



NEVADA LEGISLATURE
NEVADA TASK FORCE ON FINANCIAL SECURITY
(Senate Bill 118 [Chapter 220, *Statutes of Nevada*, 2017])

SUMMARY MINUTES

The fifth meeting of the Nevada Task Force on Financial Security for the 2017–2018 Interim was held on Wednesday, July 25, 2018, at 8 a.m. in Room 4401, Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 3138, Legislative Building, 401 South Carson Street, Carson City, Nevada.

The agenda, minutes, meeting materials, and audio or video recording of the meeting are available on the Task Force's meeting page. The audio or video recording may also be found at <https://www.leg.state.nv.us/Granicus/>. Copies of the audio or video record can be obtained through the Publications Office of the Legislative Counsel Bureau (LCB) (publications@lcb.state.nv.us or 775/684-6835).

TASK FORCE MEMBERS PRESENT IN LAS VEGAS:

Assemblywoman Irene Bustamante Adams, Chair
Senator Joyce Woodhouse
Assemblywoman Ellen B. Spiegel
Michele Johnson

TASK FORCE MEMBERS PRESENT IN CARSON CITY:

Senator Pete Goicoechea
Senator Julia Ratti
Assemblyman Al Kramer
Cyndy Ortiz Gustafson

TASK FORCE MEMBER ATTENDING VIA TELECONFERENCE:

Nancy E. Brune, Ph.D.

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Marjorie Paslov Thomas, Senior Principal Policy Analyst, Research Division
Mindy Martini, Principal Policy Analyst, Research Division
Bryan Fernley, Senior Principal Deputy Legislative Counsel, Legal Division
Michael K. Morton, Senior Deputy Legislative Counsel, Legal Division
Jan Brase, Research Policy Assistant, Research Division
Crystal Rowe, Research Policy Assistant, Research Division

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Items taken out of sequence during the meeting have been placed in agenda order.

AGENDA ITEM I—OPENING REMARKS

Chair Bustamante Adams welcomed the presenters and public to the fifth meeting of the Nevada Task Force on Financial Security. She discussed the procedures for Task Force business and testimony.

AGENDA ITEM II—PUBLIC COMMENT

Connor Cain, representing the Nevada Bankers Association, provided information relating to the SaverLife program, an online savings system, which encourages saving through education and rewards (Agenda Item II A). He stressed the importance of savings accounts as a way of protecting hardworking Nevadans from financial stress and the need to rely on public assistance programs. Concluding, Mr. Cain outlined plans to raise awareness and promote participation in Nevada.

Responding to questions from Chair Bustamante Adams, Mr. Cain said his group is working with Senator Woodhouse on issues related to financial literacy. Additionally, Mr. Cain committed to providing updates on SaverLife outreach efforts and program outcomes.

Nancy E. Brown, Managing Director, Community Development, Charles Schwab Bank, and Nevada Bankers Association provided information on a pilot SaverLife program in San Francisco, California, and expressed her organization's desire to expand the opportunity to Nevada. She noted that it would be possible to collect and analyze data relating to participation and savings rates.

Malah McFadden, owner and operator, Kinderland Nursery School, Carson City, submitted written testimony and requested an amendment to regulations, which negatively affect her child care center (Agenda Item II B-1). Ms. McFadden submitted supporting letters from parents of Kinderland Nursery School students (Agenda Item II B-2).

Betsy Campbell, August Campbell, and Miya Kuniya, students at Kinderland Nursery School, expressed their support of the school and its programs.

Anada Campbell, Carson City, speaking on behalf of parents of children who attend Kinderland Nursery School, conveyed support for the school and requested that regulations be interpreted in a manner that best meets the needs of businesses, families, and children.

Shelley Pope, parent of students at Kinderland Nursery School, submitted written testimony (Agenda Item II C) and stressed her appreciation of the school's safe and supportive programs.

Chair Bustamante Adams asked whether there had been any official action that may lead to the closing of Kinderland Nursery School. Ms. Pope said no such action has been taken.

Caitlin Castaneda, parent of a student at Kinderland Nursery School, outlined her positive experiences with the school and urged Task Force members to consider the consequences of regulations, which may require significant changes in the child care center's program.

Margot Chappel, M.S., Deputy Administrator, Regulatory and Planning Services, Division of Public and Behavioral Health, Department of Health and Human Services (DHHS), responded to Chair Bustamante Adams' questions regarding *Nevada Administrative Code* (NAC) 432A.5205. Ms. Chappel indicated that DHHS staff has been working with the operators of Kinderland Nursery School and providing resources in an effort to bring the school into regulatory compliance. She said she is confident of a successful outcome.

Ms. McFadden, responding to Chair Bustamante Adams, clarified that though her facility is not expected to close, she expressed her concern that other small businesses may struggle to comply with existing regulations.

AGENDA ITEM III—APPROVAL OF MINUTES OF THE MEETING HELD ON MAY 21, 2018

MOTION: Senator Goicoechea moved to approve the minutes of the May 21, 2018, meeting. The motion was seconded by Senator Woodhouse and passed unanimously.

AGENDA ITEM IV—UPDATE ON THE IMPLEMENTATION OF CHANGES TO THE DOCUMENT PREPARATION SERVICES PROGRAM PURSUANT TO ASSEMBLY BILL 324 (CHAPTER 47, *STATUTES OF NEVADA 2017*)

Gail J. Anderson, Deputy for Southern Nevada, Office of the Secretary of State, presented a report on tax preparers and how they relate to Chapter 240A (“Document Preparation Services”) *Nevada Revised Statutes* (NRS). (Agenda Item IV). Ms. Anderson focused on the following topics:

- Need for regulation of tax preparers;
- Regulatory changes resulting from AB 324, including the requirement that enrolled agents register as a document preparation service;
- Tax preparation performed by individuals;
- Document preparation service registration requirements;
- Increase in active document preparation service registrants;
- Adequacy of Chapter 240A of NRS in regulating tax preparers; and
- Complaints from taxpayers.

Ms. Anderson discussed the necessity for expanded efforts to identify unregistered tax preparers and to prevent them from practicing. She said there is a need to review the definition of “document preparation service” under NRS 240A.030 to assure there is no Constitutional conflict relating to enrolled agents. Concluding, Ms. Anderson said, there is a need to increase applicants for document preparer registration.

AGENDA ITEM V—PRESENTATION ON CHILD CARE AFFORDABILITY AND FINANCIAL SECURITY

Molly Walt, Director, Nevada Commission for Women (NCW); Denise Tanata, Director, Children's Advocacy Alliance (CAA); and Jared Busker, Policy Analyst, CAA, shared a presentation detailing the cost of child care and policy recommendations for addressing the lack of affordable child care in Nevada (Agenda Item V).

In response to questions from Task Force members, Ms. Walt and Ms. Tanata discussed the following:

- Demographics, survey methodology and collection techniques of a 2016 survey conducted by NCW;
- Child care center reimbursement rates;
- Methods for increasing the Child Care and Development Block Grant of 2014 (CCDBG) State funding match to increase the percent of eligible families served;
- Means of reducing costs of providing child care; and
- Transferability of training and safety requirements.

Responding to concerns and questions raised during public comment, Ms. Tanata indicated that the CCDBG required states to have standards for Child Care and Development Fund providers regarding group size limits and appropriate child-to-provider ratios based on the age of children in child care. She clarified that, prior to CCDBG, Nevada regulated child-to-staff ratios but did not impose group size requirements. Ms. Tanata explained that state regulatory changes were made to conform to updated federal standards and that every effort was made to respond to the concerns of Nevada's child care providers.

At the request of Senators Goicoechea and Ratti, Mr. Busker offered to provide details of funding provided through Temporary Assistance for Needy Families reserve appropriations.

Senator Woodhouse noted that federal funding for the Nevada Pre-K Development Grant program will end. She said there is a request to continue this program with State funding after federal funding ends. The program currently serves 3,000 students at a cost of \$26 million. It was noted that an additional \$13 million would add 1,500 students to the program. Senator Woodhouse expressed her hope that the funding will be included in the Governor's budget.

AGENDA ITEM VI—PRESENTATION ON COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

Dutch R. Haarsma, President, Idaho-Nevada Community Development Financial Institution, provided an overview of programs and policy recommendations related to the community development financial institution (CDFI) industry (Agenda Item VI A).

Erin McDermott, Director of Lending Partnerships, Accion, offered information regarding Accion, a nonprofit organization, which provides loans and other support to small businesses (Agenda Item VI A).

Rupert W. Ruiz, Nevada Area President, Chicanos Por La Causa Nevada Inc. (CPLC NV), and Isabel Alvarado, Business Development Officer, CPLC NV, reviewed the goals and accomplishments of CPLC NV (Agenda Item VI A) focusing on workforce housing development, job creation, and small business microloans.

Brian Maddox, Chief Production Officer, Clearing House CDFI gave an overview of the impact Clearing House CDFI has had in the community (Agenda Item VI A) and highlighted projects supported in Nevada.

In response to a question from Chair Bustamante Adams, Mr. Maddox said projects have been developed in Reno, Fernley, and Fallon, Nevada. He explained that rental units have also been built in southern Nevada.

Daniel Fernandez, Director of Microlending, Opportunity Fund, reviewed the Opportunity Fund program (Agenda Item VI A) and highlighted the low default rate on loans to small business owners in low- and moderate-income communities. Mr. Fernandez submitted a report (Agenda Item VI B) and a study of new business lending trends that negatively impact small businesses (Agenda Item VI C).

Chair Bustamante Adams observed that Mr. Fernandez highlighted a shift in lending strategies from *access to capital* to *access to appropriate financial products*. Mr. Fernandez agreed and said his organization would apply the strategy to the Nevada market.

Mary Kerner, Chief Executive Officer, Rural Nevada Development Corporation (RNDC), outlined RNDC's rural development loans and projects (Agenda Item VI A). She focused on RNDC's investment portfolio, noting that funds are from federal and private sources—no state funds are allocated.

Leanna Jenkins, Executive Director, Nevada Business Opportunity Fund presented goals and achievements of the Nevada Business Opportunity Fund (Agenda Item VI A) and highlighted the importance of financial education and training in the small business loan process.

Discussion among Task Force members and presenters included the following:

- Workforce housing projects in Dayton and southern Nevada;

- First-time homebuyers assistance, including financial literacy instruction;
- Units considered *affordable* are sometimes too expensive for average Nevadans, requiring public assistance, and buyers are vulnerable to economic downturns;
- Methods for accessing CDFI services;
- New Market Tax Credit funds used to support a southern Nevada homeless facility;
- Process for developing affordable housing and tax credit eligible projects;
- Role of CDFIs in facilitating state level low-income housing tax credits and bond funding; and
- Factors contributing to low default rates on loans to high-risk borrowers;

Mr. Fernandez outlined CDFI best practices and policies (Agenda Item VI A) focusing on the need for a small business borrower bill of rights, which would address fair and transparent loan pricing and provide a nationally available resource center for lenders and borrowers.

Discussion ensued on the following topics: (1) loan loss reserves; (2) collateral support programs; (3) state-supported loan funds; and (4) organizational support for a small business borrower bill of rights.

Responding to a question from Chair Bustamante Adams, Ms. Jenkins said she would provide information regarding others states' efforts to provide support for loan loss reserves.

Chair Bustamante Adams requested updates on collaboration between CDFIs and the Governor's Office of Economic Development, which administers collateral support programs. Concluding, she encouraged cooperation and discussion with chamber of commerce organizations in Nevada.

AGENDA ITEM VII—DISCUSSION OF POTENTIAL RECOMMENDATIONS TO THE NEVADA TASK FORCE ON FINANCIAL SECURITY

Marjorie Paslov Thomas, previously identified, submitted possible considerations for a Task Force work session (Agenda Item VII). Chair Bustamante Adams noted that though the Task Force will not submit bill draft requests, legislative members may consider recommending legislation during the 2019 Session.

AGENDA ITEM VIII—PUBLIC COMMENT

Barry L. Gold, AARP Nevada, expressed support for legislation related to an employee savings trust and offered assistance in the legislative process.

Ken Evans, President, Urban Chamber of Commerce, Las Vegas said the Chamber has worked with CDFIs and looks forward to continuing collaboration. Concluding, Mr. Evans suggested

expanding finance options for small businesses to include equity investing, which would require education, training, and support for business owners.

Subsequent to the Task Force meeting, Susie Schooff, Director of Government Affairs, Advance America, submitted a letter regarding the short-term lending industry in Nevada (Agenda Item VIII).

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AGENDA ITEM IX—ADJOURNMENT

There being no further business to come before the Task Force, the meeting was adjourned at 10:45 a.m.

Respectfully submitted,

Jan Brase
Research Policy Assistant

Marjorie Paslov Thomas
Senior Principal Policy Analyst

APPROVED BY:

Assemblywoman Irene Bustamante Adams, Chair

Date: _____

MEETING MATERIALS

AGENDA ITEM	PRESENTER/ENTITY	DESCRIPTION
Agenda Item II A	Connor Cain, representing Nevada Banking Association	Fact Sheet
Agenda Item II B-1	Malah McFadden, owner and operator, Kinderland Nursery School, Carson City, Nevada	Letter
Agenda Item II B-2	Malah McFadden, owner and operator, Kinderland Nursery School, Carson City, Nevada	Parents' Letters
Agenda Item II C	Shelly Pope, parent of students at Kinderland Nursery School, Carson City Nevada	Letter
Agenda Item IV	Gail J. Anderson, Deputy for Southern Nevada, Office of the Secretary of State	Report—Document Preparation
Agenda Item V	Molly Walt, Director, Nevada Commission for Women; Denise Tanata, Director, Children's Advocacy Alliance (CAA); and Jared Busker, Policy Analyst, CAA	PowerPoint presentation
Agenda Item VI A	Opportunity Fund, Idaho-Nevada Community Development Financial Institution (CDFI), Rural Nevada Development Corporation, Nevada Business Opportunity Fund, Accion, Chicanos Por La Causa Nevada Inc., and Clearing House CDFI	PowerPoint presentation
Agenda Item VI B	Daniel Fernandez, Director of Microlending, Opportunity Fund	Report on business lending
Agenda Item VI C	Daniel Fernandez, Director of Microlending, Opportunity Fund	Study of new business lending trends
Agenda Item VII	Marjorie Paslov Thomas, Senior Principal Policy Analyst, Research Division, Legislative Counsel Bureau	Possible considerations for Task Force work session

Agenda Item VIII	Susie Schooff, Director of Government Affairs, Advance America	Letter
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The Summary Minutes are supplied as an informational service. All meeting materials are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. For copies, contact the Library at (775) 684-6827 or <https://www.leg.state.nv.us/Division/Research/Library/About/Contact/feedbackmail.cfm>.

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