

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Eighty-first Session  
May 21, 2021**

The Senate Committee on Finance was called to order by Chair Chris Brooks at 8:30 a.m. on Friday, May 21, 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

**STAFF MEMBERS PRESENT:**

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

**OTHERS PRESENT:**

Sandy O'Laughlin, Commissioner, Division of Financial Institutions, Department of Business and Industry  
Stephanie Mullen, Executive Director, Public Utilities Commission of Nevada  
Garret Weir, General Counsel, Public Utilities Commission of Nevada  
David Bobzien, Director, Office of Energy, Office of the Governor.  
Jennifer Taylor, Deputy Director, Office of Energy, Office of the Governor  
Kyle Davis, Nevada Conservation League; Interwest Energy Alliance  
Cesar Diaz, Senior Policy Manager, ChargePoint  
Suzanne Bierman, Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services  
Jennifer Krupp, Chief Financial Officer, Silver State Health Insurance Exchange

CHAIR BROOKS:

We will hear bills and hold a work session. We begin with S.B. 453.

**SENATE BILL 453**: Revises provisions relating to certain persons licensed or certified by the Division of Financial Institutions of the Department of Business and Industry or the Commissioner of Financial Institutions. (BDR 55-1095)

SANDY O'LAUGHLIN (Commissioner, Division of Financial Institutions, Department of Business and Industry):

Senate Bill 453 revises various provisions of existing law concerning the issuance and renewal of licenses and certificates by the Department of Business and Industry (B&I), Division of Financial Institutions (FID). The measure authorizes such licenses and certificates to be issued or reviewed through the Nationwide Multistate Licensing System (NMLS). The NMLS is used by participating state agencies across the Country, including the B&I Division of Mortgage Lending. The NMLS was created and is operated by the Conference of State Bank Supervisors.

The FID is operating on an outdated licensing system that has been in use since February 2010 and is in need of replacement. The NMLS will replace the current system and streamline the initial and renewal application processes for entities that interact with the FID.

Senate Bill 453 amends the language in eight chapters in the *Nevada Revised Statutes* (NRS) under the FID's jurisdiction. Sections 2-9 of S.B. 453 address NRS 671, which pertains to the issuance of instruments for the transmission or payment of money—otherwise known as money transmitters.

Sections 10-19 of S.B. 453 address NRS 675, pertaining to installment loans.

Sections 20-32 of S.B. 453 address NRS 676A, pertaining to uniform debt management services.

Sections 33-51 of S.B. 453 address NRS 604A, pertaining to deferred deposit loans—otherwise known as payday loans. *Nevada Revised Statutes* 604A also pertains to high interest loans, title loans, and check and cashing services.

Sections 52-61 of S.B. 453 cover NRS 604C pertaining to consumer litigation funding.

Sections 62-65 of S.B. 453 cover NRS 628B pertaining to private professional guardians.

Sections 66-77 of S.B. 453 cover NRS 645G pertaining to exchange facilitators.

Sections 78-90 of S.B. 453 cover NRS 649 pertaining to collection agencies.

Sections 51 and 92 of S.B. 453 address the effective timeline upon the approval of S.B. 453.

Senate Bill 453 provides requirements and authorizations in FID-related chapters in the NRS. The FID would be authorized to participate in the NMLS, collect certain information and fees through the NMLS, collect fingerprint cards through the NMLS instead of having fingerprints submitted directly to the FID, share information with other states through the NMLS, and enter into agreements with other government agencies and the Conference of State Bank Supervisors.

Senate Bill 453 also provides for certain actions the FID may take concerning participation in the NMLS. The measure requires certain persons to submit fingerprint cards. The measure also requires each licensee to register and maintain a unique identifier in the NMLS and revises renewal dates to align with the NMLS. Senate Bill 453 would benefit licensees with licenses in multiple states as they will have the option of renewing all states they have licenses in at the same time.

Senate Bill 453 provides for renewal and reinstatement time periods. It requires the annual report to the Commissioner to be submitted through the NMLS instead of directly to the FID.

SENATOR KIECKHEFER:

Would the FID still handle licensing? I understand licensure approval would not be handled by the NMLS and that the FID still maintains its authority.

Ms. O'LAUGHLIN:

Yes. The FID would still conduct regular background checks.

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SENATOR KIECKHEFER:  
Would S.B. 453 change the FID's workloads?

Ms. O'LAUGHLIN:  
Yes. The measure will reduce paperwork and key processing.

SENATOR KIECKHEFER:  
Is there a cost associated with being a member of the NMLS? Are costs handled by licensees?

Ms. O'LAUGHLIN:  
There are costs for licensees. The FID just has to pay for data in its current system to migrate to the NMLS.

SENATOR KIECKHEFER:  
Does the FID have authority in its budget to cover migration costs?

Ms. O'LAUGHLIN:  
Yes.

CHAIR BROOKS:  
I close the hearing on S.B. 453. We move to S.B. 448.

**SENATE BILL 448 (2nd Reprint)**: Revises provisions governing public utilities.  
(BDR 58-46)

The Office of the Governor, Office of Energy (GOE) and the Public Utilities Commission of Nevada (PUCN) submitted fiscal notes on S.B. 448. Vice Chair Denis will chair the meeting as I present the measure.

VICE CHAIR DENIS:  
I recognize Senator Brooks to present S.B. 448.

SENATOR CHRIS BROOKS (Senatorial District No. 3):  
Senate Bill 448 pertains to energy in Nevada. The measure resulted from the identification of opportunities in the State for electric vehicle charging infrastructure and transmission lines. Senate Bill 448 will facilitate, among other things, regionalization and Nevada taking its rightful place at the center of the

Western Interconnection. The State is blessed to be near the middle of the Western Interconnection.

Senate Bill 448 provisions on transmission, regional markets and the electrification of the transportation sector will impact the PUCN and the GOE. The measure accelerates and modifies certain resource planning processes. It puts in place a framework for Nevada to enter into a regional market for the western United States.

By entering into a regional market and building out transmission, Nevadans could realize a tremendous amount of energy cost savings over the next several decades. The State could also see billions of dollars in economic activity and investments. Senate Bill 448 would create the need for the PUCN to do more work. The PUCN has a full plate based on several legislative measures, several of which I sponsored, enacted in recent sessions. The PUCN's fiscal note reflects needs that would arise based on S.B. 448.

Senate Bill 448 directs the GOE to facilitate and participate in a task force around energy regionalization. The task force will meet biannually and create a report for the Legislature regarding whether legislation is necessary for Nevada to enter into a regional energy market. The GOE would make the same report biennially to the Office of the Governor.

SENATOR DONDERO LOOP:

Could you speak more to the policy of S.B. 448?

SENATOR BROOKS:

Senate Bill 448 directs the utility to invest in bulk transmission lines across the State that lay the foundation for a wider regional transmission network. Nevada would be connected to the markets, energy loads and generation in neighboring states.

Senate Bill 448 also creates a task force for regionalization and transmission planning. Stakeholders and experts on the task force would look at the energy market in the western United States and how Nevada could participate in it.

The State's participation in the energy imbalance market—in which Nevada is involved with the only organized market in the west, the California Independent System Operator (CAISO)—has saved Nevada millions of dollars in electric

costs. The task force would make recommendations for a more holistic view of regionalization planning, rather than one utility or state taking action at a time.

Chris Hansen, a member of the Colorado State Senate, is pushing a similar measure in Colorado. We are trying to generate momentum across the western United States for the benefit of our region.

Senate Bill 448 has a two-part transportation electrification plan. The measure seeks a rapid deployment of assets and wants to assist with economic recovery.

Senate Bill 448 wants to facilitate the coming electric vehicle wave. The measure makes \$100 million worth of investments in transportation, electrification and charging infrastructure. This includes expanding access to electric vehicle chargers. I own an electric vehicle and charge it in my garage. Many Nevadans do not have the opportunity to charge cars on their properties. Electric vehicles could save Nevadans thousands of dollars per year in operating expenses.

Operating an electric vehicle requires a fraction of the cost compared to gasoline-powered vehicles. Prices between electric vehicles and gas cars have gotten closer. More electric vehicles are becoming available every day. Charging infrastructure may not be available to renters, people without garages, tourists, transportation network companies or taxi fleets. They need to have access to charging stations.

Senate Bill 448 creates a planning framework for transportation electrification as a whole. This is a process that deals with integrated resource planning. Similar processes are used elsewhere with electric utilities and the PUCN. The measure adds a layer to the process.

Senate Bill 448 clarifies the definition of rooftop solar units on multifamily and multiuse buildings if they are single-meter buildings. The measure ties resource planning to carbon reduction in addition to existing standards around the renewable portfolio standard. This would allow Nevada to take a more holistic approach to planning.

Senate Bill 448 clarifies large scale energy storage associated with renewable energy projects as being part of the renewable energy tax abatement program.

Several solar and wind projects are being built with battery storage associated with said projects. Batteries and energy generation stations may not be on the same plot of land. Senate Bill 448 clarifies that if battery sites meet the same criteria that exists for the renewable energy tax abatement program, they will be captured by the renewable energy tax abatement program.

Senate Bill 448 reopens the Economic Development Rate Rider program, which was used successfully in northern Nevada to attract new businesses and manufacturers to the State.

A project in southern Nevada that was to use the program did not move forward. More projects in southern Nevada are coming, and S.B. 448 will ensure they can fall under the program.

Some regulatory issues are cleaned up by S.B. 448, including the disposition of assets of an electric utility pursuant to a merger. Sierra Pacific Power Company and Nevada Power Company merged to form NV Energy. Statutes still view them as separate entities. A number of problems have arisen as a result. Senate Bill 448 clarifies statutory language to address the problem.

If we order the utility to make investments, we want to make sure the utility is subject to the highest level of scrutiny so ratepayers get the best value. Senate Bill 448 codifies language indicating the burden of proving the reasonableness and prudence of the investment expenses is on the utility.

VICE CHAIR DENIS:

Why is energy regionalization important?

SENATOR BROOKS:

The western United States can be separated into about 15 different areas of utilities and transmission systems with little coordination between them.

Nevada has a large energy load pocket in southern Nevada, a load pocket in the Reno area and smaller load pockets distributed around the State. We look at Nevada as its own world in terms of energy. We have carbon goals, needs, energy loads and generation. If there was more coordination and regionalization across the western United States, we could tap immediately into hydropower in the Pacific Northwest, wind power in Wyoming and excess solar energy during the midday in the Southwest.

There are benefits to accessing low-cost energy at different times in different places. These benefits are only available with adequate transmission capacity and a regional market to organize how energy is moved around. The current system is disjointed. There are regional markets in New England and the Midwest where multiple states and utilities are coordinating to ensure energy is moved around as efficiently as possible at the lowest possible cost. The West does not have that to the extent the East does.

The only organized market in the West is CAISO. The only non-California utility in that system is in Pahrump—the Valley Electric Association. The Association serves part of California and a large part of Nevada.

We are stepping our toes into regionalization through the energy imbalance market and CAISO. Nevada ratepayers have saved millions of dollars through being able to move energy around.

One of the biggest benefits of regionalization is avoiding what occurred in Texas during the 2021 winter season. Texas has an energy transmission system isolated from the rest of the world—the Electric Reliability Council of Texas. What happened in Texas occurs when you cannot get access to energy generation and loads from other energy regions.

VICE CHAIR DENIS:

Does it revolve around cost savings and grid reliability?

SENATOR BROOKS:

Yes. It relates to rate reliability, resiliency and access to markets to save money.

VICE CHAIR DENIS:

The sections of S.B. 448 pertaining to energy storage are important as not being able to store energy means you can only use it at the time of production.

SENATOR BROOKS:

Yes. Senate Bill 448 is about higher reliability, more resiliency and keeping costs as low as possible. That is why investments in transmission, energy storage and renewable energy investments have decreased electric costs in Nevada over the past ten years.

SENATOR SEEVERS GANSERT:

Will provisions on electrification and the transportation network be put into rate base? The electrification portion is \$100 million.

Is the transmission piece spread out over 50 years?

SENATOR BROOKS:

It goes into rate base, but it is important to think of who the ratepayers in the transmission system actually are. The ratepayers include utilities outside Nevada that transport energy through Nevada. There are up to ten gigawatts of energy that could be generated in the State with a few investments in transmission. When they put energy onto lines, they pay. When a large consumer takes energy off the lines, they pay. Nevadans, as ratepayers who use the transmission, pay as well. Payment is incremental based on the amount of electricity that flows through the lines.

SENATOR SEEVERS GANSERT:

Are the rates paid for by whoever is using the lines?

Whether we are exporting or importing energy, is it a separate fee that is attached?

SENATOR BROOKS:

Yes. That is on the transmission side.

On the transportation electrification side, distribution assets such as lines and transformers that keep the State electric system working will be paid by ratepayers proportionally based on location.

There have been quite a few studies showing transportation electrification drives down the costs of electricity for everyone, not just people who use electric vehicle infrastructure. You are spreading all costs of the electrical system divided by the megawatt hours sold. It is a volumetric way to recover costs. If we are switching from sending \$8 billion per year of Nevada money outside the State to import fossil fuel energy, to using a large portion of the money to generate in-State renewable energy and putting said energy into electric vehicles, we use more electricity. The electricity denominator increases. There is pressure for electric rates to decrease. More electricity is sold due to a small investment and electric prices decrease.

While all ratepayers will pay, all ratepayers will benefit. The benefit is not limited to electric vehicle owners.

SENATOR SEEVERS GANSERT:

That network is based in Nevada and used by whoever is in Nevada. It is different because the energy is not transported across state lines.

There is language in S.B. 448 pertaining to being able to sell electricity to affiliates. Do you think the transmission piece of S.B. 448 will be handled by a separate organization?

SENATOR BROOKS:

That is a possibility. I did not envision that when introducing S.B. 448. The measure would protect the ability of an owner of the transmission to sell to another owner of the transmission. I do not see a separate transmission-only company arising due to S.B. 448.

SENATOR SEEVERS GANSERT:

The language in S.B. 448 makes it possible to establish a transmission-only company.

Is there a sunset for the Economic Development Rate Rider program?

SENATOR BROOKS:

Yes.

SENATOR SEEVERS GANSERT:

Will the PUCN specify potential discounts? I do not believe there is language in S.B. 448 on that point.

SENATOR BROOKS:

There is language on that point. The legislation establishes discount parameters. There is no specific dollar figure, but S.B. 448 delineates a discount percentage to the tariff.

SENATOR KIECKHEFER:

With transportation electrification, is the rate designed to cover the infrastructure itself? Is it designed to cover the electrons people put into their cars?

SENATOR BROOKS:

The \$100 million earmarked in S.B. 448 orders the utility to make an investment in the electrification of transportation infrastructure. That pertains to lines, wires, transformers and chargers. That would be viewed the same way as transformers on electric poles or switch pads that are part of the distribution system. Senate Bill 448 does not get into what the rates would be or the cost of electricity put into electric vehicles. Those rates would go into the traditional ratemaking process. The measure pertains to the infrastructure itself, spreading distribution costs on a kilowatt-hour by kilowatt-hour basis to all ratepayers.

SENATOR KIECKHEFER:

When the infrastructure is fully built, who will pay for the electricity itself? Will charges be paid for by people using charging stations? I do not want to spread out everyone's individual transportation costs. I do not expect people to pay for my gasoline.

SENATOR BROOKS:

People will have to buy the electricity they use as fuel for their electric cars under a rate structure. Currently, there are 20 different rate structures you can get into. At my house, the costs for charging my electric vehicle are reflected in my power bill. No one else pays for it. Data shows my neighbors benefit from my at-home charging as the utility did not have to make an investment in the charging port, and I am buying more kilowatt hours. The electricity denominator keeps increasing even as the numerator stays the same. Costs go down as a result.

SENATOR KIECKHEFER:

Do you envision a separate rate structure for energy that flows through the new infrastructure that would be built out?

SENATOR BROOKS:

Yes, but that is separate from anything addressed in S.B. 448. Senate Bill No. 300 of the 80th Session created a methodology by which alternative rates can be set.

We have artificially flat rates. I seek a system where you pay for energy based on what it costs to make the energy at the point of generation and usage.

The same would be true if you put solar panels on your roof and you put energy back into the system. You get the value of the energy, if there is any, at the time you make it. That is not how rates are currently done in the State.

In the future, I would like to see more sophisticated ratemaking. This issue is being dealt with across the Nation. How do we create a ratemaking structure that reflects real-time creation and usage?

When I charge my vehicle at home, I pay for the electricity like anyone else would.

SENATOR RATTI:

Is the increase in the electricity denominator tied to the construction of vehicle charging stations under S.B. 448?

SENATOR BROOKS:

Yes.

SENATOR RATTI:

Nevada is a hub for warehousing, distribution and tourism for the northern and southern California markets. Would many people who do not live in Nevada buy energy as transportation electrification evolves?

SENATOR BROOKS:

That is our hope. We direct 20 percent of the charging infrastructure investment to the recreation and entertainment sectors.

SENATOR RATTI:

I imagine that, in the future when the market is more mature, states will have their own ratemaking structures. People may choose to attain electricity for their vehicles from one state instead of another based on price.

SENATOR BROOKS:

That would be a consideration for people who live around Lake Tahoe or Elko. People would think about whether it would be cheaper to fuel up in Nevada or one of our neighboring states.

SENATOR RATTI:

My comments pertained to Interstate 80 corridor distribution channels. If someone is transporting materials from Salt Lake City to San Francisco, they would have a choice as to where they plug in their electric vehicles.

SENATOR BROOKS:

There will be interstate charging investments made for Interstate 80 and Interstate 15. Charging investments will be made for resort corridors so people travelling to and through Nevada can use the infrastructure.

SENATOR RATTI:

I understand that would increase the electricity denominator.

Beyond S.B. 448, I want to ensure there is clarity around creating future rate structures and being able to pay for the actual costs when the costs are generated.

In Texas, people signed energy contracts that were variable. It seems like a good idea at first, but if there is a spike in rates, it is not a good thing. I want to ensure what happened in Texas does not happen here.

SENATOR BROOKS:

That is not addressed in S.B. 448.

We determine our overall energy costs through throwing individual costs in a pot and dividing the pot by the number of megawatt hours we use. We then make differences in how costs are allocated between large users and residential users. We break the cost allocations into different tariffs. I am oversimplifying the process, but we do this to avoid cost fluctuations.

There is an opportunity for a rate process based on real-time and realistic energy scenarios. This may change behaviors. We would have more efficient use of our electric system to begin with.

I am not proposing a scarcity market. Where we move is part of the regionalization conversation. We want to be part of a regional market with regional costs. That allows us to move away from wild fluctuations or a crash scenario as seen in Texas.

SENATOR RATTI:

Are we maintaining a solid regulatory structure?

SENATOR BROOKS:

Yes. There is nothing in S.B. 448 or S.B. No. 300 of the 80th Session that removes the regulatory structure. The legislation gives more flexibility to the regulatory structure as to how rates can be made.

It is important to note the utility has kept the lights on and rates low. Electricity costs in Nevada have declined over ten years. What the regulator is doing is working. We do not want to upend that.

SENATOR GOICOECHEA:

I am concerned about upgrading our transmission to adapt to a regional, interstate market. That would drive wheeling charges up.

There is a sheer investment in S.B. 448 that has to impact rates. Upgrading transmission to the extent we are talking about will require a hefty investment.

SENATOR BROOKS:

The piece of the transmission addressed in S.B. 448 is roughly \$1.2 billion. That cost is spread across all ratepayers, including ones who are not in Nevada, over several decades.

The flip side of that is by making those investments, we get between \$6 billion and \$10 billion in private capital that would come into Nevada. That capital is not even associated with actual line construction.

What would a transmission line between Robinson Summit and Fort Churchill do to open development of renewable energy on the lines and the energy load coming off the lines? You cannot have a factory, mine or other major facilities in that area without a transmission line. That goes for rural western Nevada as well. If you have the transmission capacity, you can have an energy load. The load might be used for mining, data centers and other things that use electricity.

The multibillion dollar investments may come from developers who want to turn current federal lands into property taxable lands for the purposes of renewable energy development. The zones have already been identified by the U.S. Bureau of Land Management. They are in central and western Nevada.

The lines would allow Nevada to take advantage of federal lands. Developers leasing the lands would pay taxes to the State and counties. Most tax revenues go to counties when it comes to renewable energy bills.

SENATOR GOICOECHEA:

I agree with Senator Brooks' points on development. We need to be cautious when it comes to tax abatements.

SENATOR BROOKS:

Senate Bill 448 does not create new structures for abatements. The abatements would take place under existing policies.

The investments in the transmission lines—including the jobs created—would lead to a \$690 million economic benefit to the State per a study submitted by Applied Analysis. That figure is not included in the potential investment of \$10 billion worth of private capital for renewable energy development.

STEPHANIE MULLEN (Executive Director, Public Utilities Commission of Nevada):

The PUCN is excited to be tasked with the implementation of S.B. 448. This is a key measure which will help the State transform its economy and achieve ambitious policy objectives related to renewable energy development and carbon reduction.

The transportation electrification planning requirement in S.B. 448 will play a crucial role in transitioning Nevada to a future where carbon emissions in the transportation sector are on a downward trajectory. This would be similar to emissions reductions that are continuing to be realized in the electricity sector as a result of aggressive policies such as the State renewable portfolio standard and energy efficiency programs.

The PUCN views transportation electrification planning as a major and important undertaking. It hopes to meet the challenge with the necessary resources to develop and examine innovative approaches to facilitating the expansion of electric vehicle infrastructure and the use of electric vehicles.

The focus of S.B. 448 on transmission planning and accelerated development of transmission infrastructure will provide significant opportunities for economic development while enhancing the reliability and resiliency of electric services in Nevada.

The PUCN welcomes its role in carrying out the policies contained in S.B. 448. Our fiscal note is a sincere reflection of what we need to ensure we perform our functions as envisioned.

GARRETT WEIR (General Counsel, Public Utilities Commission of Nevada):

The PUCN anticipates it will need one additional policy advisor to assist our commissioners by providing informed technical analysis that can be relied upon when evaluating proposals and assessing utility performance.

The concept of transportation electrification planning is relatively new. We hope to expand the PUCN's expertise by hiring someone who can bring outside experience in the area and/or focus attention on acquiring the necessary knowledge and training in the near term.

The additional policy advisor position would be able to assist the PUCN Policy Analysis Division by increasing the number of individuals over which the workload associated with S.B. 448 can be spread. Senate Bill 448 will require rulemaking to revise six distinct areas of the PUCN's regulations. The measure will prompt ongoing technical analysis regarding regional markets and transmission planning.

The PUCN request for a chief attorney position pertains to the increased volume of PUCN cases that will result from S.B. 448. Beyond an increased level of rulemaking, S.B. 448 will require multiple amendments to NV Energy's integrated resource plan. It will require the processing of a transmission infrastructure for a clean energy economy plan. The PUCN will also process a plan to accelerate transportation electrification and a future application related to the Economic Development Rate Rider program.

There will be ongoing triennial transportation electrification plans and potential proceedings to evaluate benefits and consider available options for joining or establishing a regional transmission organization.

During the 2019-2021 biennium, 784 cases were initiated with the PUCN. Each case was assigned to a presiding officer. These cases involved matters such as ratemaking, resource planning, licensing, program management, complaints, rulemakings and petitions for declaratory orders or other affirmative relief.

Unlike many public utilities commissions across the Country, the PUCN assigns its commissioners to preside over cases. The PUCN commissioners are assigned a combined 154 cases, with no commissioner assigned fewer than 44 cases.

*Nevada Revised Statutes* 703.330 allows for PUCN commissioners to appoint a hearing officer to assist with and conduct proceedings. The PUCN's current hearing officer is presiding over an additional 43 cases.

The PUCN believes the cases resulting from S.B. 448 will create the need for a second hearing officer. The chief attorney position would fulfill that role. While the chief attorney would mostly serve as a hearing officer, the position will also be able to assist with litigation and the PUCN's participation in federal regulatory proceedings. This frees up time for other attorneys to work on administrative caseloads resulting from S.B. 448.

The purpose of the PUCN's fiscal note is to avoid further extending a fixed number of employees over an ever growing workload. The measure adds enough additional workload to put the PUCN over the threshold for what it can absorb through existing personnel.

The PUCN is not a General Fund agency. The monies in the fiscal note will not create a hole in the State budget.

SENATOR KIECKHEFER:  
Budget account (B/A) 224-3920 was closed.

## COMMERCE AND INDUSTRY

### PUBLIC UTILITIES COMMISSION

PUC - Public Utilities Commission of Nevada — Budget Page PUC-10 (Volume I)  
Budget Account 224-3920

The PUCN fiscal note identifies the need for two additional positions. Is there authority for the PUCN to increase its regulatory assessment rate by 0.1 mills to fund the staff positions needed for the implementation of S.B. 448?

MR. THORLEY:

Budget account 224-3920 closed with the regulatory assessment rate set at 3.0 mills. The statutory cap is 3.5 mills. The PUCN is within the statutory cap to increase the regulatory assessment by 0.1 mills.

If S.B. 448 is passed, the PUCN could submit a work program to bring additional authority into B/A 224-3920 for the new positions. Per the PUCN fiscal note, these are two new unclassified positions. They would need to be included in the State Employee Salary appropriation, also known as the Pay Bill. Unclassified positions cannot be added between legislative sessions.

SENATOR KIECKHEFER:

It would be easier to add positions to the Pay Bill as opposed to handling it through the Interim Finance Committee (IFC).

DAVID BOBZIEN (Director, Office of Energy, Office of the Governor):

The GOE supports S.B. 448. Particularly, we support the creation of the transmission task force as it is a necessary tool to further the conversation about benefits associated with joining a regional transmission organization.

We agree S.B. 448 facilitates the future Nevada should work towards. It lays out a comprehensive work program for the transmission task force. Senate Bill 448 lays out the various avenues of inquiry the task force would undertake. These include potential costs and benefits to transmission providers and customers. They also include the policies that will accommodate entrance by transmission providers.

These are complex topics. The PUCN indicates it interacts with the Federal Energy Regulatory Commission. Those interactions will be a part of the conversation. This is expensive work.

Governor Steve Sisolak began a conversation in December 2019 with other western governors—from states as diverse as Idaho and Colorado—about the future of the western United States energy grid.

The GOE has been engaged in regional energy conversations. We have no shortage of information and inputs to bring to this task force to get it established. We look forward to starting this work.

Senate Bill 448 sets forth a multiyear effort that the GOE takes seriously. Based on past experiences with the New Energy Industry Task Force (NEITF) and the Committee on Energy Choice (CEC), we know this work is not to be taken lightly.

JENNIFER TAYLOR (Deputy Director, Office of Energy, Office of the Governor):  
Senate Bill 448 would create a new program for the GOE to implement. It would require additional resources to be expended and accelerate the drawdown in B/A 101-4868.

## ELECTED OFFICIALS

### GOVERNOR'S OFFICE

GOE - Office of Energy — Budget Page ELECTED-30 (Volume I)  
Budget Account 101-4868

Section 34 of S.B. 448 mandates the GOE shall provide the personnel, facilities, equipment and supplies required for the work of the 18-member Regional Transmission Coordination Task Force created in section 31 of S.B. 448. Pursuant to section 32, the Task Force will meet at least biannually. Working groups may be appointed to aid in the task force's work.

As Director Bobzien indicated, S.B. 448 requires the Task Force to assess certain enumerated issues related to regional transmission and regional market organization, as well as the resulting economic development impact.

For the purposes of the GOE fiscal note—and based on our experience with the CEC and the NEITF—there was an assumption that each of those enumerated areas would be its own working group.

Section 33 of S.B. 448 requires that, not later than November 30, 2022, and biennially afterwards, the Task Force will submit to the Governor and the Legislative Counsel Bureau Director for transmittal to the Legislature a report on all of its activities. The report will include recommended legislation needed to enable transmission providers to engage with a regional transmission organization.

Responsibilities of the GOE under section 34 of S.B. 448 include scheduling task force and working group meetings and travel, coordinating facilities for meetings, coordinating speakers and their travel, developing meeting materials, compiling the biennial report and coordinating work supplies.

Senate Bill 448 directs the Task Force to perform its duties until January 2030. Costs would be required over more than four biennia.

The GOE analyzed staff levels and past experiences with task forces. Our fiscal note increases our staff by adding one management analyst III position, one management analyst II position and one administrative assistant IV position. The positions would be based in southern Nevada to assess the program.

There are additional costs in a number of categories required around operations and equipment for the new full-time equivalent (FTE) positions. There are costs associated with program implementation for facilities rentals to conduct meetings.

The GOE biennial budget request has already been approved and closed. We did not request additional staff based on the performance of energy programs currently administered by our small staff and with limited resources.

The need to increase staffing for the new work is based on GOE experiences coordinating the CEC in 2017 and the NEITF in 2016. For the CEC, the GOE and staff from the Office of the Lieutenant Governor undertook coordination for the full CEC and five working groups. This included scheduling CEC meetings, scheduling working group meetings, coordinating invited speakers, providing administrative support and handling the completion of the final report of the CEC. Similar administration was seen with the NEITF's work. The GOE coordinated meetings for the NEITF and its three technical advisory committees.

The staff time for implementing the work of the CEC and the NEITF exceeded the available workload for existing staff. The GOE's current staff will not be able to absorb the work level established in S.B. 448 over the nine years of statutory work.

Senate Bill 448 will impact the GOE's primary source of revenue. We anticipate total additional funding to support the increase of operational costs, including

the addition of FTE positions, to be \$231,010 in FY 2021-2022, \$284,056 in FY 2022-2023 and \$568,112 during future biennia.

MR. BOBZIEN:

*Nevada Revised Statutes* 701A.450 requires 75 percent of money from B/A 101-4869 be used to offset the use or cost of electricity by customers in service territories of utilities covered by the renewable portfolio standard.

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Budget Account 101-4869

This limits to 25 percent the amount of expenditures from B/A 101-4869 that can be used on administrative costs.

The GOE has an ongoing conversation with Fiscal staff as to how that balance is calculated and when, as B/A 101-4869 continues to draw down, we will begin bumping up against the 25 percent limit. The additional draw from B/A 101-4869 in the GOE fiscal note associated with S.B. 448 will push us towards the 25 percent cap.

The GOE and PUCN have daily conversations on this topic, which were in place even before S.B. 448 was introduced. We are primed to work together to implement the legislation. The agencies have discussed how we might be able to join forces when it comes to meeting rooms, staff and other logistical matters. We are looking at how to be as cost-prudent as possible.

SENATOR KIECKHEFER:

The idea of creating three staff positions for the Task Force seems excessive.

One of the responsibilities of the GOE—helping to staff a task force through NRS 701.090—is being deleted in S.B. 448. Did the GOE incorporate any cost savings associated with the elimination of that task force from statute?

MR. BOBZIEN:

The task force in NRS 701.090 has been dormant for several years, and was so before I became the GOE director.

SENATOR KIECKHEFER:

Senate Bill 448, as a requirement of the Task Force, only includes two meetings a year and a report.

The additional work suggested for subcommittees seems like a strong extrapolation of what the initiative of the to-be-determined chair of the Task Force might be.

MR. BOBZIEN:

With the time the GOE was afforded to review the legislation and our knowledge of how complex this topic is, we prepared our fiscal note with the understanding that these are minimums established by S.B. 448.

The GOE foresees much activity as a result of S.B. 448. As we conclude the Eighty-first Session, the process of analyzing specific workloads will take shape.

SENATOR KIECKHEFER:

I believe there is space to reduce the figures suggested in the GOE fiscal note.

SENATOR RATTI:

I have concerns similar to Senator Kieckhefer.

If this was a Health and Human Services task force, it would probably have half of the FTE staff positions proposed. I am trying to put this into scale with other legislation considered during the Session.

Is there workload established by S.B. 448 that is unclear to legislators?

MR. BOBZIEN:

The Office of the Energy believes the work is far more complex than what appears in the language of S.B. 448.

SENATOR BROOKS:

I am not a huge fan of task forces. My personal rule is if a committee, subcommittee, task force or study is created, another should be ended at the same time. Section 55 of S.B. 448 ends a task force. I mirrored the language in the task force to be abolished pertaining to responsibilities of the GOE when proposing another task force through the legislation. Senate Bill 448 requires

much work that will happen for the next decade. We remove a task force to avoid adding additional burdens to the GOE.

SENATOR RATTI:

We hear about how S.B. 448 will implement work over time. Can you be more specific as to how S.B. 448 will be rolled out during the 2021-2023 biennium?

SENATOR BROOKS:

It takes a while to create a task force that has 18 positions. We added two more positions for minority parties in the Legislature through an amendment. It takes time to place members on task forces. They have to go through the appointment process that the Office of the Governor follows.

There is a complex mix of boards, commissions, task forces, working groups and studies. Getting the Task Force in S.B. 448 seated and ready to start meetings may take the better part of the 2021-2023 biennium. I cannot imagine we will see much activity until calendar year 2022.

SENATOR RATTI:

How does that interplay with the rest of the work in S.B. 448?

SENATOR BROOKS:

It does not necessarily interplay with any other provisions of S.B. 448. Establishing the Task Force is a standalone process. The process has the most impact on the GOE.

The GOE might see additional work pertaining to renewable energy tax abatements over the next several years. Its main piece in S.B. 448 is the establishment of the Task Force.

KYLE DAVIS (Nevada Conservation League; Interwest Energy Alliance):

The Nevada Conservation League and Interwest Energy Alliance both support S.B. 448.

CESAR DIAZ (Senior Policy Manager, ChargePoint):

ChargePoint is neutral on S.B. 448, but proposes an amendment.

ChargePoint is a leading provider of electric vehicle charging stations and other services, both in North America and around the world. The ChargePoint network

includes over 650 charging stations in Nevada. In addition, ChargePoint drivers have access to hundreds of charging ports in Nevada through running operating agreements.

ChargePoint appreciates the focus on transportation electrification. We seek modifications to S.B. 448. We support efforts to accelerate transportation electrification. While S.B. 448 recognizes diversity and ownership with respect to charging stations, we believe the measure could benefit through a clarifying mechanism.

Section 49 of S.B. 448 pertains to electric vehicle infrastructure being developed between 2022 and 2024. We request provisions be added to support increased consumer choice, competition, innovation in vehicle charging and private capital investment. This language is already included in section 14 of S.B. 448. It should also be included in section 49 to ensure a competitive market for electric vehicle charging services.

ChargePoint is concerned about Amendment No. 731. We are concerned about language on page 35, line 4 that would allow modifications to the tariffs without PUCN oversight. The language is concerning because if the programs in S.B. 448 are meant to promote private ownership in electric vehicle charging infrastructure, the intent could actually change the terms of service for a third party offering charging services without any oversight from the PUCN. We believe minor changes will allow electric charging infrastructure and the market to develop in a competitive manner, attracting private capital that will lower the cost and risk to ratepayers.

VICE CHAIR DENIS:

I close the hearing on S.B. 448. Senator Brooks will resume chairing the meeting.

CHAIR BROOKS:

We will work session bills. We begin with S.B. 22.

**SENATE BILL 22 (1st Reprint)**: Makes various changes relating to correctional institutions. (BDR 16-262)

MR. THORLEY:

Senate Bill 22 revises the order of priority of deductions the Department of Corrections (DOC) may take from an offender's personal account within the Prisoner's Personal Property Fund or from an offender's wages to comply with the *Constitution of the State of Nevada*. The changes are specifically made in relation to deductions for victim restitution and how they are prioritized over deductions for the Fund for Compensation of Victims of Crime.

Senator Melanie Scheible testified on Amendment No. 349. The DOC explained its fiscal note on S.B. 22.

Testimony in support of S.B. 22 came from several members from the group Return Strong. There was no testimony in opposition or neutral positions.

Fiscal staff assessed the DOC fiscal note on S.B. 22. At this time, we cannot verify with any level of certainty the dollar amounts included in the fiscal note. The DOC testified the proportion of inmates who have both offender accounts and restitution requirements is 17 percent. The fiscal note seems to have been developed based on 100 percent of offender accounts having associated restitution requirements. There is uncertainty with the dollar figures provided.

Given the budgetary transfer authority the DOC has to move money around within its budget, anticipated ongoing savings related to vacancies within the DOC, and the ability the DOC has to come to the IFC between legislative sessions to request an allocation from the contingency fund if needed, the Committee may wish to move forward with no additional funding in response to S.B. 22 and instruct the DOC to either come to the IFC between sessions if needed and develop better monetary estimates for review by Fiscal staff.

SENATOR SEEVERS GANSERT:

It seems the DOC frequently appears before the IFC due to fiscal issues. I am concerned about a \$0 fiscal impact.

I believe the DOC fiscal note was \$4 million over the 2021-2023 biennium. We heard testimony that 17 percent of inmates would be affected by S.B. 22.

CHAIR BROOKS:

Is there any guidance that needs to be attached to a Committee motion on S.B. 22 regarding having the DOC appearing before the IFC or another type of verification?

MR. THORLEY:

Authority exists in statute for the DOC to appear before the IFC. The Committee may wish to put a statement on the record asking the DOC to continue working with Fiscal staff to better develop estimates for what S.B. 22 may cost.

SENATOR RATTI MOVED TO DO PASS AS AMENDED S.B. 22 AND TO REQUEST THE DOC CONTINUE TO WORK WITH FISCAL STAFF TO DETERMINE ACTUAL COSTS OF S.B. 22.

SENATOR DENIS SECONDED THE MOTION.

SENATOR KIECKHEFER:

I share the concerns of Senator Seevers Gansert about moving forward despite not knowing exact fiscal costs and asking the DOC to appear before the IFC.

I support the policy of S.B. 22. I will support the motion as work can still be done on the measure when it is considered by the Assembly Committee on Ways and Means and Assemblywoman Maggie Carlton.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR BROOKS:

We move to S.B. 96.

**SENATE BILL 96 (1st Reprint)**: Makes various changes relating to services provided to persons with autism spectrum disorders. (BDR 38-89)

ALEX HAARTZ (Principal Deputy Fiscal Analyst):

Senator James Ohrenschall and Assemblywoman Teresa Benitez-Thompson testified on S.B. 96.

Several individuals testified in support of S.B. 96. There was no testimony in neutral or opposition positions.

There is a proposed amendment to S.B. 96, dated May 16, 2021. Senator Ohrenschall confirmed the amendment reflects his current intent. The amendment includes a new section 1.1, which indicates that on or before October 1, 2021, the State Department of Health and Human Services (DHHS) shall submit to the U.S. Secretary of Health and Human Services a request to amend the State Plan for Medicaid to increase the rate of reimbursement provided on a fee-for-service basis. The rates reimburse services provided by a registered behavior technician at \$62 per hour.

Testimony indicated the intent is to set the \$62 rate until such time as a comparability study could be performed. In the meantime, the rate ensures higher reimbursements for service providers.

The proposed amendment indicates that if the State Medicaid Plan is approved by the U.S. Secretary of Health and Human Services, the \$62 rate would be effective upon January 1, 2022.

There are parallel sections indicating that if the State Medicaid Plan is approved, the same rate should be used by the Autism Treatment Assistance Program (ATAP) in the DHHS Aging and Disability Services Division (ADSD). These provisions would be effective on January 1, 2022.

The sponsor for S.B. 96 indicates the intent was to include children served through the Nevada Check Up program receiving services for autism spectrum disorder provided by registered behavior technicians under the rate provisions.

The proposed amendment changes a typographical error so that the State Medicaid Plan amendment would be revised biennially beginning on July 1, 2023, the beginning of the 2023-2025 biennium. Revisions would be based on comparability studies to change the rate from \$62 to whatever is determined to be comparable in other states as paid by Medicaid.

The ADSD testified the fiscal impact to ATAP could be up to \$1.3 million in General Fund appropriations as a result of increasing the reimbursement rate to \$62. The ADSD fiscal note indicates that the fiscal impact is unable to be determined until the rate is established.

There was testimony indicating ATAP underspent budgeted General Fund monies in past fiscal years as a result of not having enough providers. The testimony addressed the Committee's concern regarding whether ATAP had sufficient funding.

The DHHS Division of Health Care Financing and Policy (DHCFP) had a fiscal note. The DHCFP testified the revised calculations had not yet been finalized beyond the May 14, 2021, fiscal note. That fiscal note indicated a General Fund impact of \$2.8 million over the 2021-2023 biennium. Of this amount, \$2.7 million is indicated to be the cost of provider claims for Medicaid and Nevada Check Up-eligible children.

Senate Bill 96 is effective upon passage and approval.

SENATOR RATTI:

If the Committee makes an amend and do pass as amended motion based on the proposed amendment from May 16, 2021, would appropriations be associated with the motion?

MR. HAARTZ:

Legislative testimony indicated for ADSD services—including ATAP—savings would be generated. Underspending in the program would likely cover increased costs until such time as provider availability increases, allowing all available funding to be expended.

There was no testimony by the ADSD as to whether it felt sufficient savings were available. Members of the Committee believed the audit would generate savings. If the Committee makes an amend and do pass motion for S.B. 96, it may wish to add the identified General Fund amount of \$2.8 million over the 2021-2023 biennium consistent with the ADSD fiscal note. This would ensure the ADSD had the General Fund appropriations in its budget.

SENATOR DONDERO LOOP:

Senate Bill 96 is important. We have worked on these issues for a long time, and I have been in touch with families affected by the problem. The earlier we provided services to young people, the better off the State is. This goes for illnesses, reading and autism. I support S.B. 96.

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SENATOR SEEVERS GANSERT:

I support S.B. 96. We have not been able to expend all money for these programs because of our rate structure and the amount we are paying. It is important we provide children access to services as soon as possible. This will cost the State money, but it is money well spent.

SENATOR KIECKHEFER:

I have supported autism treatment legislation throughout my tenure. While I support S.B. 96, I do have concerns over the policy decision to put a specific reimbursement rate into statute. That is a dangerous precedent in the long term. We must be cognizant moving forward.

As long as we are actually appropriating the money to fund what we are aiming to do, I am comfortable with S.B. 96.

MR. HAARTZ:

Legislative testimony indicates that when the State Medicaid Plan amendment is approved and a comparable rate is established, the intent is to remove the \$62 rate from statute.

SENATOR RATTI:

I agree putting a rate in statute may encourage others to push for that treatment in other areas. There is comfort in the fact we are shifting to a comparability rate in the 2023-2025 biennium, but this may open a flood of requests for comparability rates in other areas.

This is a new way to approach things. We have tried for a long time to get this right. We have not landed on a perfect solution. I support trying what is proposed in S.B. 96. If it works, comparability rates might be looked at for other services.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED S.B. 96 WITH A \$2.8 MILLION APPROPRIATION FROM THE GENERAL FUND.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR BROOKS:

We move to S.B. 417.

**SENATE BILL 417**: Makes appropriations to and authorizes expenditures of money by the Nevada Supreme Court for certain statewide technology systems for trial courts. (BDR S-1065)

MR. THORLEY:

Senate Bill 417 appropriates \$1.3 million from the General Fund to the Supreme Court for the initial implementation of a Statewide electronic filing system for local trial courts. The measure also authorizes expenditures, not from the General Fund or Highway Fund, of \$203,533 over the 2021-2023 biennium for the implementation of the electronic filing system.

Senate Bill 417 also appropriates \$1.3 million for the initial implementation of a Statewide case management system for trial courts. Chief Justice James W. Hardesty testified to the appropriations requests in the measure.

There were discussions regarding the J-Works contract for the new case management project the courts are operating under. Courts testified the current vendor for the case management project was scheduled to deliver a product to the courts that was useable by the middle of May. If the vendor did deliver a product for a case management product that was acceptable, the appropriation request in S.B. 417 for funding the case management system would not be needed.

Fiscal staff was notified by the Supreme Court that the vendor submitted a product that was not acceptable and did not function as needed. The court system is moving forward with the funding request for the case management project, the language for such is already included in S.B. 417.

Chief Justice Hardesty requested an amendment to allow the Supreme Court to use the funding in S.B. 417 beyond the 2021-2023 biennium, with language indicating that appropriations would not revert to the General Fund at the end of the 2021-2023 biennium.

SENATOR DENIS MOVED TO DO PASS S.B. 417.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR BROOKS:

We will work session S.B. 448.

MR. HAARTZ:

Senate Bill 448 revises provisions governing public utilities.

Testimony was provided by the PUCN and the GOE. The PUCN indicated that it cannot absorb additional workloads with current staff and identified the need for two new unclassified positions—a policy advisor position and a chief attorney position. The total operating costs for the PUCN as a result of S.B. 448 is \$686,722 for the 2021-2023 biennium. The costs would be funded through the regulatory mill assessment that is already in place at the PUCN. If the Committee wishes to approve the unclassified positions, Fiscal staff recommends the Committee request the positions be added to the Unclassified Pay Bill. The PUCN could submit a work program request to the IFC to ensure it has sufficient revenue and expenditure authority for the two positions.

The GOE indicated it required three new positions as being necessary—two management analyst positions and one administrative assistant position. The GOE further identified operating costs. The GOE B/A 101-4868 is funded through the Renewable Energy Account. It is closed, so the GOE will need to approach the IFC to establish the positions based on the available funding in the Renewable Energy Account.

Kyle Davis, on behalf of the Nevada Conservation League and the Interwest Energy Association, testified in support of S.B. 448. There was no opposition testimony. Cesar Diaz testified in the neutral position.

SENATOR GOICOECHEA:

Is there sufficient funding in the Renewable Energy Account for the GOE positions? What is the status of the account?

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MR. THORLEY:

Based on the fiscal note submitted by the GOE, no funding will go into the Renewable Energy Account beginning in 2033. The GOE anticipates all funding in the account will be expended by 2036.

MR. BOBZIEN:

Mr. Thorley is correct. The near-term challenge is the 25 percent cap in NRS 701.450. We have not done the actual calculations, but if the expenditures were to be drawn from the Renewable Energy Account, we could bump up against the cap. We will hold conversations with Fiscal staff on that issue.

SENATOR RATTI:

The PUCN appropriations would be funded by mill assessments. The GOE funding would come from the Renewable Energy Account. Is there no General Fund appropriation through S.B. 448? I understand we need language in the Unclassified Pay Bill.

MR. HAARTZ:

Yes.

SENATOR RATTI MOVED TO DO PASS AS AMENDED S.B. 448 AND TO DIRECT FISCAL STAFF TO ADD THE TWO UNCLASSIFIED PUCN POSITIONS INTO THE PAY BILL.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR BROOKS:

We move to S.B. 453.

MR. THORLEY:

Senate Bill 453 revises provisions relating to certain persons licensed or certified by the B&I FID, the B&I or the Commissioner of Financial Institutions.

Sandy O'Laughlin, Commissioner, B&I FID, testified on the language of S.B. 453 authorizing the FID to use the NMLS. Ms. O'Laughlin mentioned the cost to

perform the data migration from the legacy Versa system to the NMLS is minimal. The costs associated with the data migration were included in the Executive Budget. The Assembly Committee on Ways and Means and the Senate Committee on Finance approved \$41,500 in FY 2021-2022 for a contractor to perform the data migration.

Senate Bill 453 is a budget implementation bill as it implements a budget decision approved by Assembly Ways and Means Committee and Senate Finance Committee.

SENATOR DENIS MOVED TO DO PASS S.B. 453.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR BROOKS:

We move to S.B. 420.

**SENATE BILL 420 (1st Reprint)**: Revises provisions relating to health insurance.  
(BDR 57-251)

MR. THORLEY:

The fiscal impacts I will present are based on Proposed Amendment 3409 to S.B. 420, 1st Reprint.

There was a conceptual amendment presented by Senator Cannizzaro. The conceptual amendment would be in addition to Proposed Amendment 3409.

The first part of the conceptual amendment was to amend section 39 of S.B. 420 to require the actuarial study consider the impact on market premiums with and without participation requirements for health care providers as outlined in section 13 of S.B. 420 for the public option.

The conceptual amendment changes section 10, subsection 5 of S.B. 420 to say:

The Director, in consultation with the Commissioner and the Executive Director of the Exchange, may revise the requirements of subsection 4 provided that the premium for the Public Option must be at least 15 percent lower than the average second lowest market premium over the first 4 years in which the Public Option is in operation.

The conceptual amendment was provided to Committee members on May 19, 2021.

Fiscal staff received updated fiscal notes. There is one unsolicited fiscal note from the DHHS Division of Welfare and Supportive Services (DWSS). There are fiscal notes from the Silver State Health Insurance Exchange and the DHCFP.

The Exchange fiscal note was updated based on Proposed Amendment 3409. Because of the effective dates of various sections in S.B. 420, the majority of the fiscal impact to the Silver State Health Insurance Exchange would occur in the 2023-2025 biennium and beyond.

The estimated fiscal impact for the 2021-2023 biennium on the Exchange is \$600,000 in FY 2022-2023. Of this amount, \$500,000 would be for an actuarial analysis that would begin in the first quarter of FY 2022-2023. The actuarial analysis would have to be completed prior to the preparation of the waiver development which would occur in the third quarter of FY 2022-2023. Waiver development is estimated to cost \$100,000. The Exchange is supported by fees, not General Fund appropriations. The Exchange costs would not impact the General Fund.

The DWSS fiscal note relates to the Medicaid provisions of S.B. 420. There are public option-related sections and Medicaid-related portions in S.B. 420. The fiscal note pertains to the Medicaid initiatives about the eligibility expansion to 200 percent of the poverty level and presumptive eligibility for pregnant women.

The DWSS estimates it will cost money to make changes associated with S.B. 420 and Medicaid eligibility to their system. Of these costs, 90 percent would be covered by federal funds and 10 percent would be covered by General Fund dollars to match federal monies. The total impact is \$1.7 million. The 10 percent General Fund match for federal monies totals \$167,850.

Fiscal staff received an updated fiscal note from the DHCFP based on Proposed Amendment 3409.

The estimated total computable impact of the public option portion of S.B. 420 is \$1.6 million for the 2021-2023 biennium and \$2.4 million in the 2023-2025 biennium. The DHCFP is unable to determine whether federal monies will be available to fund public option provisions at this time.

The estimated total computable impact of the Medicaid portion of S.B. 420 is a saving of \$1.1 million over the 2021-2023 biennium and \$1.7 million over the 2023-2025 biennium. The General Fund portion of the savings is estimated at \$384,000 for the 2021-2023 biennium and \$533,000 for the 2023-2025 biennium.

Overall, the DHCFP anticipates costs for the public option portions of S.B. 420 and savings for the Medicaid portion of S.B. 420. If you take the total estimated cost for the public option and subtract General Fund savings for Medicaid provisions, the General Fund impact would be \$1,255,437 in the 2021-2023 biennium and \$1.8 million in the 2023-2025 biennium.

SENATOR KIECKHEFER:

For the DHCFP, are there no expenses associated with Medicaid eligibility expansion because of the Proposed Amendment 3409?

SUZANNE BIERMAN (Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services):

The DHCFP removed all eligibility-related costs from its fiscal note except for costs pertaining to the expansion for lawfully residing pregnant women. That was based on the others having language making the expansions of presumptive eligibility and up to 200 percent of the federal poverty level contingent upon available funding. The lawfully residing pregnant women expansion did not include that same language.

SENATOR KIECKHEFER:

The Exchange is funded by a percentage of premiums. Will Exchange costs be funded through reserves? Has there been analysis on whether this is an allowable use of federal funding since we are creating a program that is not necessarily facilitated by the Affordable Care Act?

JENNIFER KRUPP (Chief Financial Officer, Silver State Health Insurance Exchange):  
The Exchange is funded through an assessment on carrier premium fees. For plan year 2021, the carrier premium fee assessment is 3.05 percent of all premiums collected from plans sold on the Exchange.

No analysis has been conducted at this point to determine if there would be any legal implications on whether or not we would be able to use carrier premium fees we are funded through to conduct the actuarial studies.

SENATOR KIECKHEFER:

Does the Exchange have excess reserves it would be able to use to fund the study? Would it have to increase its rake on premiums?

MS. KRUPP:

We could look at using reserves to cover the costs of actuarial assessments. We could also look at other federal funding opportunities depending on the rules. The American Rescue Plan Act of 2021 might be able to cover some of the expenses. Additional research is needed on the part of the Exchange on where federal funds can be applied.

SENATOR KIECKHEFER:

Does Fiscal staff know if Exchange reserves are able to cover assessment costs?

MR. THORLEY:

The General Fund appropriation would be \$167,850 to the DWSS in FY 2021-2022. The other portion would be \$1,255,437 to the DHCFP for a total General Fund appropriation of \$1,423,287 over the 2021-2023 biennium.

SENATOR DONDERO LOOP MOVED TO AMEND AND DO PASS AS AMENDED S.B. 420 WITH PROPOSED AMENDMENT 3049 AND THE CONCEPTUAL AMENDMENT PRESENTED BY SENATOR CANNIZZARO.

SENATOR DENIS SECONDED THE MOTION.

SENATOR SEEVERS GANSERT:

I will vote no on the motion. We need to continue assessing the policy in S.B. 420. I believe everyone should have access to health care, but am

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concerned this would negatively impact the system. I am worried about the supply side.

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

\* \* \* \* \*

CHAIR BROOKS:  
I adjourn this meeting at 5:24 p.m.

RESPECTFULLY SUBMITTED:

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Joko Cailles,  
Committee Secretary

APPROVED BY:

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Senator Chris Brooks, Chair

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

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda