

**MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Eighty-first Session
April 5, 2021**

The Senate Committee on Government Affairs was called to order by Chair Marilyn Dondero Loop at 3:36 p.m. on Monday, April 5, 2021, Online. [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 Marilyn Dondero Loop, Chair
Senator James Ohrenschall, Vice Chair
Senator Dina Neal
Senator Pete Goicoechea
Senator Ira Hansen

GUEST LEGISLATORS PRESENT:

Senator Chris Brooks, Senatorial District No. 3
Senator Nicole J. Cannizzaro, Senatorial District No. 6
Senator Pat Spearman, Senatorial District No. 1

STAFF MEMBERS PRESENT:

Alysa Keller, Policy Analyst
Heidi Chlarson, Counsel
Janae Johnson, Committee Secretary

OTHERS PRESENT:

Fred Horvath, Secretary-Treasurer, International Brotherhood of Teamsters
Local 14
Tina Dortch, Program Manager, Office of Minority Health and Equity,
Department of Health and Human Services
Carmen Jones, M.D.
Sandra Mack
Kelly Morning, Assistant Director, Nevada Public Health Training Center
Terry Reynolds, Director, Department of Business and Industry

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Michael Brown, Executive Director, Office of Economic Development, Office of the Governor
Mary Beth Sewald, Vegas Chamber
Hawah Ahmad, Clark County Education Association
Debra Gallo, Southwest Gas
Steve Polikalas, Western States Hydrogen Alliance
Joshua Leavitt, Society for Information Management Las Vegas
Clift Kellogg, Executive Director, C-PACE Alliance
Michael Yaki, Senior Vice President, Petros PACE Finance
Peter Guzman, Latin Chamber of Commerce
Chase Whittemore, Nevada Builders Alliance
Calli Wilsey, City of Reno
Kelly Crompton, City of Las Vegas
Kathy Flanagan, Southern Nevada Water Authority
Rob Wilson, Nevada Credit Union League
Dagny Stapleton, Nevada Association of Counties
Phyllis Gurgevich, Nevada Bankers Association
Joanna Jacob, Clark County
Ryan Bellows, NV Energy
Jennifer Taylor, Deputy Director, Office of Energy, Office of the Governor
Carter Bundy, American Federation of State, County and Municipal Employees
Randy Soltero, American Federation of State, County and Municipal Employees
Priscilla Maloney, American Federation of State, County and Municipal Employees Retirees Nevada Chapter 4041
Kent Ervin, Nevada Faculty Alliance
Laura Rich, Executive Officer, Public Employees' Benefits Program
Barry Gold, AARP

CHAIR DONDERO LOOP:

We will open the hearing in work session with Senate Bill (S.B.) 109.

SENATE BILL 109: Revises provisions relating to the collection of certain information by governmental agencies. (BDR 19-95)

ALYSA KELLER (Policy Analyst):

Senate Bill 109 was heard on March 26, as referenced from the work session document ([Exhibit B](#)).

SENATOR OHRENSCHALL MOVED TO AMEND AND DO PASS AS AMENDED S.B. 109.

SENATOR NEAL SECONDED THE MOTION.

SENATOR HANSEN:

I will be voting no on S.B. 109. It makes no sense when you have demographics collections that make information voluntary; it loses value. If sexual orientation it is not mandatory information, the demographic data collected leaves substantial things out.

THE MOTION CARRIED. (SENATOR HANSEN VOTED NO.)

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CHAIR DONDERO LOOP:

We will move to S.B. 150 in work session.

SENATE BILL 150: Makes changes to provisions relating to housing.
(BDR 22-221)

MS. KELLER:

Senate Bill 150 was heard on March 8, as referenced from the work session document ([Exhibit C](#)).

SENATOR NEAL:

I appreciate the work done by Senator Harris on tiny houses, but I will not be supporting this.

SENATOR OHRENSCHALL MOVED TO AMEND AND DO PASS AS AMENDED S.B. 150.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR NEAL VOTED NO.)

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CHAIR DONDERO LOOP:

The next bill in work session is S.B. 200.

SENATE BILL 200: Provides for the establishment of a retirement savings program for private sector employees. (BDR 31-219)

MS. KELLER:

Senate Bill 200 was heard on March 31, as referenced from the work session document ([Exhibit D](#)).

SENATOR OHRENSCHALL MOVED TO DO PASS S.B. 200.

SENATOR HANSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:

The next bill in work session is S.B. 222.

SENATE BILL 222: Revises provisions relating to governmental administration. (BDR 18-245)

MS. KELLER:

Senate Bill 222 was heard on March 22, as referenced from the work session document ([Exhibit E](#)).

SENATOR HANSEN:

In section 4, in a group of persons that share the same sexual orientation, the definition for "sexual orientation" means having or being perceived as having an orientation for heterosexuality, homosexuality or bisexuality. Roughly 95 percent of people identify as heterosexual. Under the amendment, a group of people like myself could qualify as a minority group identifying as heterosexual. Was this the intent of the amendment?

HEIDI CHLARSON (Counsel):

That language in the definition of minority group relating to heterosexuality was included in the original bill. It is not just a change in the amendment, it is

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language that came from the original bill. I cannot speak for Senator Scheible's intent. It would appear, based on the language, both the bill and the amendment for heterosexuality could be a minority group.

SENATOR HANSEN:

I am fine with that as I am against the bill. It seems crazy as essentially you could be a member who identifies as the 95 percent majority and still be considered a minority. In this day and age everything seems to go.

SENATOR OHRENSCHALL MOVED TO AMEND AND DO PASS AS AMENDED S.B. 222.

SENATOR NEAL SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR HANSEN VOTED NO.)

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CHAIR DONDERO LOOP:

The next bill on work session is S.B. 294.

SENATE BILL 294: Revises provisions governing collective bargaining by local government employers. (BDR 23-254)

MS. KELLER:

Senate Bill 294 was heard on March 29, as referenced from the work session document ([Exhibit F](#)). Proposed Amendment 3195 was received from Senator Cannizzaro.

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

Proposed Amendment 3195 ([Exhibit G](#)) is available online. The proposed amendment seeks to outline a couple of changes. First, it generally establishes a different structure for collective bargaining by cities. It would allow a city and employee organization to participate in an initial round of nonbinding fact-finding. If disagreements remain following the first round of fact-finding, it allows either party to request a second round of fact-finding which would be final and binding on the parties.

It reverses the changes in sections 2 and 3 of the introduced version of the bill. It would require those decisions of a fact finder to be binding for all local government collective bargaining, except those related to police and fire. It would leave the current law for local governments other than cities, except for the elimination of panels to review an issue binding orders relating to fact-finding. Additionally, we wanted to be clear with the language in the amendment for section 1 to not apply to collective bargaining between cities and police or fire unions representing those city employees. They have a separate process, but with the amendment this process would look more like those in place for the police and fire. We want to make sure we are not changing this aspect of the *Nevada Revised Statutes* (NRS) for them.

CHAIR DONDERO LOOP:

In section 2, subsection 10, the issues may be included in a recommendation or award. Can you explain the difference? Can you clarify what recommendation is and what award is?

FRED HORVATH (Secretary-Treasurer, International Brotherhood of Teamsters Local 14):

It is just a matter of timing. They could be recommendations and often when the fact finder makes recommendations, the parties can work out an arrangement. The award deals directly with an agreement by the parties in advance of making fact finder's recommendations binding or the award is included in binding arbitration.

SENATOR OHRENSCHALL MOVED TO AMEND AND DO PASS AS AMENDED S.B. 294.

SENATOR NEAL SECONDED THE MOTION.

SENATOR HANSEN:

The new conceptual amendment makes this sound better, but I have not had a chance to review it. The amendment may have taken care of some of my concerns, but I will be a no.

SENATOR GOICOECHEA:

I will support the motion, but I reserve my right to change my vote.

THE MOTION CARRIED. (SENATOR HANSEN VOTED NO.)

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CHAIR DONDERO LOOP:

The last bill in work session is S.B. 311.

SENATE BILL 311: Revises provisions relating to rural housing. (BDR 25-542)

Ms. KELLER:

Senate Bill 311 was heard on March 26, as referenced from the work session document ([Exhibit H](#)).

SENATOR OHRENSCHALL MOVED TO DO PASS S.B. 311.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR DONDERO LOOP:

We will open the hearing on S.B. 302.

SENATE BILL 302: Revises provisions relating to governmental administration.
(BDR 18-171)

SENATOR PAT SPEARMAN (Senatorial District No. 1):

I am here to present S.B. 302. Senate Concurrent Resolution (S.C.R.) No. 1 of the 32nd Special Session in which every Legislator in both Houses voted to assert in Nevada. We believe that racism is a public health crisis. For more than 30 years we have known about this, but it took the Covid-19 pandemic to elevate it to the consciousness of most people. We know that racism has stood for many years and has rendered the health care system nonexistent for communities with Black, Indigenous and Persons of Color (BIPOC).

This bill is designed to correct the deficiencies that perpetuate the comorbidities identified by the Centers for Disease Control and Prevention and other scientists as making people more susceptible to Covid-19. This is a simple piece of

legislation. It empowers the Department of Health and Human Services Office of Minority Health and Equity to get some things done because we know it is not a matter of "if," it is a matter of "when" the next pandemic will hit. When a community is left out of health care, it costs us more money in the long run than it does in the short run. I use the analogy of getting your oil changed at the intervals recommended by the manufacturer. You can decide you do not want to change it, but if you do not, down the road it is going to cost significantly more to replace an engine.

TINA DORTCH (Program Manager, Office of Minority Health and Equity, Department of Health and Human Services):
I have managed the Nevada Office of Minority Health and Equity since 2018 as referenced from my testimony ([Exhibit I](#)).

CARMEN JONES, M.D.:

I support S.B. 302. I am a pediatrician by training and have been practicing in the Las Vegas Valley since 2002. Approximately three years ago, I converted my practice to helping patients use cannabis as medicine and other wellness practices, more specifically on how to prevent problems and maintain health. During nearly 30 years of practice, I worked in the urban West Side of Chicago, my hometown, and in rural southern Illinois. I have worked in private practice and in busy intensive care units. None of these places are exempt from racial bias. When I use that phrase, I am referring to interaction between the healthcare system and patients seeking help.

To me, it is simple. It becomes an issue of common respect for your brother or sister for a good, different life experience. A lot of people believe that racial equity inclusion training somehow suggests we are forcing people to be politically correct. I reject this because we as people, as Americans, all have different life experiences. It is to ask our neighbor, a friend or a coworker to respect our individuality. Therefore, this has nothing to do with being politically correct, it just has to do with being socially conscious or better said being a good neighbor. It is kind of sad to me to see this written into a law. I understand society needs to adjust to the changing demographics and needs of the State and the Country.

As a member of the African-American community, I certainly understand the need for racial diversity training in health care. Most of us have received negative stereotypical behavior assigned to us whether it be as a patient or a

provider. Naturally there are differences of experience as with any other human person. The need for racial equity and health care is undeniable in this Country. It has become abundantly clear over the past year the Country found itself in grips of a pandemic. Perhaps some do not believe inequities exist. There are plenty of people, providers and patients, to attest to these challenges. We know sometimes there is difficulty in assessing health care or trust in the system. There are systems in place that do not allow for current equity to be had by all. Those things can be changed once we make a decision to take care of the least among us. I believe we will be a better society in general.

I was shocked to learn the Office of Minority and Health is essentially managed by one person. I have since learned she has received support from the University of Nevada, Las Vegas, and the Nevada Minority Health and Equity Coalition. But it is still woefully lacking as it pertains to a large percentage of BIPOC communities in Nevada. Nevada cannot continue in this manner and expect to be recognized as a leader among states. It is important to provide allocated funds to increase outreach for communities of color. The risk is far higher if we do not. Numerous accounts show the value of preventive measures as being the solution to decreasing the cost of health care. The Office of Minority Health can help in those efforts if properly funded to prepare the most vulnerable communities for better prevention of illness, as opposed to only being reactive when disease is rapid.

SANDRA MACK:

I am a member of community organizations that work with health wellness and awareness. Although the term disparity is often interpreted to mean radical or ethical disparities, many disparities exist in Nevada, particularly in health. The health outcome, as seen to a greater or lesser extent between populations, shows disparity. It is important to recognize the impact social determinants have on health outcomes on specific populations. Several of the organizations that I belong to have health communities to work on disparities. Those organizations are Delta Sigma Theta Sorority, Inc., Lynx, Inc. and the National Coalition of 100 Black Women, Inc. All of these organizations have committees that focus on health wellness and awareness.

Many of the health issues that impact African Americans in Nevada could be addressed and improved with better access to healthcare services. We believe the State should be doing more so we would not have to do so much. We would like to eliminate and not just reduce health disparities. Health equity is

defined as the attainment of the highest level of health for all people. Achieving health equity requires valuing everyone equally and focusing on society's efforts to address avoidable inequalities.

A health disparity is defined as a particular type of health difference that is closely linked with social economic and environmental disadvantage. Health disparity adversely affects groups of people who have systematically experienced greater obstacles to health. This is based on your racial or ethnic group, religion, social economic status, gender, age, mental health, cognitive, sensory, physical disabilities, sexual orientation or gender identity. Their geographic location and any other characteristics historically are linked to discrimination or exclusion.

Health disparities are found in this population by tracking racism, death and chronic conditions and other types of demographic factors, including diseases or illnesses that require healthcare services. However, the absence of disease does not equate to good health. Powerful complex relationships exist between health, biology, genetic and individual behavior. Social economic status, physical environment, discrimination, racism, literacy levels or legislative policies—these factors influence an individual and populations. For all Americans, other influences on health include availability to access nutritious food, decent and safe housing, culturally sensitive healthcare providers and health insurance.

Compared to Whites, African Americans are at a disadvantage for cancer and other health conditions. They are more likely to be diagnosed at an advanced stage. They are less likely to get certain treatments and access to care, which is less for minorities. At the time they are diagnosed, they are in state where disease is more difficult to treat. Among the disparities highlighted in recent research, African Americans have up to three times the risk of dying from a stroke compared to people of European descent. Existing lung cancer screening guidelines are likely to miss African Americans, according to a study done by a nurse practitioner at the University of Illinois. Black patients with colon cancer are less likely than Whites to receive chemotherapy.

Another story shows that doctors think we have a higher level of pain. When we complain about hurting, they do not take us seriously. What are the experts doing to remedy disparities? Researchers who studied disparities are hopeful that screening advice issued by organizations in Nevada such as the Office of Minority Health and Equity will change as more information comes out about

tailoring the advice to the different populations. This can be done more effectively at wellness centers in places where we know the needs are. When trying to improve disparities, it is crucial to think beyond health care, says a professor of sociology and the director for race, ethnicity and equity from Washington University in St. Louis: "Where you live, work and play matters." Enacting a bill that appropriates funds for health care for Blacks, Indigenous and People of Color, should make sure money is distributed in direct proportion to the disproportional effect of health care issues on each of these groups. I urge you to pass S.B. 302 in its entirety.

KELLY MORNING (Assistant Director, Nevada Public Health Training Center): Since 2019, the Nevada Public Health Training Center, housed at the University of Nevada, Reno has worked with the Office of Minority Health and Equity to address health inequities Statewide. A Health in All Policies (HiAP) approach was used to pilot seven projects throughout Nevada. Health in All Policies is a collaborative approach aimed to eliminate health discrimination and improve health equity by incorporating health considerations into a framework for multiagency collaboration. This framework provides evidence based on public health information to develop programs and policies to enhance health and equity across different sectors. A healthier more equitable society requires participation from all sectors, including government, private industry and research institutions.

Based on the pilot project's preliminary results, the training center developed seven recommendations to support health equity in Nevada. These recommendations are closely aligned with S.B. 302. Through HiAP engaging nontraditional partners in public health, collaboration has proven to be successful in addressing factors that influence social determinacy of health. These can include but are not limited to education, environment, transportation, housing and safety. Stakeholders have increased their knowledge of the importance of cross-collaboration to create a lasting impact in their community.

The Covid-19 pandemic created new challenges. It exposed the urgent and critical need for this policy. It highlighted the need for health equity to be a priority for supporting Nevada's unserved and marginalized populations, finding support for the development of a policy to include health impact notes. This would provide analysis of how proposed legislative or budgetary changes would impact health and health disparities with fiscal notes. Examples of other states with a successful implementation of legislation include Massachusetts,

New Jersey, Washington and Oregon. Based on the results, health impact notes should be used to provide a focus on health and equity to be included in all policy-making considerations.

This would strengthen counsel, residents and legislative staff knowledge of social determinants of health and opportunities to align a high approach into action. After participating in one of the pilot projects, one participant said:

After this experience I suggest HiAP should become a State standard. I did some research and some states have health impact assessments proposed on legislation. I think if we can do this in Nevada, it would be very powerful.

As previously mentioned, S.B. 302 allows for identification of social determinants connected to health problems and serves to embed health-related equity. This is a public health issue that cannot wait.

SENATOR HANSEN:

In the bill, I do not see where racial equity is defined. What exactly do you mean when you say equity?

Ms. DORTCH:

I believe one of our presenters provided a definition. She explained that equity is the existence of healthcare and wellness throughout community that is achievable and maintains at an equitable state. I am not sure if S.B. 302 has racial equity as one of the definitions. I will check and get back to you on that.

SENATOR HANSEN:

The reason I bring this up is normally there is some measurable standard that you can try and reach if there is inequity mentioned in the bill. On parity, it says we are at equity levels. What about personal behavior and personal decisions such as smoking, diet, exercise and things like that? These affect all people from all ethnic groups. How do you factor this in when looking at how the healthcare system provides for all groups? There are differences in how people personally do things that impact their health. For example, if a disproportionate number of people smoke in an ethnic group, would it be reflected in the health care provided to those groups?

SENATOR SPEARMAN:

If a written definition is required, we can put in a conceptual amendment. I do not know if we put it in the bill, since most people know what you mean when you say racial equity. We can put this in the bill as there may be other people who do not know what it means. I think you may have a point there, Senator Hansen, because we know about the oxycodone crisis which hit rural white people more than it did others. When you talk about the healthcare system and a program addressing those things, of those things are implicit in the program.

Ms. Dortch talked about vulnerable communities, and all of these things are considered in the program. We did not pull out lifestyles of people of European descent in rural areas who are having more of problem with oxycodone than anyone else because we had a healthcare system addressing that. This is why smoking and drinking are across the board. I do not know if there is any ethnicity that does those things more or less than others. I think we all know if the building had not been shut down this Session, there would have been several receptions with adult beverages there. Racial equity is easy to solve. The other piece in terms of lifestyles, just as we did not pull out people of European descent who live in rural areas with respect to oxycodone and other types of drugs, the program you heard Ms. Dortch talk about is programmatic language that is used across the Country. If you look at any international journals that speak about racial equity, they all say the same thing.

SENATOR HANSEN:

I do understand some general concept of it. When you are placing something in law, you want to have a measurable standard to see your performance. We move goal posts regularly I think this is something that needs to be in the bill. For breaking down smoking and things like that, there are statistics out there, and studies show a difference in different groups.

SENATOR SPEARMAN:

I think Ms. Dortch clarified that with the programs she spoke of earlier and what measurements will be used.

MS. DORTCH:

Yes, under the third topic I discussed, the racial equity worksheet which has one fundamental component, the development of a system to measure and track improvements. With most of these efforts, there is a baseline to create

something to measure against. Senator Hansen, to your point it was thought out and has been codified within the language in S.B. 302.

SENATOR NEAL:

In section 8, where it is talking about the social determinants of health, there is policing in here and criminal justice. I need to understand the scope of that. What is the scope when we talk about the social determinants of health around policing and criminal justice?

SENATOR SPEARMAN:

A study in 2020 spoke about the effects of some policing protocols in the Country. That study is the responsibility of medical journals that address racism and health care. In the article, writers spoke about how incidents happened to, for example, George Floyd and other people discussed in the article, the number of people who have been shot and how this has a detrimental effect collectively on a population. This is where I was going with section 8.

SENATOR NEAL:

Are we talking about anxiety or behavior? What are we getting at?

SENATOR SPEARMAN:

We know there have been several studies in the Journal of the American Medical Association (JAMA) show some of the practices by some police—there are good police officers and there are rogue police officers who give others a bad name. In the JAMA, there have been articles that show the stress especially for Black men and young Black men who could be shot or taken into custody for various reasons that may or not may be true. The emotional reaction to this is similar to post-traumatic stress disorder. We are talking about the effects of some of these policies on people in BIPOC communities. What are we going to do about it? We have to make sure we have relevant and relatable mental and emotional healthcare facilities and professionals available in BIPOC communities. It cannot be one person; it has to be relevant, realistic and relatable to the population.

MS. DORTCH:

Senator Neal, the effect of trauma and stress does create chronic disease within BIPOC communities. This connection is one we want to try to identify. Its occurrence is here in Nevada and is resulting in increased chronic disease within

BIPOC communities. This component is in section 8, including criminal justice, which is the source for the outside load and stress.

SENATOR NEAL:

In section 8, subsection 3, promotional and contracts awards: How is this housed? I understand the Office of Minority Health and Equity and what it does. What is concerning to me is we have always struggled to find money to support this Office. The language throughout the bill is to the extent "of money available," or "to the extent practicable." That is code for when we get the money and staff, we will deal with all of these things. I want to make sure you do not take on scope that may be under the Department of Business and Industry Nevada Commission on Minority Affairs. Are you targeting this language to find yourself in this correlation to connect the Minority Affairs Commission which is supposed to deal with these other issues versus the Office of Minority Health and Equity?

Ms. DORTCH:

It is my understanding these bills work together. The Minority Affairs Commission has nine different subject matter areas, like housing. We will be working with them and other agencies through diversity liaisons through Senator Scheible's bill, S.B. 222. The Office of Minority Health and Equity, by having this fiscal note and increasing staff capacity, will get funding from the General Fund and not grant funding. We will be able to coordinate and be the linchpin with those entities. That is the difference with dedicated staff, not grant specific or limited by certain deliverables of a grant.

SENATE BILL 222: Revises provisions relating to governmental administration.
(BDR 18-245)

SENATOR SPEARMAN:

Ms. Dortch is correct. Last week in another committee, there was language similar to this. So many times the language goes in the bill and sometimes people think it is pretty language and there is nothing they can do about it. The fiscal challenges of this Session are why we phrased like that. So people did not think we were bringing an immediate \$5 million fiscal note, we say "to extent of money available." One of the things that happens all too often is money comes into any state for specific things. There has been Covid-19 money that has come into states to help recover from the pandemic. The language says the

money should be disbursed to the percentage of people in a particular community who have been affected.

When looking at ways to deal with the oxycodone crisis, a lot of money was geared for rural communities more than urban areas. What we are asking for in S.B. 302 is when the money comes in it is used for BIPOC communities who have been disproportionately affected by Covid-19. If a percentage of that population is 30 percent or 47 percent, we are going to try and get as close to that percentage as possible so we can clean up the mess that was made because we were not prepared for this first round and make sure we are laying a foundation for the next.

It is my intention as these bills are looked at and signed into law that we will all remember our commitment to S.C.R. No. 1 of the 32nd Special Session. I do not know if we ever had something that speaks about this in such stark tones about racism as it is prevalent in our society because most of the time we are polite about it and we do not talk about it. Racism is a public health crisis, and if Nevada is serious about S.C.R. No. 1 of the 32nd Special Session and Governor Steve Sisolak's proclamation, we will adhere to S.B. 302. The money will be available, and as it comes in will be disbursed in accordance with those communities that have been hurt the worst.

SENATOR NEAL:

Regarding section 8, subsection 5, paragraph (c) where the methodology is going to be created and measured, I want to make sure you have narrowly tailored outcomes when you start disbursing public dollars to remedy a situation. If there are legal challenges and issues, you can find yourself in a position where you are statistically sound and are tied to an outcome. Senator Hansen brought this up; if you tie yourself to a parity outcome, you can alleviate some constitutional challenges because there is an end date to the remedy. That has been historical within discrimination policies like civil rights when you talk about race conscience policy which is not necessarily race-neutral. This is not going to go forever and will end at a certain date. Here are the measurements that I am seeking.

I sponsored A.B. No. 354 of the 79th Session which deals with the workforce piece in S.B. 302. I tied it to a statistical measurement to make it work. I developed a statistical measurement to tie the outcome and the relationship. As soon as parity happens, the bill is no longer needed. Parity happens when we

meet this mathematical formula. I took 11 years of data on inequity and put it in the record. I want to make sure it falls into where you need it to go, and the public agencies you are telling to do an act so there is no pushback. The difference was I had one area workforce that I went after, and you are going after several. In this situation, you have to monitor all of them under each agency's subcategories to make sure the implementation for this policy is actually what fits in the vision. You are crossing into boundaries where the agencies have never had authority. I just want to make sure you do not run into challenges.

Ms. DORTCH:

Senator Neal, I wholeheartedly embrace your comments, and I took notes. I want to ensure you this is not an exercise for the Office of Minority Health and Equity to go alone. This is why we have diversity officers from other bills embedded with other agencies, who know their widgets better than I do. Indicator creation is a science, and S.B. 302 does ask for a fiscal note to hire staff. We will be meticulous in hiring this staff. If a person is versed in these methodologies, then we can create common, shared indicators that can put us toward the point of parity and to work ourselves out of this need.

SENATOR SPEARMAN:

Based on the outcomes we have seen from Covid-19 and other issues, this is a bill that must pass. I am willing to work with anyone on their concerns.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 302 and open the hearing on S.B. 110.

SENATE BILL 110: Revises provisions relating to businesses engaged in the development of emerging technologies. (BDR 18-447)

SENATOR PAT SPEARMAN (Senatorial District No. 1):

Senate Bill 110 establishes a task force to look at emerging technologies and innovation to prepare people academically. It will also see what industry is out there to recruit them to Nevada for economic development. This is a bill we had last Session and unfortunately did not get out. There have been a few changes to the bill but not minor.

TERRY REYNOLDS (Director, Department of Business and Industry):

I take this opportunity to address S.B. 110 which creates the Emerging Technologies Task Force within the Department of Business and Industry as referenced from my testimony ([Exhibit J](#)).

MICHAEL BROWN (Executive Director, Office of Economic Development, Office of the Governor):

I was previously the Director of the Department of Business and Industry and worked with Senator Spearman on this legislation last Session. We were trying to stay ahead of what was developing in the area of workforce and to understand how regulators can stay ahead of how to regulate a constantly innovating and changing world. Time grew short last Session, and the legislation was not enacted. George F. Will of *The Washington Post* says "the future has a way of arriving unannounced." In the pandemic, the future arrived unannounced and accelerated all the trends we saw in the last Legislative Session. They have all accelerated and demonstrate a need to put together a task force.

In the new capacity, we can support this legislation and collaborate with the Department of Business and Industry, which would be the lead agency. We have the Knowledge Fund with Karsten Heise, who runs it with good knowledge for what is going in the world; and the Workforce Innovation Program with Stacey Bostwick, who has great insights for collaboration with Business and Industry. I look forward to working with Senator Spearman, the Committee, Lieutenant Governor Kate Marshall and other parties. We support S.B. 110 and the amendment.

SENATOR NEAL:

I see the point of emerging technologies, but what threw me off is the creation of a task force. I see "blockchain technology" and "the Internet of things." What is "the Internet of things"? Because this is not a real term, what is it?

MR. REYNOLDS:

This allows us to look at all emerging technologies, so it is not just blockchain. It is the entire scope of areas for energy development and battery technology to store solar energy over a time to supplement energy for rural communities. Manufacturing processes may use autonomous and smart technology within their process. Both universities in Nevada are working on battery technology. As for manufacturing technologies, we are seeing the use of different smart technologies with computers and the development of the technical processes.

Blockchain is used for everything from medical records to titles in real estate to different functions that accumulate data to keep track and pull things up quickly. It is the full array of those types of emerging technologies that this bill contemplates. There has been a lot of buzz about blockchain, other types of technology and the broad spectrum of what is available within our State and where we need to go to be able to strategize and bring in these emerging technologies.

SENATOR SPEARMAN:

The Internet of things is the umbrella term used in the technology world to place all the things that Mr. Reynolds just explained. These things are connected to the Internet or need the Internet to do whatever it is they do, such as drones and money. The Internet of things is the broad umbrella of things that come from the Internet or rely on the Internet to function.

SENATOR NEAL:

Regarding section 4, there is lot of data available for artificial intelligence (AI) and its usage. I went to a conference before the pandemic hit, a national hispanic conference, with a presenter who was Dutch. He was talking about how AI is creating programs to code and open doors. For example, AI could be used in policing, cars, facial recognition and several other things. I know you have this task force idea to grow this technology. There have been studies out for seven years on AI and the range in which AI is developed. I think it is worth your time and interest to read the article. I am concerned about the language in section 4. It looks like the language I saw in the innovation zone language. It concerns me in a significant way.

SENATOR SPEARMAN:

We can tighten the language in terms of AI. This is the reason to have the task force, to be able to look at these things. When we first discussed this bill in 2019, I was thinking about how many jobs for low-wage earners will be replaced by technology. More and more people are going to automated systems, such as receptionists who are not necessary in every office. That is just one example of concerning jobs. There is Alexa, which is AI.

We can look into your concerns and make sure the language in the bill is tightened up. With respect to the innovation zone, when this language was put in I had no idea what the innovation zone was. What we did with S.B. No. 488 of the 80th Session is bring the bill back with the same language with the

exception of the changes made by Mr. Reynolds, Mr. Brown and the Lieutenant Governor. We can look at language to make sure it is separate and apart so no one thinks we collaborated since we did not. Your concerns are noted, and we will add amendments to the bill.

CHAIR DONDERO LOOP:
Could someone please address the task force?

SENATOR SPEARMAN:
The task force as it was originally envisioned was a bit smaller. We wanted to take into consideration all things that are happening right now with innovation. In Nevada, we have talked a lot about energy. So far, energy has been for solar, geothermal and wind. There is emerging technology of hydrogen fuel cells. As things come more into view, the task force will be expanded.

MR. REYNOLDS:
The task force as originally construed in section 6 had the Director as the chair; the Commissioner of the Division of Financial Institutions or his or her designee; the Director of the Department of Employment, Training and Rehabilitation or his or her designee; one member who is representative of the Office of the Attorney General, appointed by the Attorney General; one member who is representative of the Governor's Office of Economic Development, appointed by the Executive Director; and at least one member who has knowledge, skill and experience in emerging technologies, appointed by the Director. The Director may appoint as many additional members to the task force as deemed necessary. We have a representative with skills in economic and industrial development from the University of Nevada, Reno, and the University of Nevada, Las Vegas. Each University has innovation segments within each campus and have knowledgeable people in several areas that will be helpful to the Committee.

MR. BROWN:
The innovation world was largely out of sight. It was not something that I saw when I was at Business and Industry, which is largely a regulatory agency. Once I came over to the Governor's Office of Economic Development, I saw this whole world and two centers at the universities. We updated the bill at Senator Spearman's request; we need all parties at the table. When you want to know something about gaming or mining in Nevada, it is easy. When you are in the technology and the Internet world, you do not have traditional standbys to

turn to since these industries are built on disrupting existing technologies and economic systems. The task force is comprised of experts for a much bigger view of the world. The goal is to stay ahead of the game in Nevada to provide options for policymakers.

MARY BETH SEWALD (Vegas Chamber):

The Vegas Chamber is in support of S.B. 110. This bill will specifically focus on emerging technologies industries within the private sector, such as blockchain technology, autonomous technology, the Internet, robotics and AI. The Chamber supports these types of businesses because we recognize the economic value that they will have to our community, especially as they pertain to economic diversification and job creation. These emerging businesses have the potential to provide good solid careers for southern Nevadans. It will help with the efforts to diversify the economy, and the Vegas Chamber is involved by making sure to be resilient in the next economic downturn.

A task force like this one will commit to the work that has already been done by those of us in the private sector. For example, the Vegas Chamber has undertaken a brand-new workforce development incentive called the Southern Nevada Workforce Solutions to help address these concerns. It will focus on resources and creating an assessment map, bringing those together in one platform. This proposed task force could help identify the workforce needs of these emerging technologies and connect Nevadans with resources and those job opportunities. We believe this bill will benefit the State and businesses.

HAWAH AHMAD (Clark County Education Association):

We support S.B. 110 as referenced from my testimony ([Exhibit K](#)).

DEBRA GALLO (Southwest Gas):

Southwest Gas supports S.B. 110 which would create the Emerging Technologies Task Force. The task force will track businesses involved in development for the new exciting technologies. It will enable Nevada to support and enable innovation, such as the development and production of hydrogen.

STEVE POLIKALAS (Western States Hydrogen Alliance):

I support S.B. 110. The Western States Hydrogen Alliance is comprised of equipment manufacturers, technology providers and public entities. The Alliance is focused on the acceleration of hydrogen and fuel cell technologies in the commercial and industrial sectors. This includes fuel cells for electric vehicles to

electrify trucking, locomotive, aviation and off-road equipment uses. Hydrogen is a simple element with one proton on the Periodic Table of the Elements. It is the most abundant element in the universe. It is a clean fuel that will consume in fuel cells and produces water as a byproduct. Hydrogen can be produced from a variety of domestic resources, such as natural gas, nuclear power, and renewable power sources, such as solar and wind. We believe hydrogen can play a large role in Nevada's transportation solutions as well as economic development and growth.

JOSHUA LEAVITT (Society for Information Management Las Vegas):

The Society for Information Management Las Vegas supports S.B. 110 as referenced from my letter of support ([Exhibit L](#)). I was pleased to hear that educational institutions will be a part of this legislation.

SENATOR SPEARMAN:

There have been a number of people in the hospitality industry who have lost their jobs, and many of those jobs are not going to come back because of automation. Disruptive technology is taking over, and one of the reasons this is so important is it includes higher education and teachers. We have to make sure we have a vehicle to prepare those who were laid off, as jobs are not coming back, and to make sure they have a vehicle to be retrained for what is next.

CHAIR DONDERO LOOP:

We will close the hearing on S.B. 110 and open the hearing on S.B. 283.

SENATE BILL 283: Revises provisions relating to local improvements.
(BDR 22-792)

SENATOR CHRIS BROOKS (Senatorial District No. 3):

I am here to present S.B. 283. The intent of the bill is to revitalize our economy to create jobs and help us meet our urgent energy and water conservation needs. The Legislature approved A.B. No. 5 of the 79th Session, an act that provided the creation of local improvement districts for energy efficiency or renewable energy improvements. That was Nevada's version of Commercial Property Assessed Clean Energy (C-PACE), and since its passage only two projects have been financed using A.B. No. 5 of the 79th Session. By contrast across the Country, over \$1.4 billion worth of C-PACE projects were funded since A.B. No. 5 of the 79th Session passed. Nebraska financed over \$31 million and Utah financed over \$64 million in the same period of time. We

have willing property owners throughout the State as a result of our C-PACE statutes. What we do not have are willing capital providers that are willing to do business in Nevada in the C-PACE space. We need to change that, and S.B. 283 will make this change.

Senate Bill 283 is consistent with the best practices and best legislation. It is used to activate C-PACE in 26 other states across the Country. Senate Bill 283 removes the unintentional impediments of finance and simplifies the structure of C-PACE to allow direct financing between capital providers and property owners. It is secured by the imposition by local government of an assessment and lien on the property assigned by the capital provider. The bill expands the range of eligibility consistent with nationwide trends including water, conservation measures and resiliency improvements, like seismic reinforcements and fire hardening. Senate Bill 283 gets rid of the complicated maximum benefit formula we originally imposed on how much could be financed. This is not residential PACE and is commercial PACE, when millions of dollars are at stake. Employers are involved, it is an arm's length deal, and any bank that has a stake in the property can consent to make the deal happen.

This legislation holds the binding lender consent, that important safeguard, to ensure the use of C-PACE makes financial and business sense to a business and the property owner. Expanding the C-PACE program is part of Governor Steve Sisolak's Climate Initiative Plan and a recommendation made in this plan. The end result is legislation that puts us on the right track to attract the millions of dollars of investments waiting to come to Nevada and use C-PACE, and in all the while doing so in a manner that conserves our natural resources.

CLIFT KELLOGG (Executive Director, C-PACE Alliance):

I am the Executive Director of C-PACE Alliance as referenced from my testimony ([Exhibit M](#)).

SENATOR BROOKS:

I sent over a proposed conceptual amendment ([Exhibit N](#)) for S.B. 283. I would ask you to refer to the amendment while we are walking through the bill.

MICHAEL YAKI (Senior Vice President, Petros PACE Finance):

I have a quick presentation ([Exhibit O](#)) for S.B. 283 as referenced starting on Slide 2. On Slide 3 is a quick primer on C-PACE. Nevada needs to conform its

C-PACE statute to national standards as referenced on Slides 4, 5 and 6. There is a list of reasons on Slide 7.

SENATOR BROOKS:

As someone who has been involved with this process since 2017 and the passage of A.B. No. 5 of the 79th Session, I would like to see some improvements on this bill to benefit the State and make it more useful to municipalities and developers.

SENATOR GOICOECHEA:

I did not look at this in 2017, but you have to have a governing body in place to create the improvement district, in order for the lender to come back through the government body, and it becomes the same as the tax lien, is that correct?

SENATOR BROOKS:

We will be referencing the proposed amendment, [Exhibit N](#). I think most of this is addressed in the amendment.

MR. YAKI:

It is based on the public finance infrastructure model, that is, an assessment. For example, if you have a park, you assess everyone and it stays on the property. That is how the capital markets view C-PACE and why. It is like municipal bonds get good ratings and lower interest rates, and why we are able to access the capital markets and provide lower interest rates for longer terms. What happens is the local government decides we are going to offer C-PACE in our area, and a property owner says I would love to use it. They can find a capital provider like Petros or a nearby bank, then, in order to make that assessment occur, rather than going through the public voting process, it is done by a voluntary written agreement. The agreement is between the finance authority, the municipality, and the property owner, and it is placed on the property to secure the repayment of financing that a company like Petros will provide. This is the basic structure of how this will work. The government touches are important and necessary. What we tried to do in this legislation is make it as light as possible in terms of amount of work that a municipality will have to do unlike existing law. A lot of the municipalities have not joined because we specifically authorize them to recover costs of operating the program from the property owner and capital provider.

SENATOR NEAL:

In the proposed amendment, section 16, subsection 3, I want to know where the location is on the improvement districts. You have the boundaries written out. You may designate the whole portion or an individual track of the municipality's jurisdictional boundaries as the district boundaries for purposes of properties eligible for the qualified improvement district. Location matters, right? The value of the property matters in order to make this pencil out. So where are we talking about this actually happening? The language is broad.

MR. YAKI:

The district is the geographical boundaries of the entire area, but only individual properties can be enrolled within that district. For example, the Las Vegas City Council could say the district shall be the entirety of the City of Las Vegas. But within that eligible property, owners within that district can apply to the city to do the housing. Yes, there is a evaluation to do this. We have seen PACE in all sorts of places across this Country. We are working with PACE for opportunity zones in many parts of Detroit. Any place where there is commercial property whether it is hospitality, health care, office building, and retail shopping. Any of these pieces of property can be eligible for C-PACE financing. It is all within that particular geographic area, and essentially the governing body has authority to place assessments on. Las Vegas cannot do it in Reno, and Reno cannot do it in Las Vegas. But if you are property owner in Las Vegas, and planned in Las Vegas you can get an assessment and qualify for financing.

SENATOR NEAL:

In section 17, provisions were struck out. But this is the provision where it has the qualified improvement project and basically it says, the laws of this State regarding public works or public procurement are not applicable to contracts for the construction for a qualifying improvement contract. You have a lot of structures in the bill that allow for assessment, therefore a lien, and seismic resiliency and a water efficiency improvement project. Why do you have the strikeout in the red, and why the limitation on the public procurement process?

MR. YAKI:

The language about the public works projects laws does not apply to PACE financing as it is current law. The reason for that is you are not using public funds but using credit funds on private property to confer a private benefit on private land. The other provisions struck out in red were provisions essentially for residential PACE. They talk about disclosures that you have to make in your

contract, and contracts are linked to the property owner. Those are all things that are point-of-sale products like residential for an individual consumer. Where your mom, dad, aunt or uncle are confronted by a contractor, like two people in truck trying to sell them something. They do not have that type of equality of knowledge. Whereas C-PACE, because you have to go through the gauntlet of lender consent, which has the lien on the property, has to say yes. It is an arm's length commercial transaction that it is essentially two equal bodies you are negotiating with. All of the provisions struck out in red go toward creating a contract playing field that does not exist in commercial. It does not exist because lender consent does not require it the same way in a commercial transaction as it would be in residential. That is one of those barriers put in for property owners and capital providers to look at. It contributes to the hassle factor of people deciding to go forward seeking C-PACE financing.

MR. KELLOGG:

The energy performance of these projects is verified by a third party. These are truly projects that create a value benefit and an improvement in efficiency for water conservation or seismic strengthening. These are properties and projects that are not just done over here on the side, they are evaluated by a third party and presented to the county for the approval process. Regarding where the projects occur, there are numerous projects in rural areas in Colorado on small-scale, agricultural-related projects, projects occupied by nonprofit organizations. There is great diversity of projects for economic development and environmental developments. These are important combinations here.

SENATOR NEAL:

In section 19 on the amendment for liability, this is for any governing body or municipality which is not liable at law or equity. What is the liability structure if the entity who gets involved has unclean hands? Can the rights be assigned if it comes down to a lawsuit?

MR. YAKI:

The reason for the liability protections is municipalities find themselves reluctant to get involved with the fact they are putting their assessment on the property. They do not want to get dragged into something. This transfers all the risk between the property owner and the capital provider. This is not residential, it is commercial. The typical C-PACE amount is over a \$1 million, which means the property is over \$5 million to \$10 million in value. We have not encountered a single situation in 10 years with 2,500 projects and \$2.4 billion in financing for

commercial bids where any property owner has alleged fraud or misrepresentation.

Why? The answer is pretty easy, because this property is actually evaluated and underwritten three times: the first time by the original lender on the property, the second time by a company like ourselves and a third time by a lending company that has the mortgage on the property. Does the property owner have the ability to pay, is it going to create value to the property, and is it something we care about? Most lenders are reasonable and look at this carefully, if it pencils out, then it is good for them, the property owner and not just for us. The property owners, often developers or larger property owners, have their own contractors that they use. We do not show up with a contractor to try and sell them a bill of goods. We cannot because the bank will not say "yes" unless it pencils out. We accept the liability and risk to create an opportunity for the municipality to offer the program by immunizing them from any fallout from the transaction.

SENATOR OHRENSCHALL:

Looking at the conceptual amendment at the bottom of page 4, the language in green states the municipality "may assign the assessment and lien to the capital provider" which is solely responsible for the billing collection and the enforcement of an assessment imposed on real property. Is this consistent with what is happening in other states that have this kind of financing for projects? Would this be something new for Nevada? Could you please elaborate on this?

MR. YAKI:

I was involved in writing the Tennessee legislation which does exactly the same thing. The Washington legislation does the exact same thing. There are many states and the majority of the states do the same thing. It is becoming a best practice because what we find is local governments, especially county governments, are not too thrilled with getting involved in billing and the collection and enforcement portion. We understand the government has to do the assessment and this is part of financing, but we really do not want to get involved with the rest of the process. Probably two to three projects a year get funded in any locality. The fact that we have treasurers and tax collectors saying can you not put this on us led the industry to work with capital markets and rating agencies to accept this. We find it makes it easier for the local governments to adopt if they do not have to figure out if they need to change their software for new assessments coming in.

SENATOR BROOKS:

In 2017, a lot of it was residential, and we tried to tailor this for commercial. A lot of concerns were brought up based upon residential experience and protecting of residential markets. We incorporated a lot of stuff to alleviate people's concerns. It created an environment where we did not do any projects. Since then, four years later, there has been quite the evolution in the C-PACE marketplace. A lot of lessons were learned to get us to a place in contrast with some of our neighboring states that have annual legislatures. This process is permissive and tells no one to do anything. It allows municipalities to enter into an arrangement on their own terms and allows lenders to enter into arrangements with the building owner or developer. The lender must agree; it does not force any lender to do anything. A lender must agree, and the legislation does not change the current lienholder position in statute. This does not require a county to use its authority to accommodate this. These are all methods out there.

PETER GUZMAN (Latin Chamber of Commerce):

This bill will aid in Nevada's recovery and foster much-needed job growth throughout the State. It gives options, and options are good. The financing mechanism in this program supports numerous small businesses that have been hit the hardest over the last year. Additionally, this program is part of Governor Sisolak's Climate Initiative Plan. We stand behind financing options for giving access to capital and to get construction sites working. The Latin Chamber supports S.B. 283.

CHASE WHITEMORE (Nevada Builders Alliance):

I am speaking on behalf of the Nevada Builders Alliance in support of S.B. 283.

CALLI WILSEY (City of Reno):

The City of Reno supports S.B. 283. The City of Reno wants the program to improve the efficiency of commercial, industrial and multifamily buildings to 20 percent by 2025. We pledge technical support and financial options to support the industry in reaching this goal. In April 2019, the Reno City Council approved the resolution to start the C-PACE program to catalyze investments in energy efficiencies and renewable energy through this voluntary finance program. We hope these changes will increase utilization of C-PACE.

KELLY CROMPTON (City of Las Vegas):

The City of Las Vegas supports S.B. 283.

KATHY FLANAGAN (Southern Nevada Water Authority):

The Southern Nevada Water Authority is working diligently to maximize the availability of existing water supplies and to reduce the overall water demand through unprecedented drought conditions. We support S.B. 283 in its inclusion of water efficiencies projects with qualified improvement projects.

ROB WILSON (Nevada Credit Union League):

We are opposed to S.B. 283 with the proposed amendments. Business owners in Nevada are still feeling the effects of Covid-19. The Nevada Credit Union League wants to ensure sufficient protections for business owners in the State who may opt to utilize the PACE programs. The number of safeguards that require information to be collected and reported and made available to the other lenders and lienholders evaluating proposed transactions are removed or replaced with opinion contractors. There is much less transparency being provided to those lenders and lienholders being asked to consent, and this results in a greater potential for projects to be financed that provide little or no economic benefit. Any requirement that forces an evaluation, of the actual financial benefit to be gained from this proposed transaction as compared to the estimated costs are largely removed.

This increases the potential for projects financed that provide little or no economic benefits to the property and the potential for fraud. The structure of the transactions met farther away from PACE special set financing arrangement to a one akin to a more traditional directive for a loan transaction. Governing bodies have less involvement for approval including in the matters of default. Any ability to challenge a transaction is effectively removed once recorded regardless of whether the change is based upon fraud or a mistake. A judicial foreclosure is removed in favor of a nonjudicial foreclosure option. These two changes significantly increase the risk for lenders and lienholders as well as the property owner. The language prohibiting the ability to challenge a transaction was removed and the door is open for nonjudicial foreclosure by virtual deed of trust language. There is no clarity on who will regulate lenders and capital providers, particularly for those outside of Nevada.

DAGNY STAPLETON (Nevada Association of Counties):

The Nevada Association of Counties (NACO) is opposed to S.B. 283. The counties have some concerns about the bill and a few issues in the proposed amendment including following the lien status of the proposed assessments in case of default. The assessments liens are given superior priority on the

property. This would give nearly the same status of property taxes and gives power to private holders that is usually reserved for county or government only.

In the event a property owner were to default, this adds another potential debt to the property and in some circumstances could prevent properties from being resold or becoming what we call zombie parcels on tax rolls. Section 16 allows 90 percent of the value of a property to be taken up by the combination of this assessment and other means. Committing 90 percent of the value of your property to debt is a high ratio for any property owner.

PHYLLIS GURGEVICH (Nevada Bankers Association):

The Nevada Bankers Association is opposed to S.B. 283. If we can address our concerns that have been outlined, we can perhaps get to a neutral position. Nevada Bankers Association was engaged in 2017 with the stakeholders and put in many hours to create the commercial PACE program. Over the years our members have become comfortable with well-run PACE programs across the Country. Members have seen the benefit that can be achieved. We want to be part of expanding and advancing energy in Nevada. There will be need for the program to evolve. We have concerns on what Nevada will be losing. Some key provisions and protections differentiate this from a well-run C-PACE program.

We worked with stakeholders and share the concerns that were outlined by the previous speakers. Our primary concerns center around lienholders receiving adequate material, making sure there is a transparent and formal process for the applications and approval. On the lienholder consent side, we recognize that the lender cannot always say no and this is not the goal. We want to have more qualified projects and the quickest path through a standard packet of reporting information as it exists in current law. In terms of clarity, things such as the new assessment agreement versus the preferred finance agreement is not really defined. There are safeguard concerns about losing clarity and transparency in the application and the approval process as well as a lack of definition or even the inclusion of a program administrator coupled with any third party to be an administrator. It looks like it is on per project basis, but we are not sure this is correct or the intent, but it is problematic.

JOANNA JACOB (Clark County):

Clark County is opposed to S.B. 283. I will echo the concerns from previous speakers. The new amendment proposed by Senator Brooks addresses some of

our concerns. The issue of 90 percent of lien-to-value ratio is of concern to Clark County.

RYAN BELLOWS (NV Energy):

NV Energy is neutral to S.B. 283. We are reviewing the amended language. NV Energy supports energy efficiencies as one of the solutions to allow this State to meet the decarbonization goals. We offer an array of energy efficient products and services, many of which are referenced in this bill, to help customers conserve energy and lower their utility bills. This includes both commercial customers and municipalities. Our current programs and services compare with programs referenced in this bill.

JENNIFER TAYLOR (Deputy Director, Office of Energy, Office of the Governor):

The Governor's Office of Energy (GOE) is neutral to S.B. 283. The Office sponsored A.B. No. 5 of the 79th Session, which was codified in NRS 271. It provided for the creation by local government and local improvement districts to include energy efficiency-proven projects or renewable energy projects on commercial properties. Since the enactment of A.B. No. 5 of the 79th Session, GOE has worked with local governments on PACE by facilitating an informative webinar with the Department of Energy. The State climate strategy evaluated and analyzed how PACE would impact Nevada's greenhouse gases admissions from State and local governments. This strategy also evaluated the ability for PACE expansion in Nevada. While a C-PACE program can expand adoption of energy efficiency measures necessary to reduce greenhouse gases, additional opportunities for robust changes may require PACE expansion. The amendment proposed for S.B. 283 will further clarify procedures and include resiliency components for storage and microgrids, which could also align with GOE's work and energy incentives.

SENATOR BROOKS:

We are working with the Nevada Credit Union League, Nevada Bankers Association, NACO and Clark County. I am open to any suggestions to make a better bill. To most of their concerns, if protection is an issue, they do not need to participate with this program. We are still working on that to add language in the bill.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 283.

VICE CHAIR OHRENSCHALL:

I will open the hearing on S.B. 360.

SENATE BILL 360: Revises provisions relating to public employment.
(BDR 23-1011)

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

Senate Bill 360 revises appointed members to the Board of Public Employees' Benefit Program (PEBP) to ensure the Board represents our best public employees. There is a Proposed Amendment 3192 ([Exhibit P](#)) to the bill, which in part deletes any changes to the Public Employees' Retirement System (PERS) Board. The PEBP has the important responsibility of establishing benefits for Nevada's hardworking public employees.

The Board is composed of ten members, including six members with the following qualifications: two members who are professional employees of the Nevada System of Higher Education (NSHE); two members who are retired from public employment; and two members who are classified State employees. All of these members are appointed by the Governor with the requirement that the appointments be made upon consideration of any recommendations from organizations that represent each of these groups.

Senate Bill 360 has an amendment to provide the Board better representatives for public employee groups by requiring the Governor to make these appointments, unless a nomination is submitted by a professional organization that represents the largest number of each of these public employee groups. Specifically, section 2 provides that the Governor must make the appointments of two NSHE professional employee members and two members retired from public employment. The two members who are classified employees must be from a list of nominations submitted by the labor organization representing the largest number of classified State employees in the program.

CARTER BUNDY (American Federation of State, County and Municipal Employees): We met with stakeholders and this is the reason for the amendments. There was universal consensus for not doing anything with the PERS Board. We also listened to other people who are involved with PEBP and believe this bill will give workers and retirees a voice in their health care.

RANDY SOLTERO (American Federation of State, County and Municipal Employees):

What is so important is S.B. 360 started out to clarify how the positions for classified State employees are chosen. Through this participation with stakeholders, this bill turned into something a lot better.

PRISCILLA MALONEY (American Federation of State, County and Municipal Employees Retirees Nevada Chapter 4041):

This has been something that needed to be done for a long time. The American Federation of State, County and Municipal Employees Retirees support S.B. 360 as amended.

KENT ERVIN (Nevada Faculty Alliance):

The Nevada Faculty Alliance supports S.B. 360 with the amendment. Whenever NSHE positions are considered for the Board, we have worked hard to find strong candidates to provide several nominees with a variety of strengths with different areas of expertise so the Governor can make good choices. We do not think this bill will change our process too much. I have been following PEBP closely since the early 2000s as an advocate for the University of Nevada, Reno. In about six years, we did see a change with the rubber stamp staff proposals, and this is in part due to issues with the legislation brought forward last Session. This bill will help correct that by bringing on board members who are sure to be advocates of the various constituencies and particularly for the classified staff.

LAURA RICH (Executive Officer, Public Employees' Benefits Program):

I am neutral to S.B. 360. The PEBP Board has not had an opportunity to weigh in on this bill. There is a PEBP Board meeting this Thursday, and I do anticipate the Board taking a position on this legislation. We have identified some potential unintended issues with the bill as drafted. If union exclusive representatives for classified were changed, the Board membership would change as well. The PEBP program is complex, and it often takes Board members a significant amount of time to acquire that expertise. Consistent changes in the Board representation would not provide stability in the subject matter expertise that plan participants deserve. There is a concern about the possibility of disproportionate representation on the Board. For example, two of the ten Board positions are allocated to represent the System of Higher Education. Should the largest labor organization also become a NSHE labor group, 60 percent of the

Board could represent the System of Higher Education. A labor group that is not NSHE could still achieve 40 percent representation on the Board.

MR. BUNDY:

Just to clarify, none of these spots would be limited to union members. They are limited to two NSHE people as they currently are. We have not changed who gets the spots, and NSHE would not get additional spots. It just changes the list from which the Governor chooses. The spots are the same and none of them would change.

VICE CHAIR OHRENSCHALL:

I will close the hearing on S.B. 360 and open public comment.

BARRY GOLD (AARP):

I would like to thank the Committee for passing S.B. 200 which will enable Nevada employees to have a safer retirement through payroll deductions. When they retire, they will have secure retirement and retire with means instead of needs.

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VICE CHAIR OHRENSCHALL:

Seeing no further business, I adjourn this meeting at 6:40 p.m.

RESPECTFULLY SUBMITTED:

Janae Johnson,
Committee Secretary

APPROVED BY:

Senator Marilyn Dondero Loop, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
S.B. 109	B	1	Alysa Keller	Work Session Document
S.B. 150	C	1	Alysa Keller	Work Session Document
S.B. 200	D	1	Alysa Keller	Work Session Document
S.B. 222	E	1	Alysa Keller	Work Session Document
S.B. 294	F	1	Alysa Keller	Work Session Document
S.B. 294	G	1	Legal Division	Proposed Amendment 3195
S.B. 311	H	1	Alysa Keller	Work Session Document
S.B. 302	I	1	Tina Dortch / Office of Minority Health and Equity	Testimony
S.B. 110	J	1	Terry Reynolds / Department of Business and Industry	Testimony
S.B. 110	K	1	Hawah Ahmad / Clark County Education Association	Testimony
S.B. 110	L	1	Joshua Leavitt / Society for Information Management Las Vegas	Letter of Support
S.B. 283	M	1	Cliff Kellogg / C-PACE Alliance	Testimony
S.B. 283	N	1	Senator Chris Brooks	Proposed Conceptual Amendment
S.B. 283	O	2	Michael Yaki / Petros Pace Finance	Presentation
S.B. 360	P	1	Legal Division	Proposed Amendment 3192