

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-Eighth Session  
May 21, 2015**

The Senate Committee on Finance was called to order by Chair Ben Kieckhefer at 8:14 a.m. on Thursday, May 21, 2015, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Ben Kieckhefer, Chair  
Senator Michael Roberson, Vice Chair  
Senator Pete Goicoechea  
Senator Mark A. Lipparelli  
Senator David R. Parks  
Senator Joyce Woodhouse

**COMMITTEE MEMBERS ABSENT:**

Senator Debbie Smith (Excused)

**STAFF MEMBERS PRESENT:**

Mark Krmptic, Senate Fiscal Analyst  
Alex Haartz, Principal Deputy Fiscal Analyst  
Jennifer Ouellette, Program Analyst  
Lona Domenici, Committee Manager  
Emily Cervi, Committee Assistant  
Susan McArthur, Committee Secretary

**OTHERS PRESENT:**

Jim R. Barbee, Director, State Department of Agriculture  
Lynn Hettrick, Deputy Director, State Department of Agriculture  
Alex Tanchek, Nevada Cattlemen's Association  
Scott Sisco, Deputy Director, Support Services, Department of Corrections

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Chuck Schardin, Medical Administrator, Department of Corrections  
Dan Musgrove, The Valley Health System  
Don Snyder, Presidential Advisor for Strategic Initiatives, Office of the  
President, University of Nevada, Las Vegas  
Bo Bernhard, Ph.D., Executive Director, International Gaming Institute,  
University of Nevada, Las Vegas  
Peter Bernhard  
Laura Freed, Deputy Administrator, Division of Public and Behavioral Health,  
Department of Health and Human Services  
John Eppolito

**Chair Kieckhefer:**

We will begin by hearing Senate Bill (S.B.) 488.

**SENATE BILL 488 (1st Reprint)**: Authorizes the State Department of Agriculture to establish a program for the registration of veterinary biologic products sold in Nevada. (BDR 50-1164)

**Jim R. Barbee (Director, State Department of Agriculture):**

The Department requests that the language from S.B. 495 be incorporated into to S.B. 488.

**SENATE BILL 495 (1st Reprint)**: Revises provisions relating to commercial animal feed.  
(BDR 51-1165)

Both bills incorporate requirements of the federal Food Safety Modernization Act (FSMA), which addresses the effects of antibiotics in the livestock industry on antibiotic-resistant bacteria in humans.

The FSMA goes into effect August 15, 2015, and S.B. 488 grants the Department authority to implement the newly required programs, including antibiotic registration and its associated fee.

**Senator Goicoechea:**

I support S.B. 488 as amended. Will the antibiotic registration fee be limited to covering the costs of the program?

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**Mr. Barbee:**

Yes.

**Chair Kieckhefer:**

Is the amendment to S.B. 488 limited to inclusion of the language from S.B. 495?

**Senator Goicoechea:**

Yes. Pursuant to Joint Standing Rule No. 14.3.3, no further action was allowed on S.B. 495 as of May 16, so the amendment is a reasonable approach to ensure that the animal feed requirements of FSMA can be met.

The State wants to enact its own fee structure and inspection protocol in advance of the August 15 deadline. Otherwise, the U.S. Food and Drug Administration will apply a federal mandate at considerable industry expense. The Nevada Veterinary Medicine Association supports the language in these bills, as does the Nevada Cattlemen's Association.

**Chair Kieckhefer:**

Is the industry responsible for paying all of the fees?

**Senator Goicoechea:**

Yes. The industry is imposing the fee upon itself as part of the cost of doing business.

**Chair Kieckhefer:**

Section 11 of S.B. 488 details the penalties for violating FSMA regulations. Subsection 2, paragraph (a) provides for 50 percent of penalties received by the Department to fund a program providing "loans to persons who are engaged in agriculture and who are 21 years of age or less." Is this an existing program?

**Mr. Barbee:**

Yes. That loan program has been in place for several decades. Students apply for startup money for agricultural projects, such as participation in the Nevada Junior Livestock Show.

**Chair Kieckhefer:**

Is the program defined in Nevada Administrative Code (NAC) or in statute?

**Mr. Barbee:**

The program is authorized by NAC.

**Senator Goicoechea:**

The penalty funds placed into the loan program are not substantial, because very few fines are imposed. The money could be redirected to support the Department's fee and inspection costs. However, I am not in favor of using penalties to support the very programs that impose them, because that is a counterproductive mechanism. Industry is supportive of the loan program because it encourages young people to create weed-control projects.

**Chair Kieckhefer:**

Has the Department submitted the language proposed to amend S.B. 488?

**Mr. Barbee:**

Yes. It is the language supported by the industry and previously approved by the Senate Committee on Finance and the full Senate before S.B. 495 expired for lack of a fiscal exemption.

**Lynn Hettrick (Deputy Director, State Department of Agriculture):**

Senate Bill 488, as amended, benefits the agriculture industry in the State, because it allows us to impose our own program, which will prove more efficient and cost-effective than a federal program.

**Alex Tanchek (Nevada Cattlemen's Association):**

We support S.B. 488.

**Chair Kieckhefer:**

I will close the hearing on S.B. 488. The Committee will now hear Assembly Bill (A.B.) 467.

**ASSEMBLY BILL 467 (1st Reprint)**: Makes a supplemental appropriation to the Department of Corrections for a shortfall resulting from a reduction in certain transfers for prison medical care. (BDR S-1235)

**Scott Sisco (Deputy Director, Support Services, Department of Corrections):**

Assembly Bill 467 is a supplemental appropriation funding request for the Department of Corrections (NDOC) for fiscal year (FY) 2015. It is slightly less than what was included in the Executive Budget.

The request addresses the funding shortfall caused when the current biennium's budget was closed in 2013, at which time NDOC was directed to apply for Medicaid upon implementation of the federal Patient Protection and Affordable Care Act (ACA).

The projected savings were applied from the General Fund, instead of the anticipated split between General Fund and NDOC's Inmate Welfare Fund, which pays for medical expenses.

The supplemental funding request also provides for an anticipated shortage caused by transfers out of the Inmate Welfare Account for indigent inmates' doctors' visits to which no co-pay applies.

#### PUBLIC SAFETY

#### CORRECTIONS

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(Volume III)  
Budget Account 240-3763

Projected increases in dialysis contracts, HIV/AIDS clinic treatment and medical supply costs are also included in this request.

Since making the supplemental request in A.B. 467, NDOC received notice from The Valley Health System (VHS) terminating its services as a preferred provider organization (PPO) to NDOC under the Beech Street Multiplan Network agreement. The VHS notified NDOC that they will no longer honor the contracted prices.

We have provided the Committee with a copy of the letter ([Exhibit C](#)) from VHS, which terminates the contract with NDOC as of March 1. We did not receive the letter until May 19. The NDOC will have to request additional funds for medical costs from the Interim Finance Committee (IFC) in August. The PPO contract provided a savings of approximately 55 percent, so the request to IFC will be substantial.

**Senator Parks:**

Does NDOC rely primarily on Centennial Hills Hospital Medical Center for Southern Desert Correctional Center and High Desert State Prison (HDSP) inmate care?

**Chuck Schardin (Medical Administrator, Department of Corrections):**

Generally, NDOC uses Valley Hospital Medical Center. In emergencies, we transport inmates to Centennial Hills Hospital Medical Center. For custody reasons, we prefer to limit inmates to Valley Hospital, which is the closest.

**Senator Parks:**

As a result of the VHS contract termination, will NDOC see significant medical cost increases?

**Mr. Sisco:**

Yes, we will see an increase of approximately 55 percent. Because NDOC received notice in May of a March 1 contract cancellation, we have asked the Office of the Attorney General (AG) to intervene with VHS.

**Senator Parks:**

For the next 30 days, before the end of FY 2015, it will be important for NDOC to attempt to avoid entering a deficit position.

**Chair Kieckhefer:**

In [Exhibit C](#), VHS states that NDOC was notified prior to the effective cancellation.

**Mr. Sisco:**

We disagree with that statement. The NDOC has asked VHS to provide evidence of the alleged notification. The VHS asserts they notified our third-party administrator, Beech Street, so we have asked Beech Street to provide that evidence as well.

**Chair Kieckhefer:**

Does Beech Street continue to pay NDOC claims?

**Mr. Sisco:**

Yes, it continues to pay claims, and it has assured NDOC it will continue to do so at its contracted rate. [Exhibit C](#) serves notice to NDOC that we will be billed

the difference between what Beech Street pays to VHS and VHS's standard rate.

**Chair Kieckhefer:**

If VHS has cancelled its status as NDOC's PPO, why does Beech Street continue to pay VHS?

**Mr. Sisco:**

The NDOC position is that VHS remains our PPO. Nevertheless, its contract with Beech Street is not cancelled; VHS has excised NDOC from that agreement.

**Chair Kieckhefer:**

What is the term of NDOC's contract with Beech Street?

**Mr. Schardin:**

The NDOC contract with Beech Street Multiplan Network ends June 30, 2015. Starting July 1, we will contract with a new PPO, Sierra Health-Care Options.

**Chair Kieckhefer:**

Does Sierra Health-Care contract with Valley Hospital?

**Mr. Schardin:**

Yes, it does.

**Chair Kieckhefer:**

What is NDOC's potential medical cost liability between March 1 and June 30?

**Mr. Schardin:**

It could be between approximately \$500,000 and \$750,000.

**Chair Kieckhefer:**

Does NDOC contract with other hospitals besides Valley Hospital?

**Mr. Sisco:**

Yes. Inmates will be sent to three other hospitals with which NDOC contracts. However, if Valley Hospital is successful in terminating its contract with NDOC, those other hospitals might follow suit.

**Chair Kieckhefer:**

The same situation occurred in Carson City. What is the status of that contract?

**Mr. Sisco:**

The NDOC and the AG have met with Carson Tahoe Health, and that contract was terminated under agreeable terms. The NDOC now contracts with other hospitals that are farther from Carson City. This will entail correctional officer overtime pay, representing an increased annual cost to the State of approximately \$100,000. Carson Tahoe Health will continue to see inmates on an emergency basis.

**Senator Goicoechea:**

Will NDOC be able to access hospitals in the Las Vegas area through its contract with Sierra?

**Mr. Sisco:**

That is our request to Sierra. However, we anticipate it will take the same approach as VHS and exclude NDOC from their contract as of July 1.

**Chair Kieckhefer:**

Does the State face potential liability of up to \$750,000 for additional inmate medical payments until the end of FY 2015?

**Mr. Sisco:**

Yes, that is the potential cost.

**Chair Kieckhefer:**

Is the supplemental appropriation requested in A.B. 467 adequate for the needs it was meant to address?

**Mr. Sisco:**

Yes, outside of the VHS contract cancellation issue, those funds are adequate for meeting NDOC's medical costs until the end of FY 2015. We support A.B. 467. However, the contract cancellation is a significant financial concern that we wanted to present to the Committee.



**Mark Krmptic (Senate Fiscal Analyst):**

Fiscal staff will need to confer with NDOC to determine the best course of action. While the IFC Contingency Fund is available to pay NDOC's unexpected medical expenses, it is not a bottomless source of funding.

**Senator Goicoechea:**

If NDOC faces medical costs of \$500,000 to \$750,000 a quarter as a result of the VHS contract termination, the State could incur a liability of up to \$3 million in FY 2016.

**Chair Kieckhefer:**

The VHS decided to terminate its status as a PPO to NDOC under the existing contract with Beech Street. Is it VHS's intent to decline to serve NDOC under Sierra Health-Care Options?

**Dan Musgrove (The Valley Health System):**

I do not know. The VHS was working well with NDOC under the Beech Street agreement. It provided an equitable reimbursement rate for services rendered. However, NDOC informed VHS that if an inmate was in the hospital for longer than 24 hours, Medicaid would assume responsibility for reimbursing the costs of her or his care.

To determine the financial impact of such a policy, VHS examined the records of the last eight inmates it had treated. The reimbursement to the hospital would have decreased from approximately \$390,000 under Beech Street to \$72,000 under Medicaid.

This is the dilemma of Medicaid reimbursement that hospitals currently face. Only if they are reimbursed at an equitable rate can they can afford to see patients.

**Chair Kieckhefer:**

Is it likely that VHS will contract with Sierra to admit NDOC inmates?

**Mr. Musgrove:**

The VHS will have to negotiate a rate with Sierra. The Medicaid reimbursement rate is inadequate. Of course, VHS will continue to serve patients on an emergency basis.

**Chair Kieckhefer:**

The Committee will have to revisit this issue. We will consult with the Office of the Attorney General and the Department of Health and Human Services to determine if the State can compel hospitals to provide services to all Medicaid patients. I will close the hearing on A.B. 467.

We will now consider a potential 2015-2017 biennium appropriation to the University of Nevada, Las Vegas (UNLV) to provide funding for a new International Center for Excellence in Gaming Regulation (ICEGR) to be established within the new William F. Harrah College of Hotel Administration in conjunction with the International Gaming Institute (IGI).

**Senator Mark A. Lipparelli (Senatorial District No. 6):**

Several years ago, I became involved in higher education in the State, specifically with the IGI at UNLV in my role as Chair of the State Gaming Control Board. I advise various governments and other clients in gaming regulations and regulatory policy.

Nevada set the standard for gaming regulation around the globe. We have effectively exported our expertise in gaming regulation, but as the industry has expanded, hundreds of regulatory models have come into existence including those of Native American tribes, state governments and international marketplaces. Some of these regulatory programs are excellent, for example, the Casino Regulatory Authority of Singapore. However, other jurisdictions are lacking.

For Nevada licensees wanting to expand their operations around the world, navigating the regulatory landscape is a complex task. Hence, the need for a centralized best practices discussion has arisen. Typically, these conversations take place between industry and regulators at various gaming venues where regulatory enhancement concepts are discussed, then abandoned until the next gathering. No single entity exists to analyze long-term approaches to modernizing the regulatory policy across different jurisdictions.

Regulators are challenged by lack of funding and cohesion, so industry-wide standards have been slow to develop. Other industries that pose profound challenges to regulatory policy, such as fantasy sports and social gaming, are encroaching into the gaming arena. Whether these industries should be

regulated is open to debate. Such discussions will be central to the proposed International Center for Excellence in Gaming Regulation.

Gaming regulatory policy affects companies ranging from those that provide handsets and software, such as Apple and Google, to those that process transactions, such as credit card companies and banks. Network providers are also affected by these issues, as are cable companies, all of which currently ponder where they fit into the larger scheme of gaming regulation.

Effective gaming regulatory policy must encompass geopolitics and business sensibilities. Our international counterparts often consider U.S. regulations overbearing, and conversely, we do not always understand their regulatory framework. The needed conversations can take place in a venue provided by the International Center for Excellence in Gaming Regulation.

The timing for establishing the Center is ideal, as is the location at UNLV, where the expertise of the William S. Boyd School of Law, as well as that of the William F. Harrah College of Hotel Administration, can be leveraged. Trade associations within the industry and various regulators are enthused about the Center because it represents a neutral forum for debate. Testimony from a wide range of people who support the establishment of the Center is collected in "[Testimonials: The International Center for Excellence in Gaming Regulation](#)" ([Exhibit D](#)).

**Don Snyder (Presidential Advisor for Strategic Initiatives, Office of the President, University of Nevada, Las Vegas):**

I serve as senior advisor to the President of UNLV and I am former Dean of the Hotel College at UNLV. For almost 9 years, I was the president of Boyd Gaming Corporation which was regulated under eight or nine different jurisdictions. That experience inclines me to support all of Senator Lipparelli's reasons for establishing the International Center for Excellence in Gaming Regulation.

Nearly 3 years ago, Bo Bernhard and I appeared before the Gaming Policy Committee chaired by Governor Brian Sandoval to propose Las Vegas as the intellectual capital for global gaming, just as Houston is the intellectual capital for global energy. That conversation was prologue to what Senator Lipparelli proposes today, and Governor Sandoval endorsed this concept in his 2013 State of the State Address.

The University strongly supports the appropriation to UNLV to provide funding for a new International Center for Excellence in Gaming Regulation. One cannot have a great community without a great university connected to it and to an industry upon which the State's economy is based.

**Bo Bernhard, Ph.D. (Executive Director, International Gaming Institute, University of Nevada, Las Vegas):**

I wrote my final dissertation at Harvard on the impact of the global gaming industry. I was then privileged to enroll in UNLV where I studied gaming.

Times have changed since then, however. Today, Nevada-style gaming is a global industry. The State has exported the modern casino-resort to all six inhabited continents, from South Korea, Singapore, South Africa, Canada, and the Caribbean to Macao. Each of these new jurisdictions turns to Nevada for expertise in regulating these emerging industries, and the global revenues are largely traceable to Nevada addresses.

I recently testified before the National Diet of Japan, which is deliberating the introduction of a \$10 billion chain of integrated resorts. They are seeking the assistance of the IGI to develop a regulatory and governance structure. I also recently spoke in Beijing at the invitation of the Chinese government on regulatory policy in Macao.

Although the State Gaming Control Board attempts to provide education where it can, it is primarily a regulatory Agency. Our efforts should be consolidated under one umbrella, the International Center for Excellence in Gaming Regulation. It will provide a stable foundation for the State's key industry and for gaming operations worldwide.

**Peter Bernhard:**

I am the former chair of the Nevada Gaming Commission and I support the formation of the ICEGR at UNLV. Gaming regulators throughout the world have full-time jobs to oversee the industry in accord with the social and political realities of their jurisdictions. Those realities differ widely.

Nevada has a long tradition of free will, the belief that people have the right to make their own decisions. Our State has a history of being independent and being a leader in gaming regulation and the gaming industry.

Building a neutral, unbiased educational and research center will ultimately allow us to remedy one of the biggest problems in the industry: inconsistent regulation. Our licensees are requesting uniformity. They want one international standard as opposed to hundreds of different standards throughout the world. The Center will afford Nevada the opportunity to provide that standard.

We wish not only to advise the governments of different countries and different states, but also the U.S. government. The federal government requires unbiased input from a neutral body in the areas of social mores and money laundering, among others. The ICEGR will be a big step forward to bring uniformity and consistency to gaming regulation throughout the world.

**Chair Kieckhefer:**

Has the ICEGR been created and simply awaits State support?

**Senator Lipparelli:**

That is correct. The Center has been formed and is in the final stages of selecting a director. We have secured private funding, and several potential donors have asked about the level of State support. Donors are standing by in anticipation of the requested appropriation. Given the types of paid training programs being developed for Native American tribes and state and international jurisdictions, the Center should become self-supporting over time.

**Chair Kieckhefer:**

Is the requested appropriation for \$500,000 to the UNLV Statewide Programs budget in each year of the biennium to support three full-time equivalent (FTE) positions and associated operating costs?

EDUCATION

NSHE

NSHE - Statewide Programs - UNLV — Budget Page NSHE-63 (Volume I)  
Budget Account 101-3001

**Senator Lipparelli:**

That is correct.

**Chair Kieckhefer:**

What is the nature of those FTE positions?

**Senator Lipparelli:**

The appropriation would support the director of the Center and her or his operating expenses as well as two other professional positions. Additionally, we envision inviting various visiting fellows to share their expertise in areas such as law enforcement, accounting or technology. We need to offer a broad international appeal to state and global entities and industry representatives from the Native American community.

**Chair Kieckhefer:**

The budget for the Nevada System of Higher Education has been closed, but there are several items to be added to that budget and the ICEGR is worthy of inclusion on that list.

I will now open the hearing on A.B. 468.

**ASSEMBLY BILL 468 (1st Reprint)**: Makes supplemental appropriations to the Department of Corrections for shortfalls in projected personnel costs. (BDR S-1236)

**Mr. Sisco:**

This supplemental appropriation request includes funding for the Office of the Director, Correctional Programs, the Northern Nevada Correctional Center, Ely State Prison and the HDSP.

This request primarily addresses shortfalls in personnel services caused by unrealized vacancy savings requirements and revenue shortfalls in the Office of the Director's budget account (B/A), B/A 101-3710, from a federal State Criminal Alien Assistance Program (SCAAP) grant.

NDOC - Director's Office — Budget Page CORRECTIONS-13 (Volume III)  
Budget Account 101-3710

The vacancy savings requirement for the 2013-2015 biennium was increased by almost \$4 million, an amount which has not been realized in either of the 2 years. Although budgeted for a SCAAP grant in the amount

of \$2,590,075, NDOC only received \$1,310,553 from the federal government in FY 2015.

The steadily declining SCAAP grant is meant to reimburse the State for costs associated with incarceration of illegal aliens who have committed crimes in Nevada.

In addition to personnel, the appropriation is requested to fund anticipated shortfalls in utilities, building maintenance and inmate-driven costs.

**Chair Kieckhefer:**

Why are additional funds needed for the Office of the Director?

**Mr. Sisco:**

Those are for unrealized vacancy savings, salaries for existing approved positions.

**Chair Kieckhefer:**

Would that be for administration of the Department?

**Mr. Sisco:**

Yes.

**Chair Kieckhefer:**

How many administrative positions does NDOC have?

**Mr. Sisco:**

Approximately 377, but not all of those positions are within the Director's Office.

**Chair Kieckhefer:**

I will close the hearing on A.B. 468, and the Committee will now commence a work session on S.B. 467.

**SENATE BILL 467**: Makes appropriations for the replacement of Nevada Highway Patrol fleet vehicles and motorcycles which have exceeded the mileage threshold. (BDR S-1218)

**Jennifer Ouellette (Program Analyst):**

Senate Bill 467 is a one-shot appropriation for the replacement of 156 Nevada Highway Patrol (NHP) fleet vehicles that have exceeded their mileage thresholds and the addition of one new 7-unit motorcycle squad in southern Nevada for a total of \$8 million in Highway Fund appropriations in FY 2015.

The recommended replacements include 5 different vehicle types: 80 Dodge Chargers, which are traffic squad patrol cars; 41 Ford Police Interceptor SUVs, which is the preferred replacement for the discontinued Ford Crown Victoria; 33 Ford F-150 pickup trucks, which are used in commercial enforcement; 2 Ford Interceptor sedans, which are used for evaluation purposes in replacing the discontinued Ford Crown Victoria; and 7 Harley-Davidson motorcycles.

Fiscal staff finds reasonable the total replacement vehicle request and the projected end-of-life mileage dates. Fiscal staff recommended the purchase of two Ford Interceptor sedans be substituted for the standard traffic control squad car for NHP, which is the Dodge Charger. The Highway Patrol agreed to this request, resulting in a Highway Fund savings of \$11,386.

The current recommended replacement schedule includes replacing 14 Crown Victoria sedans located in Reno with 14 Ford Police Interceptor SUVs. The Committee may view this as an enhancement, since the price difference between the SUV and the Dodge Charger sedan is a minimum of \$6,610 per vehicle, including build-out costs. The table on page 3 of the "Memorandum on S.B. 467" ([Exhibit E](#)) details the base price and build-out costs for each vehicle type.

**Chair Kieckhefer:**

Does staff recommend a total appropriation of \$7,679,026 as shown on the chart on page 2 of [Exhibit E](#) to replace the amount shown in subsection 1 of section 1 of SB 467?

**Ms. Ouellette:**

Yes, that is correct.

**Chair Kieckhefer:**

Does the amount requested in subsection 2 of section 1 of S.B. 467 remain the same?



**Ms. Ouellette:**

Yes.

**Senator Parks:**

What accounts for the \$5,000 per-vehicle difference between what is shown on page 3 of [Exhibit E](#) and what is in the bill?

**Ms. Ouellette:**

The price increase is for building out the vehicles to police car standards.

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 467 AS ADJUSTED BY FISCAL STAFF.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Chair Kieckhefer:**

I will open the work session on S.B. 491.

**SENATE BILL 491**: Makes an appropriation to provide a grant for the recruitment of persons to establish and operate high quality charter schools to serve families with the greatest needs. (BDR S-1189)

**Mr. Krmptic:**

Senate Bill 491, known as the Charter School Harbor Master bill, has some amendments. The appropriation to the Other State Education Programs budget, B/A 101-2699, was approved on May 1 in the amount of \$5 million in each year of the biennium.

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NDE - Other State Education Programs — Budget Page K-12 EDUCATION-24  
(Volume I)

Budget Account 101-2699

The appropriations listed in section 1 of the bill should be removed by amendment. Paragraph (b) of subsection 3 should be rewritten to require evidence of "sufficient money to match a grant of \$5 million," instead of the \$10 million, as written.

Subsection 4 of section 1 currently states that the "Department of Administration shall appoint a committee," and that language should remain.

Paragraphs (a) and (b) of subsection 6 of section 1 provide the reporting requirements. In those paragraphs, the "Department of Administration" should be replaced with "The Governor's Office of Finance."

Finally, the reversion language in subsection 7 of section 1 should be removed, since the appropriations have been made to B/A 101-2699.

SENATOR LIPPARELLI MOVED TO AMEND AND DO PASS AS AMENDED S.B. 491, REMOVING SECTION 1, SUBSECTION 1; AMENDING SECTION 1, SUBSECTION 3, PARAGRAPH (B); AMENDING SECTION 1, SUBSECTION 6, PARAGRAPHS (A) AND (B); AND ELIMINATING SECTION 1, SUBSECTION 7 AS ADVISED BY FISCAL STAFF.

SENATOR ROBERSON SECONDED THE MOTION.

**Senator Woodhouse:**

I have grave reservations about this bill. My preference would be to support school districts and the State Public Charter School Authority to improve the one- and two-star charter schools, rather than building this Charter School Harbor Master program, which could wait for a few years.

**Chair Kieckhefer:**

Improving the one- and two-star schools and building this program are not mutually exclusive.

THE MOTION CARRIED. (SENATORS PARKS AND WOODHOUSE VOTED NO.)

**Chair Kieckhefer:**

I will now open the work session on S.B. 498.

**SENATE BILL 498**: Provides for the regulation of community health worker pools. (BDR 40-1190)

**Alex Haartz (Principal Deputy Fiscal Analyst):**

The Senate Committee on Finance heard S.B. 498 on May 13. It provides for licensure of community health workers through the Department of Health and Human Services' Division of Public and Behavioral Health (DPBH).

The bill, as drafted, requires community health worker pools to be licensed and regulated as a type of medical facility pursuant to *Nevada Revised Statutes* (NRS) 449.030 and 449.050. Community health workers are paraprofessionals who provide health education and collect basic health information at the community level.

Questions arose during the bill hearing as to why these pools would be regulated at the level of a medical facility, as well as who would regulate the community health workers and collect the anticipated fee revenue.

Senate Bill 498 is a budget implementation bill. In the DPBH's Health Facilities Hospital Licensing budget, B/A 101-3216, approximately \$18,000 in fee revenue was projected, along with a 0.5 FTE administrative assistant.

HUMAN SERVICES

PUBLIC AND BEHAVIORAL HEALTH

HHS-DPBH - Health Facilities Hospital Licensing — Budget Page DHHS - PUBLIC HEALTH-69 (Volume II)  
Budget Account 101-3216

The DPBH and representatives from the Nevada Primary Care Association provided testimony during the budget hearing on May 13, and today DPBH will present a proposed amendment to S.B. 498.

**Laura Freed (Deputy Administrator, Division of Public and Behavioral Health, Department of Health and Human Services):**

The proposed amendment (Exhibit F) removes "community health worker pool" from the definition of a medical facility under NRS 449.0151 in section 2, placing it, instead, under "facility for the dependent" under NRS 449.0045.

The rest of the bill as introduced is unchanged. The Bureau of Health Care Quality and Control will collect the fees to certify community health worker pools.

**Chair Kieckhefer:**

Where in the proposed amendment is community health worker pool included in the definition of facility for the dependent?

**Ms. Freed:**

Reference to NRS 449.0045 has been inserted into section 6 of the bill, as shown on page 2 of [Exhibit F](#). "Community health care worker certifying body" has been added to the definition of "facility for the dependent" in subsection 8 of section 6, as shown at the top of page 3 of [Exhibit F](#).

**Chair Kieckhefer:**

Does the proposed amendment retain DPBH regulatory authority over community health worker pools, and is it consistent with the budget closing?

**Ms. Freed:**

Yes, it does, and it is.

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 498.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Chair Kieckhefer:**

I will now open the work session on S.B. 500.

**SENATE BILL 500**: Revises the requirements for licensure as a facility for the treatment of abuse of alcohol or drugs. (BDR 40-1160)

**Mr. Haartz:**

Senate Bill 500 was heard by the Senate Committee on Finance on May 13. As introduced, S.B. 500 amends NRS 449.00455 to require that all alcohol and

drug abuse treatment facilities, whether public or private, be licensed and regulated by DPBH.

Under current statute, only those facilities certified by the DPBH's Substance Abuse and Prevention and Treatment Agency are required to be licensed. The Agency testified at the bill hearing that it anticipated ten additional facilities would be subject to licensure as a result of S.B. 500.

Senate Bill 500 is a budget implementation bill contained in the Health Facilities Hospital Licensing account, B/A 101-3216, which was approved with approximately \$19,000 in fee revenue resulting from the regulation of additional facilities.

SENATOR ROBERSON MOVED TO DO PASS S.B. 500.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Chair Kieckhefer:**

The Committee will now revisit A.B. 468 and I will entertain a motion.

SENATOR LIPPARELLI MOVED TO DO PASS A.B. 468.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Chair Kieckhefer:**

We will now open the hearing for public comment.

**John Eppolito:**

Where can I find the budgets that have been closed? There was approximately \$91 million for teacher training for the new standards over 7 years, according to Washoe County and Clark County School Districts. Another \$63 million over the

same 7 years was mentioned for a particular test. This Committee also heard about 26 new FTE for the NDE to monitor and punish teachers who do not meet the requirements in the new standards. There was also \$21 million for educator effectiveness. These standards are already failing in Massachusetts and California. I want to know how to find the budgets with these details.

**Chair Kieckhefer:**

The budgets that have been closed by the Subcommittees are in the process of being entered into the systems. They are not yet available on NELIS. The education budget accounts were closed at a joint meeting of the Senate Finance and Assembly Ways and Means Committees on May 16. The video of that meeting is available online.

As a final order of business, the Committee needs to introduce a bill draft request (BDR) to close down the Foreclosure Mediation Program.

SENATOR LIPPARELLI MOVED TO INTRODUCE A BDR TO MAKE CONFORMING LEGAL CHANGES TO ACCOMMODATE THE ELIMINATION OF THE FORECLOSURE MEDIATION PROGRAM EFFECTIVE JULY 1, 2017.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

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**Senator Kieckhefer:**

Seeing no more business before this Committee, this meeting is adjourned at 9:44 a.m.

RESPECTFULLY SUBMITTED:

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Susan McArthur,  
Committee Secretary

APPROVED BY:

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Senator Ben Kieckhefer, Chair

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

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit / # of pages</b>		<b>Witness / Entity</b>	<b>Description</b>
	A	2		Agenda
	B	3		Attendance Roster
S.B. 467	C	2	Scott Sisco	Letter from The Valley Health System
	D	6	Senator Mark A. Lipparelli	Testimonials: The International Center for Excellence in Gaming Regulation
S.B. 467	E	3	Jennifer Ouellette, Fiscal Analysis Division, Legislative Counsel Bureau	Memorandum on S.B. 467
S.B. 498	F	15	Laura Freed, Division of Public and Behavioral Health, Department of Health and Human Services	Proposed Amendment to S.B. 498