with Senator Kieckhefer on this piece, as he has much experience on the budgetary process. He and I can work together on a policy stakeholders will support.

SENATOR SEEVERS GANSERT:

I agree with the sponsor. This is money that should have longevity. There will be more urgent needs we can set up. If we are in the billions, we need to think longer term. The legislative process is appropriate for that.

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MARGIE TURNER (Nevadans for the Common Good):  
I am reading from written testimony ([Exhibit F](#)).

ROBIN REEDY (Executive Director, National Alliance on Mental Illness, Nevada):  
I am reading from written testimony ([Exhibit G](#)).

SAM BRINTON (Vice President, Advocacy and Government Affairs, The Trevor Project):  
I use the pronouns they/them. The Trevor Project is the Nation's lesbian, gay, bisexual, transgender and questioning (LGBTQ) suicide prevention and crisis intervention program. The Trevor Project supports S.B. 390.

As one of the leading advocates for the 988 hotline and the passage of the NSHDA, The Trevor Project is excited to see Nevada take an important step to save lives.

It is important to recognize crisis stabilization services will take several different forms. Some of them will be call centers like we have here in Nevada. Others will look like the Trevor Project with its specialized services for LGBTQ youth. Mobile outreach teams are another important form so transgender people like myself are not put at risk when police show up.

While we want to keep charges low, phone surcharges are allowed by law. We are seeking federal support to ensure 988 is supported when it comes online in July 2022.

I have been excited to work with telecommunications companies and mental health organizations across the Nation on this important issue. I appreciate Nevada for considering this legislation.

STEPHANIE PASTERNAK (Manager, State Affairs, National Alliance for Mental Illness):  
I am reading from written testimony ([Exhibit H](#)).

TARYN HIATT (Area Director, American Foundation for Suicide Prevention, Nevada):  
The American Foundation for Suicide Prevention Nevada supports S.B. 390. Statewide crisis call centers and crisis response services desperately need more

services and more funding to truly build the capacity to respond to these growing community crisis needs.

When our in-State call centers are unable to answer calls through the lifeline, callers get rerouted to other, often out-of-state centers. This results in longer wait times and fewer linkages to effective local care. We want to have our in-State crisis centers connect callers to local support.

Our current crisis response system relies heavily on law enforcement. This puts people experiencing mental health crises through an expensive and traumatizing revolving door as we shuttle between jails, emergency rooms and streets. A 988 crisis service system that is effectively resourced and promoted will reduce healthcare spending with early intervention. It will reduce the burden on emergency rooms and law enforcement. It will also improve outcomes for individuals experiencing a mental health or suicidal crisis.

With your support, we can act to affirm our State's commitment to the mental health of Nevada residents and help to prevent suicide across the State.

I lost my father to suicide in 2002. He had a lifelong addiction to opioids. It is important we address mental health crises in an appropriate way.

HELEN FOLEY (T-Mobile):

The telecommunications organization supports the 988 system. T-Mobile was involved in its original passage.

I have been involved with the Nevada Legislature for over 40 years. I have never seen the Legislature say it will tax an organization without delineating specific tax amounts or limits. The PUC would tax telecommunications companies under S.B. 390. The PUC does not even regulate wireless communications. That is the purview of the Federal Communications Commission.

We pay \$200 yearly and have a registration fee with the PUC. That seems wrong. I know we were talking about how much money would be generated. We had our experts look at FCC Form 477. It is relatively old, but the experts took a look and compared our 911 fees. They said it was estimated at approximately \$380,000 per penny imposed. We would like to see a 20-cent tax which would generate \$7.6 million in revenues per year. That is a large amount of money. It may be higher.

We would like to discuss the surcharge and get some kind of cap in S.B. 390, so it is not just a free-for-all. With 911, we pay for the operation of centers providing the services and all the linkages. We want to ensure there is a strong linkage between the 911 and 988 systems so transfers are seamless.

There are other issues in S.B. 390 involving psychiatric mental health teams, EMS teams, law enforcement agencies and mental health providers paired with peer support services. What does this mean? How much is this going to cost? You are saying you will tax the telecommunications industry without giving specific figures.

The industry would have no liability protection in S.B. 390. If a call does not go through and someone commits suicide, would wireless companies be subject to lawsuits?

Local governments could also impose different fines and fees to telecommunications companies.

We want to narrow it down. T-Mobile wants to support S.B. 390. There is more work that needs to be done. We are here to work toward a policy that is agreeable to all parties.

CHAIR BROOKS:

I close the hearing on S.B. 390. We will now hold a work session on bills previously heard by the Committee. We begin with S.B. 24.

**SENATE BILL 24 (1st Reprint)**: Revises provisions relating to workforce development. (BDR 18-289)

MR. THORLEY:

Proposed Amendment No. 3390 to S.B. 24 is ([Exhibit I](#)).

Senate Bill 24 was heard on May 3, 2021. It was sponsored by the Senate Committee on Revenue and Economic Development on behalf of the Office of the Governor, Office of Economic Development (GOED). The measure revises provisions relating to workforce development.

Senate Bill 24, in its first reprint, revises eligibility criteria for workforce development programs administered by GOED and changes the administration of B/A 101-1531.

## GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

GOED - Workforce Innovations for a New Nevada Acct — Budget Page  
GOED-30 (Volume II)  
Budget Account 101-1531

Stacey Bostwick from GOED briefly summarized the legislation as a cleanup bill to expand the skills-based economy. Ms. Bostwick testified the interest language in section 4 of S.B. 24 was not critical to the success of the legislation. The Office of Economic Development's main intent with section 4 was to ensure funding in B/A 101-1531 does not revert to the General Fund at the end of the fiscal year. A potential amendment to section 4 of S.B. 24 was discussed.

People who delivered testimony in support of S.B. 24 included Joshua Leavitt on behalf of the Society for Information Management Las Vegas, Arielle Edwards on behalf of the City of North Las Vegas, Patty Charlton on behalf of the College of Southern Nevada and Amber Stidham on behalf of the Henderson Chamber of Commerce.

In [Exhibit I](#), all of the changes are in section 4 of S.B. 24 on page 7 of proposed Amendment No. 3390. There are two changes. The first change removes language that would have allowed interest to be earned on General Fund appropriations in B/A 101-1531. We generally try to avoid this type of language as appropriations are not cash. Interest earned on appropriations can have a negative impact on the General Fund.

Under current law, any money in the account at the end of the biennium reverts to the State General Fund. The proposed amendment makes a change and says that the money does not revert to the General Fund at any time and must be carried forward to the next fiscal year.

Senate Bill 24 would become effective July 1, 2021. Although the proposed amendment would change the effective date of section 4 to passage and approval.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 24.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR BROOKS:  
We move to S.B. 34.

[SENATE BILL 34 \(1st Reprint\)](#): Makes various changes relating to agriculture.  
(BDR 50-330)

MR. THORLEY:  
Senate Bill 34 was sponsored by the Senate Committee on Natural Resources on behalf of the State Department of Agriculture (NDA). The measure renames existing personnel at the NDA charged with enforcing certain laws as agricultural police officers and authorizes the NDA director to appoint such officers.

Senate Bill 34 increases the minimum requirement for certification to qualify for these positions from a Category II to a Category I peace officer. This change makes applicable to agricultural police officers the industrial insurance coverage for police officers, exemption from jury service, the compensation for police officers with temporary disabilities, and eligibility for certain programs of group insurance and other medical or hospital services for the surviving spouse or any child of police officers or firefighters.

Testimony was provided by Administrator Doug Farris of the NDA Animal Industry Division. Mr. Farris indicated the purpose of S.B. 34 is to update the titles of the sworn law enforcement officers within the NDE. He noted the NDA has six sworn law enforcement officers, including himself. They were all Category I certified. Senate Bill 34 would not impact the employment of current staff.

Mr. Farris stated the measure would extend the Heart and Lung program benefits to agricultural police officers.

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Matthew Tuma, Deputy Director, Director's Office, Department of Administration provided testimony on behalf of the Risk Management Division concerning how it calculated the estimated fiscal impact of S.B. 34 with respect to the Heart and Lung program. The estimated fiscal impact was just under \$4,000 in each fiscal year of the 2021-2023 biennium and approximately \$115,000 in future biennia.

SENATOR GOICOECHEA:

These officers deserve to be Category I police officers. They are doing that type of work.

SENATOR DENIS MOVED TO DO PASS AS AMENDED S.B. 34.

SENATOR CANNIZZARO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR BROOKS:

We move to S.B. 55.

**SENATE BILL 55 (1st Reprint)**: Revises provisions governing the licensing and regulation of employee leasing companies. (BDR 53-317)

MR. THORLEY:

Senate Bill 55 was sponsored by the Senate Committee on Commerce and Labor on behalf of the B&I Division of Industrial Relations.

Senate Bill 55 transfers the duties of regulating employee leasing companies from the Administrator of the Division of Industrial Relations to the Office of Labor Commissioner. The measure replaces the term "employee leasing company" with the term "professional employer organization" and authorizes the Office of Labor Commissioner to adopt regulations governing professional employer organizations. The Office of Labor Commissioner would also be authorized to impose administrative fines to licensees for a violation of any statutory provisions.



Senate Bill 55 revises the definition of client company and professional employer organization to allow professional employer organizations to manage the labor compliance services of the client company without hiring and leasing back the client company's employees.

Fiscal staff would note S.B. 55 effectuates a budget decision by the Senate Committee on Finance and the Assembly Committee on Ways and Means in the B&I Division of Industrial Relations B/A 101-4681 for the 2021-2023 biennium. The money committees voted to eliminate fee revenue from B/A 101-4681 related to employee leasing companies and to replace the lost fee revenue with an allocation from the Fund for Workers' Compensation and Safety of \$114,000 in each year of the 2021-2023 biennium.

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Labor Commissioner Shannon Chambers testified that S.B. 55 transfers the regulation and enforcement of employee leasing companies to the Office of Labor Commissioner from the Division of Industrial Relations. She stated S.B. 55 renames employee leasing companies to professional employer organizations, which is the standard industry terminology. Ms. Chambers confirmed the measure does not include new fees. The Office of Labor Commissioner is not requesting new positions as a result of S.B. 55.

SENATOR DENIS MOVED TO DO PASS AS AMENDED S.B. 55.

SENATOR CANNIZZARO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR BROOKS:  
We move to S.B. 70.

**SENATE BILL 70 (1st Reprint)**: Revises provisions governing mental health.  
(BDR 39-418)

MR. THORLEY:

Senate Bill 70 was sponsored by the Senate Committee on Health and Human Services on behalf of the Northern Regional Behavioral Health Policy Board. The measure prescribes separate processes for the detention and release of a person on a mental health crisis hold and the emergency admission of such a person.

Senate Bill 70 prescribes various processes and criteria related to assisted outpatient treatment for mental health services provided to a person with a mental illness pursuant to a court order. Senate Bill 70 makes various changes related to conditional release and requires the DPBH and the Office of the Attorney General to approve all forms of detainment, evaluation, treatment and conditional release of any consumer in a mental health facility or program of assisted outpatient treatment. It revises requirements governing a petition for involuntary court-ordered admission. It requires certain notification be provided if a person is released or transferred to a different mental health facility or hospital. Senate Bill 70 requires courts to seal records governing proceedings involving a consumer in a mental health facility or a program of assisted outpatient treatment.

Jessica Flood with the Northern Regional Behavioral Health Policy Board testified the intent of S.B. 70 is to clarify and modernize Nevada's involuntary health detainment and treatment laws. Ms. Flood indicated the measure was not intended to have a fiscal impact, and that her organization worked with the DPBH on Amendment No. 490 in order to eliminate the fiscal impact of S.B. 70 on the DPBH. During neutral testimony, the DPBH confirmed S.B. 70, as amended, does not have a fiscal impact on the DPBH.

Robin Reedy, Executive Director, National Alliance on Mental Illness, testified in support of S.B. 70. There was no testimony in opposition to S.B. 70. Christina Brooks, agency manager from DPBH, testified in neutral on S.B. 70.

Senate Bill 70 is effective upon passage and approval for the purposes of adopting regulations and performing administrative tasks, and on October 1, 2021, for all other purposes.

SENATOR DENIS MOVED TO DO PASS AS AMENDED S.B. 70.

SENATOR RATTI SECONDED THE MOTION.

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SENATOR KIECKHEFER:

I believe I voted yes on S.B. 70 in Committee. I will vote yes, but if I am being inconsistent I apologize.

SENATOR RATTI:

Senator Kieckhefer voted yes, but reserved his right to change his vote based on a proposed amendment. We had pledged we would hold this until Senator Kieckhefer had a chance to look at it fully.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR BROOKS:

We move to S.B. 194.

**SENATE BILL 194 (1st Reprint)**: Revises provisions relating to education.  
(BDR 34-676)

ALEX HAARTZ (Principal Deputy Fiscal Analyst):

Senate Bill 194, as amended, requires the Department of Education (NDE) Superintendent of Public Instruction to establish a State Seal of Civics program to recognize pupils who graduate from a public high school, including without limitation a charter school or university school for profoundly gifted pupils who have attained a high level of proficiency of civics.

Senate Bill 194, as amended, establishes the criteria for earning a State Seal of Civics and requires the Superintendent of Public Instruction to adopt regulations that establish criteria for the Superintendent to designate a school, pupil, teacher or other school employee as a school of civic excellence, student civic leader or educator civic leader respectively.

Senate Bill 194 makes various other changes, including requiring the board of trustees of each school district to aggregate and report to the NDE the results of students completing the civics portion of the naturalization test used by the U.S. Citizenship and Immigration Services and adds civics to the list of subjects included within social studies.

Beginning with the graduating class of 2027, S.B. 194 would require social studies instruction to require a pupil to complete a service learning project while in high school.

Senate Bill 194 includes additional communities in the list of communities whose culture, history and contributions must be examined. These requirements would be added to standards of content and performance for ethnic and diversity studies for certain pupils created by the Council to Establish Academic Standards for Public Schools.

Senate Bill 194 was introduced by Senator Roberta Lange, Senatorial District No. 7 who explained the amendment to the bill, Amendment No. 220.

Sarah Nick from the NDE testified that Amendment No. 220 removed all but \$4,008 of the NDE's fiscal note. The Nevada System of Higher Education indicated Amendment No. 220 removed its fiscal note. The Clark County School District submitted an unsolicited fiscal note indicating the first reprint of S.B. 194 did not appear to have a material fiscal impact.

Senate Bill 194 becomes effective upon passage and approval for the purposes of adopting regulations and performing any other preparatory administrative tasks, and on July 1, 2021, for all other purposes.

SENATOR DENIS MOVED TO DO PASS AS AMENDED S.B. 194.

SENATOR CANNIZZARO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR BROOKS:  
We move to S.B. 274.

**SENATE BILL 274 (1st Reprint)**: Revises provisions relating to commercially sexually exploited children. (BDR 38-705)

MR. HAARTZ:

Senate Bill 274, as amended, provides for the establishment, licensure and operation of receiving centers for commercially sexually exploited children. The measure also provides for the certification of certain other facilities and entities providing services to such children, and requires the DCFS to adopt regulations regarding the operation of receiving centers.

Senate Bill 274 would generally require that an agency which provides child welfare services is also required to take certain actions in response to a report of the commercial sexual exploitation of a child. Senate Bill 274, as amended, delays the effective date of provisions prohibiting the adjudication of a child as a delinquent or the assignment of a child to a detention facility in certain circumstances from July 1, 2022, to July 1, 2023.

Senator Ratti explained Amendment No. 262. She explained the bill's purpose was to move exploited children from being an offender in the juvenile justice system to being in the child welfare system. She explained Amendment No. 262 should remove fiscal notes as the statutory language would align with federal funding language in the Social Security Act, Title IV-B and Title IV-E. Amendment No. 262 also shifted the implementation date to July 1, 2023, the beginning of FY 2023-2024.

On April 29, 2021, Senator Ratti provided a conceptual amendment to clarify various parts of section 22 and section 29 of the first reprint.

Katherine Roose of the DCFS indicated that federal funds were available and eligible to cover the DCFS costs as a result of the amendment. Ms. Amber Howell, representing Washoe County, spoke to Washoe County's fiscal note and revised costs of \$5.8 million in FY 2021-2022 and \$3.5 million in FY 2022-2023. Washoe County indicated it expected to use federal funds to cover its costs as a result of the amendment.

Joanna Jacob representing Clark County spoke to a revised fiscal note of \$1.4 million in FY 2022-2023 and indicated that reflected initial rollout costs.

Senate Bill 274 becomes effective upon passage and approval for the purposes of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this bill and on January 1, 2022, for all other purposes.

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Section 2 of S.B. 274 creates a new coordinator of services for commercially and sexually exploited children, and the duties of that position become effective July 1, 2023. If the Committee wishes to approve S.B. 274, the motion would be to amend and do pass as amended.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 274.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR BROOKS:  
We move to S.B. 292.

**SENATE BILL 292 (1st Reprint)**: Revises provisions relating to elections.  
(BDR 24-999)

MR. HAARTZ:

Senate Bill 292 as amended makes various changes to elections in Nevada to include requiring a ballot in the general election to have an option to vote a straight ticket for partisan races. Senate Bill 292 establishes procedures related to the counting of votes when that option is indicated, requires any voter education program provided by a county to include information concerning straight-ticket voting, revises qualification requirements for a minor political party and the deadline to challenge the qualification of a minor political party to place a candidate's name on the ballot, revises provisions for fulfilling a vacancy in the office of a U.S. Senator, U.S. Representative or a member of the Nevada Legislature, and repeals various provisions relating to the internal organization procedures of major political parties.

Seven people testified in opposition to S.B. 292.

There was one fiscal note submitted by the Office of the Secretary of State indicating a \$660,071 cost in FY 2022-2023 to conduct a voter education campaign on straight-ticket voting in advance of the November 2022 election.

Testimony indicated that for elections, including federal U.S. offices, federal Help America Vote Act funds could be used to fund the cost of voter education.

County fiscal notes submitted on the bill indicated annual impacts ranged from no fiscal impact to over \$200,000.

Senate Bill 292 becomes effective upon passage and approval for the purpose of adopting any regulations or performing any other preparatory administrative tasks that are necessary to carry out the provisions of this Act, and on January 1, 2022, for all other purposes.

SENATOR DENIS MOVED TO DO PASS AS AMENDED S.B. 292.

SENATOR CANNIZZARO SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS KIECKHEFER, SEEVERS GANSERT, GOICOECHEA AND HAMMOND VOTED NO.)

\* \* \* \* \*

CHAIR BROOKS:  
We move to S.B. 377.

**SENATE BILL 377**: Revises provisions relating to the adoption assistance program. (BDR 38-505)

MR. HAARTZ:

Senate Bill 377 would allow Washoe County and Clark County to retain unexpended general funds appropriated for adoption subsidy payments at the end of each fiscal year. The funds would be allowed to balance forward once for general child welfare services. The monies would revert to the General Fund if unexpended by the end of the second fiscal year. Balanced forward funds would be intended to be used to meet federal adoption subsidy reinvestment requirements.

Senator Ohrenschall provided a summary of the bill. Jessica Roe from Raise the Future provided a presentation on a program that may benefit from funding to be reinvested under S.B. 377.

Ross Armstrong, DCFS Administrator, testified that the intent of S.B. 377 is to comply with federal requirements. Mandi Davis, DCFS Deputy Administrator, Administrative Services, provided a summary of the State child welfare structure, noted changes to federal law that precipitated the requirement to reinvest in adoption subsidies and explained requirements for reinvested funds. Ms. Davis testified there is no known fiscal impact with S.B. 377 and that DCFS may be assessed a federal penalty for noncompliance if this measure is not passed.

Ms. Davis indicated there is no specific timeframe required for compliance with federal rules. The DCFS indicated it may be possible to build a future budget with an enhancement request as opposed to retaining unspent funds and balancing them forward to meet federal requirements.

Two testifiers supported the bill. There were no testifiers in opposition or neutral positions.

There is a proposed conceptual amendment ([Exhibit J](#)) on the bill submitted by the DCFS which is intended to allow rural child welfare agencies to balance unexpended dollars forward from one fiscal year to the next. The monies could be used without restriction for adoption subsidies. The DCFS indicated it is trying to treat the rural child welfare program the same as Washoe County and Clark County child welfare services for the purposes of meeting federal requirements.

The additional fiscal impact of the conceptual amendment was estimated to be approximately \$300,000 per biennium. The DCFS indicated it expected approximately \$160,000 per fiscal year in General Fund savings that could be balanced forward from one fiscal year to the next, representing approximately \$320,000 per biennium. The General Fund would not receive dollars that would otherwise revert back to it at the end of each fiscal year.

Fiscal notes were submitted indicating a \$2.1 million impact in FY 2022-2023 and a \$4.1 million impact on future biennia for the DCFS if the bill is passed as drafted. The bill as written would not limit the expenditure of reinvested savings as federally required, but rather, for any cost of providing child welfare services without restriction, additionally associated expenditures would not be reviewed or approved by the Legislature or the IFC.



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Senate Bill 377 would be effective July 1, 2021. If the Committee wishes to approve the measure, the motion would be to do pass. If it wishes to add [Exhibit J](#) submitted by the DCFS to include the rural child welfare adoption assistance program in the rural child welfare budget, the motion would be to amend and do pass as amended.

CHAIR BROOKS:

Are any additional General Fund appropriations required by S.B. 377?

MR. HAARTZ:

No additional General Fund monies are appropriated. Senate Bill 377 removes the possibility of unexpended General Fund dollars being reverted, keeping them at the DCFS level for a similar or same purpose.

CHAIR BROOKS:

Does the DCFS risk not meeting federal funding requirements if it does not align its budget with National guidelines? I recall testimony on that topic during the bill hearing on April 5, 2021.

MR. HAARTZ:

Yes. The DCFS is attempting to formally comply by placing in statute a mechanism to show compliance with the federal requirements.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 377.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR BROOKS:

We move to S.B. 385.

**SENATE BILL 385 (1st Reprint)**: Requires the Division of Child and Family Services of the Department of Health and Human Services to conduct a study during the 2021-2022 legislative interim concerning investments in juvenile justice prevention activities in this State. (BDR S-506)

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MR. HAARTZ:

Senate Bill 385, as amended, would require the DCFS to conduct a study over the 2021-2023 interim concerning investments in juvenile justice prevention activities and provide a report to the Juvenile Justice Oversight Commission and the Interim Committee on Child Welfare and Juvenile Justice by August 1, 2022.

Senator Ohrenschall noted S.B. 385 was amended to require the DCFS to conduct the study over the interim regarding diverting youth from commitment to State juvenile justice facilities.

Ms. Davis, DCFS Deputy Administrator, confirmed S.B. 385, as amended, would have no fiscal impact. Senate Bill 385 would become effective July 1, 2021.

SENATOR DENIS MOVED TO DO PASS AS AMENDED S.B. 385.

SENATOR CANNIZZARO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Remainder of page intentionally left blank; signature page to follow.

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CHAIR BROOKS:

I assign the floor statement for S.B. 385 to Senator Ohrenschall. I adjourn this meeting at 9:45 p.m.

RESPECTFULLY SUBMITTED:

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Joko Cailles,  
Committee Secretary

APPROVED BY:

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Senator Chris Brooks, Chair

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

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit Letter</b>	<b>Begins on Page</b>	<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
S.B. 340	B	1	Allan Ward / Personal Care Association of Nevada	Testimony in Opposition
S.B. 380	C	1	Brett Michelin / Association for Accessible Medicines	Testimony in Opposition
S.B. 390	D	1	Senator Julia Ratti	Proposed Amendment No. 3328
S.B. 390	E	1	Senator Julia Ratti	Fund for a Resilient Nevada – Opioid Settlement/Litigation Funding Sections 7-9.5 Summary
S.B. 390	F	1	Margie Turner / Nevadans for the Common Good	Testimony in Support
S.B. 390	G	1	Robin Reedy / National Alliance on Mental Illness, Nevada	Testimony in Support
S.B. 390	H	1	Stephanie Pasternak / National Alliance on Mental Illness	Testimony in Support
S.B. 24	I	1	Wayne Thorley / Legislative Counsel Bureau	Proposed Amendment No. 3390
S.B. 377	J	1	Wayne Thorley / Legislative Counsel Bureau	Conceptual Amendment