MINUTES OF THE AUGUST 18, 2021
MEETING OF THE
INTERIM FINANCE COMMITTEE

Chair Chris Brooks called a regular meeting of the Interim Finance Committee (IFC) to order at 9:35 a.m. on August 18, 2021, via videoconference. Pursuant to Sections 2 through 9, inclusive, of Chapter 2, *Statutes of Nevada* 2020, 32nd Special Session, pages 9 through 11, there was no physical location for this meeting.

COMMITTEE MEMBERS PRESENT:
Senator Chris Brooks, Chair
Assemblywoman Maggie Carlton, Vice Chair
Senator Carrie Buck for Senator Heidi Seevers Gansert
Senator Nicole Cannizzaro
Senator Moises Denis
Senator Marilyn Dondero Loop
Senator Pete Goicoechea
Senator Scott Hammond
Senator Dallas Harris for Senator Julia Ratti
Senator Ben Kieckhefer
Assemblyman Jason Frierson
Assemblywoman Michelle Gorelow
Assemblyman Gregory Hafen
Assemblywoman Sandra Jauregui
Assemblyman Glen Leavitt
Assemblywoman Brittney Miller
Assemblywoman Daniele Monroe-Moreno
Assemblywoman Sarah Peters
Assemblyman Tom Roberts
Assemblywoman Robin Titus
Assemblywoman Jill Tolles
Assemblyman Howard Watts
Assemblyman Steve Yeager for Assemblywoman Teresa Benitez-Thompson

COMMITTEE MEMBERS EXCUSED:
Senator Julia Ratti
Senator Heidi Seevers Gansert
Assemblywoman Teresa Benitez-Thompson

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:
Brenda Erdoes, Director, Legislative Counsel Bureau
Sarah Coffman, Fiscal Analyst, Assembly
Wayne Thorley, Fiscal Analyst, Senate
Alex Haartz, Principal Deputy Fiscal Analyst
Brody Leiser, Principal Deputy Fiscal Analyst
Bryan Fernley, Legislative Counsel
Eileen O'Grady, Chief Deputy Legislative Counsel
Carla Ulrych, Fiscal Analysis Division Secretary

EXHIBITS:
Exhibit A: Meeting Packet - Volume I
Exhibit B: Meeting Packet - Volume II
Exhibit C: Meeting Packet - Volume III
Exhibit D: Summary Report on the Pandemic Emergency Technical Assistance Support program
Exhibit E: Public Comment - Chris Daly, Nevada State Education Association
Exhibit F: Public Comment - Janell Woodward
Exhibit G: Public Comment - Kent Ervin, Nevada Faculty Alliance
Exhibit H: Public Comment - Kent Ervin, Nevada Faculty Alliance, Closing Comments
Exhibit I: Public Comment - Aaron Harris
Exhibit J: Public Comment - Scott Sevier
Exhibit K: Public Comment - John and Linda Gannon
Exhibit L: Public Comment - Lorayn Walser
Exhibit M: Public Comment - Stephanie Parker
Exhibit N: Public Comment - Kristina Cote
Exhibit O: Public Comment - Linnes Chester
Exhibit P: Public Comment - M. Leigh Bogue

A. ROLL CALL.

Sarah Coffman, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), called the roll; all members were present except Senator Ratti, Senator Seevers Gansert, and Assemblywoman Benitez-Thompson, who were excused.

B. PUBLIC COMMENT.

CHRIS DALY (Nevada State Education Association):
The Nevada State Education Association (NSEA) is Nevada's state affiliate of the National Education Association (NEA). Leading up to the passage of the American Rescue Plan Act, the NEA was a prominent voice for significant federal investment in public education to address the impact of the COVID-19 pandemic on schools. National Education Association members wrote thousands of messages and placed thousands of calls to their representatives, advocating for Congress to pass the package containing the largest investment ever in education.

The NSEA is taking this opportunity to comment on Agenda Items F-25 and F-28. Last week, the NSEA submitted a comment letter on the Nevada Department of Education's American Rescue Plan Act State Elementary and Secondary School Emergency Relief (ESSER) plan that will be submitted to the federal Department of Education. In that plan, the NSEA had general comments about measuring academic performance. While the NSEA was in general agreement with the top issues identified in the state's draft plan—which support social, emotional, and mental health; address interrupted learning; and focus on recruiting, supporting, and retaining effective educators—the NSEA had significant concerns about the section discussing student academic performance using various standardized tests, including the Smarter Balanced Assessment Consortium (SBAC). The NSEA continues to have concerns about the reliance on standardized testing, the tolls these tests take on students and educators—especially during the

pandemic years—the time and pressures associated with standardized testing work against two of the top issues identified in the state plan: supporting social, emotional, and mental health; and supporting and retaining effective educators. Internal surveys have found that standardized testing is a top concern amongst educators across the state. Meanwhile, there is poor data quality of testing results given distance and hybrid school models and standardized tests continue to reflect racial bias. Nevada does not need to spend another $1.9 million on high stakes, high pressure tests during a pandemic. Nevada does not need to spend $8 million on DonorsChoose. The money should be used to recruit and retain educators and get through the pandemic.

Mr. Daly submitted written testimony for the record (Exhibit E).

PRISCILLA MALONEY (American Federation of State, County and Municipal Employees [AFSCME], Retiree Chapter):
The AFSCME Retiree Chapter would like to comment on Agenda Item F-4 and remind the Committee that AFSCME is looking to restore—to pre-pandemic levels—budget cuts that were made over the last 15 months. Something that gets lost in conversation is that the Public Employees' Benefits Program (PEBP) started adjusting benefits and rate costs on April 9, 2020, to finish FY 2020 and begin FY 2021. This has been an 18-month process taking the equivalent of $36 million out of the program for state employees, retirees, and their families. The AFSCME Retiree Chapter is asking that the Committee keep the big picture in mind during the discussion.

Chair Brooks has said in the past that these amounts are staggering, and they are. The AFSCME Retiree Chapter is grateful that there is flexibility in making sound policy decisions. At the most recent meeting of the PEBP Board on July 29, 2021, the Board overwhelmingly voted to prioritize the return to pre-pandemic levels in the program and the plan design. I hate to use the term "mere," but in a bigger picture of all the funding potential, it is a mere $36 million to make state employees and retirees whole again and return to pre-pandemic levels.

Janell Woodward (AFSCME) submitted written testimony for the record (Exhibit F).

Kent Ervin (Nevada Faculty Alliance) submitted written testimony for the record (Exhibit G).

RETT SMITH:
I am a Nevada state employee with the Division of State Parks and a member of AFSCME Local 4041. The AFSCME fought hard for the ARPA to include funding for state and local governments to restore cuts due to the pandemic. This includes cuts to PEBP that were caused by the great economic impact of COVID-19 in Nevada. Many state employees, including myself, live outside of the major cities in Nevada. Hospitals and medical facilities have been replaced by bandage stations run on the Renown network. For more serious injuries, people are usually care flighted to Renown Medical Center in Reno. I recently drove over an hour to the closest urgent care center only to be told that Renown no longer accepts my insurance. This was absolutely shocking. It was like being pulled over by the police and being informed that the Nevada vehicle registration I paid for only allows me access to dirt roads. My coworkers and I have a shared

two-part system for implementing our health care plan. First, we all pay too much for a mandatory group plan purchased for thousands of employees. Secondly, we pray never to need it as it provides no actual benefit. Shameful is not the right word for the health care plan, but it is powerfully the first word that comes to mind. I ask the Committee today to use the hard-won ARPA funding as it is intended: to reduce out-of-paycheck expenses to employees and to increase benefits to a bare minimum of actual usable coverage. It is not necessary to leave these cuts in place with the funding earmarked to resolve this exact issue.

JOHN CREGG (Nevada Association for the Education of Young Children [AEYC]):
My comments today relate to Agenda Item F-73. Child care and educators are essential to Nevada's communities and economy. Working families need child care and qualified educators to care for their children. Nevada AEYC supports the Department of Health and Human Services, Division of Welfare and Supportive Services plan to provide stabilization grants to support child care programs, educators, and families seeking child care. Without these grants, many child care programs will be forced to close within the next six months, leaving families with limited or no child care options.

ANNETTE DAWSON OWENS (Children's Advocacy Alliance):
My comments concern Agenda Item F-73. I am advocating for your support of child care and early learning investment. I request the Committee's full support and urge the Committee to avoid any cuts to such programs. The impact of child care and these investments is evident; there is no greater return on investment. High-quality child care is critical to the state's economic recovery, families returning to work, and for supporting families and children. It is ultimately the catalyst for Nevada's future success.

C. APPROVAL OF THE MINUTES OF THE SEPTEMBER 3, 2020, MEETING.

Refer to motion for approval under Agenda Item E.

D. APPROVAL OF THE MINUTES OF THE SEPTEMBER 25, 2020, MEETING.

Refer to motion for approval under Agenda Item E.

E. APPROVAL OF THE MINUTES OF THE OCTOBER 22, 2020, MEETING.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE MINUTES OF THE SEPTEMBER 3, 2020, SEPTEMBER 25, 2020, AND OCTOBER 22, 2020, MEETINGS.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

F. APPROVAL OF GIFTS, GRANTS, WORK PROGRAM REVISIONS AND POSITION CHANGES IN ACCORDANCE WITH CHAPTER 353 OF NRS.

WAYNE THORLEY (Senate Fiscal Analyst, Fiscal Analysis Division, LCB):
The following items have been identified for additional discussion: Agenda Items F-2, Office of the Governor; F-3, Office of the Governor; F-4, Office of the Governor; F-7, Office of the Attorney General; F-14, Department of Administration, Enterprise Information Technology Services (EITS); F-15, Department of Administration, EITS; F-16, Department of Administration, EITS; F-17, Department of Administration, EITS; F-19, Department of Administration, Risk Management; F-21, Cannabis Compliance Board; and F-22, Nevada Department of Education (NDE); F-23, NDE; F-24, NDE; F-25, NDE; F-26, NDE; F-28, NDE; F-53, Department of Health and Human Services (DHHS), Aging and Disabilities Services Division (ADSD); F-71, DHHS, Division of Welfare and Supportive Services (DWSS); F-73, DHHS, DWSS; F-74, DHHS, DWSS; F-91, Department of Motor Vehicles;

Agenda Items F-64, DHHS, Division of Public and Behavioral Health (DPBH), and F-65, DHHS, DPBH involve the allocation of block grant funds pursuant to NRS 353.337, which requires a public hearing.

Agenda Item F-1, Office of the Governor, Office for New Americans, was withdrawn on August 11, 2021. Agenda Items F-99, Department of Wildlife, and F-100, Department of Wildlife, were withdrawn on August 13, 2021.

A work program revision request was received on August 17, 2021, for Agenda Item F-81, Department of Corrections. The transfer from the Personnel Services category was revised from $382,815 to $142,947. The transfers of $9,150 from the In-State Travel category, $8,400 from the Maintenance of Buildings and Grounds category, $20,913 from Uniform Allowance category and $23,358 from the ACLS (Advanced Cardiovascular Life Support) Training category have been removed. The transfer from the Inmate Drivens category has been revised from $133,472 to $453,948. The agency will discuss this revision request.

ASSEMBLYWOMAN TITUS:
I would like Agenda Item F-52, DHHS, ADSD pulled for additional discussion.

> ASSEMBLYWOMAN CARLTON MOVED TO APPROVE THE REMAINING WORK PROGRAM REVISIONS AND POSITION RECLASSIFICATIONS UNDER AGENDA ITEM F.
>
> SENATOR DENIS SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY.

1. Office of the Governor - Office for New Americans - FY 2022
Addition of $50,000 in private grant funding to ~~support~~ ***assist with*** *the* implementation of the Nevada Initiative for Language Access program ~~pursuant to Senate Bill 318 of the 2021 Legislative Session~~. Requires Interim Finance approval since the cumulative amount added to the Language Access category exceeds 10% of the legislatively approved amount for that category. **Work Program #C55450. RECEIVED AFTER SUBMITTAL DEADLINE, 7-26-21. REVISED 7-27-21.**

This item was withdrawn on August 11, 2021.

2. Office of the Governor - COVID-19 Relief Programs - FY 2022
Transfer of $762,825 from the Reserve category to the American Rescue Plan (ARP) Act Contract category to fund a contract for community engagement, and outreach efforts related to the ARP Act. Requires Interim Finance approval since the amount transferred to the ARP Act Contract category exceeds $75,000. **Work Program #C55316**

Agenda Items F-2, F-3, and F-4 were discussed jointly. Refer to discussion and motion for approval under F-4.

3. Office of the Governor - COVID-19 Relief Programs - FY 2022
Transfer of $66,324,189 from the Reserve category to the Position Restorations category to fund the positions restored using American Rescue Plan Act funds by the 2021 Legislative Session. Requires Interim Finance approval since the amount added to the Position Restorations category exceeds $75,000. **Work Program #C55322**

Agenda Items F-2, F-3, and F-4 were discussed jointly. Refer to discussion and motion for approval under F-4.

4. Office of the Governor - COVID-19 Relief Programs - FY 2022
Transfer of ~~$373,500,000~~ ***$373,400,000*** from the Reserve category to the American Rescue Plan (ARP) Act - Senate Bill 461 category ~~and~~***,*** $215,000,000 from the Reserve category to the ARP Act - Assembly Bill 495 category, ***and $54,000,000 from the Reserve category to the ARP Act – Assembly Bill 484 category*** to support the disbursements of the Coronavirus State and Local Fiscal Recovery Funds approved in Senate Bill 461 ~~and~~***,*** Assembly Bill 495 ***and Assembly Bill 484*** of the 2021 Legislative Session. Requires Interim Finance approval since the amount added to the ARP Act - Senate Bill 461 category exceeds $75,000. **Work Program #C55695. REVISED 7-29-21 and 8-3-21.**

Agenda Items F-2, F-3, and F-4 were discussed jointly.

TIFFANY GREENAMEYER (Deputy Director, Governor's Finance Office [GFO]):
I am here to present the three work programs for the COVID-19 Relief Program. These work programs are related to disbursements of American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery funds required by the

2021 Legislature. The work program in Agenda Item F-2 requests a transfer of $762,825 from the Reserve category to support the contract for community engagement and outreach efforts related to the American Recovery Act. This outreach is to collect ideas and requests from stakeholders throughout Nevada concerning the best use of the remaining ARPA funds after the disbursements required by the Legislature.

The work program in Agenda Item F-3 requests a transfer of $66,324,189 from the Reserve category to fund the position restorations approved in the budget closing from the 2021 Legislative Session using the ARPA funds. This amount includes position restorations for state agencies as well as the Nevada System of Higher Education (NSHE).

The work program in Agenda Item F-4 requests a transfer of $373,400,000 from the Reserve category to support the disbursements of Senate Bill (S.B.) 461 (2021 Legislative Session). This amount includes S.B. 461 disbursements for the Unemployment Compensation Fund, the public health emergency, to address food insecurity, the Collaboration Center Foundation, the ABLE Nevada savings program, and the University of Nevada, Reno Dean's Future Scholars program.

Agenda Item F-4 includes a transfer of $215 million from the Reserve category to support the disbursements of Assembly Bill (A.B.) 495 (2021 Legislative Session). This amount includes disbursements of $200 million for the Nevada Department of Education and $15 million for the State Public Charter School Authority to administer grants to qualified school districts, university schools, and charter schools for specific programs as outlined in A.B. 495.

Lastly, Agenda Item F-4 includes a transfer of $54 million from the Reserve category to support the disbursement of A.B. 484 (2021 Legislative Session). This amount represents the required disbursement to the Department of Employment, Training and Rehabilitation (DETR) to upgrade the unemployment compensation information system.

Approval of these work programs will allow the priority order of the funding as set forth in S.B. 461 and ensure all the requirements outlined in S.B. 461 are met.

SENATOR DONDERO LOOP:
When does the agency anticipate the spending roadmap will be complete?

LESLEY MOHLENKAMP (CRF and ARPA Funds Coordinator, GFO):
The listening tour includes stakeholder engagement. The period of time for that is targeted at 75 days. At that point, there will hopefully be a robust collection of information from stakeholders and citizens. The GFO intends to collect all the information in a coordinated way to work through the determination of the priority order of funding that comes next. Based on the 75-day timeframe, the information should be collected by October 2021.

CHAIR BROOKS:
The Committee would like updates on timeline for data collection, requests for proposal (RFPs) for the next consultant, aggregation of data, etc. That information is important for the Committee to understand where the legislative branch will participate in the process.

ASSEMBLYWOMAN CARLTON:
Have the community engagement services been participating in the meetings held thus far and are they onboard?

MS. MOHLENKAMP:
Yes, the structure of the meetings is to include geographic areas and address key areas such as food insecurity, housing, etc. The GFO is seeking feedback from all parties—from this Committee and all legislators—to provide input on the locations of the meetings and areas of focus.

ASSEMBLYWOMAN CARLTON:
Some constituents have said that they attended such meetings hoping to make public comment, but instead they were given a small piece of paper on which to write their comments. They are concerned about how that would be used to address their comments. I would prefer that people be allowed to comment publicly and so that the state has real information with which to work. I hope this process will evolve into something more collaborative and conversational.

SENATOR KIECKHEFER:
Regarding S.B. 461, it appears the work program in Agenda Item F-4 is to allocate $15.8 million to respond to the public health emergency, including mental and behavioral health. The bill outlines $20.9 million. Why is only a portion of the amount outlined in the bill being allocated?

MS. GREENAMEYER:
In answer to your question, $5.1 million will be balanced forward into FY 2022; that does not require approval since it was already approved at the June 2021 IFC meeting.

SENATOR KIECKHEFER:
Relating to the waterfall bill (S.B. 461)—the calculation of lost revenue and the transfer to the State General Fund—I assume that has occurred since the other items are being processed. What is the total amount of the transfer, and has the transfer been processed?

MS. GREENAMEYER:
Yes, $1,086,485,000 has been transferred to the General Fund.

SENATOR KIECKHEFER:
Because that is unappropriated in the General Fund, if the Committee were to make a decision to spend those funds, that would require legislation, correct?

MS. GREENAMEYER:
Yes, that is correct.

CHAIR BROOKS:
When was that transfer made?

MS. GREENAMEYER:
The transfer was approved on August 6, 2021, and occurred on August 12, 2021.

ASSEMBLYWOMAN TOLLES:
In Agenda Item F-3—the $66 million for restoration of positions—those are not individuals that were laid off and are being rehired, those were positions that were held open, correct?

MS. GREENAMEYER:
Yes, that is correct. The positions were vacant. This will restore the funding needed to fill them.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEMS F-2, F-3, AND F-4.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

5. Office of the Governor - Governor's Office of Finance - SMART 21 - FY 2022
Addition of $94,605 in federal American Rescue Plan Act funds to support the restoration of the Administrator position from September 2021 to March 2022. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **Work Program #C55317**

Refer to motion for approval under Agenda Item F.

6. Office of the Attorney General - Administrative Budget Account - FY 2021
Addition of $28,286 in Unrestricted Settlement Income to fund additional costs of outside counsel. Requires Interim Finance approval since the cumulative amount added to the Operating category exceeds $75,000. **Work Program #C55509**

Refer to motion for approval under Agenda Item F.

7. Office of the Attorney General - Administrative Budget Account - FY 2022
Addition of $303,816 in Transfer from Cannabis Compliance Board to fund legal support necessary for the implementation of Assembly Bill 341 approved during the 2021 Legislative Session. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **RELATES TO ITEM F-21. Work Program #C54985**

Agenda Items F-7, F-21, and F-22 were discussed jointly. Refer to discussion and motion for approval under Agenda Item F-22.

8. **Office of the Secretary of State - Secretary of State - FY 2021**
Transfer of $149,823 from the Information Services category to the Credit Card Discount Fees category to fund a projected shortfall through the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Credit Card Discount Fees category exceeds $75,000. **Work Program #C55228**

Refer to motion for approval under Agenda Item F.

9. **Office of the Secretary of State - Secretary of State - FY 2021**
Addition of $2,486 in Prior Year Reimbursement to receive reimbursement funds from a canceled software license product. Requires Interim Finance approval since the cumulative amount added to the Reserve for Reversion category exceeds $75,000. **Work Program #C55602**

Refer to motion for approval under Agenda Item F.

10. **Office of the Secretary of State - Help America Vote Act (HAVA) Election Reform - FY 2021**
Transfer of $64,033 from the Operating category to the Personnel Services category and transfer of $33,217 from the Voting Machine Replacement category to the Personnel Services category to cover a projected shortfall through the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Personnel Services category exceeds $75,000. **Work Program #C55648**

Refer to motion for approval under Agenda Item F.

11. **Office of the Secretary of State - Help America Vote Act (HAVA) Election Reform - FY 2022**
Addition of $60,520 in State Homeland Security Program federal funds to continue the Netflow and Intrusion detection system monitoring and enhance cybersecurity capabilities. Requires Interim Finance approval since the amount added to the Homeland Security Grant category exceeds 10% of the legislatively approved amount for that category. **Work Program #C55373**

Refer to motion for approval under Agenda Item F.

12. **Office of the Controller - FY 2021**
Transfer of $49,455 from the Information Services category to the Operating category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Operating category exceeds 10% of the legislatively approved amount for that category. **Work Program #C55293**

Refer to motion for approval under Agenda Item F.

13. Office of the Controller - FY 2022

Addition of $287,259 in Transfer from SMART 21 funds to fund overtime and contracted staff to perform testing on the new financial management system. Requires Interim Finance approval since the amount added to the SMART 21 category exceeds $75,000. **Work Program #C55290**

Refer to motion for approval under Agenda Item F.

14. Department of Administration - Enterprise Information Technology Services - Office of the Chief Information Officer - FY 2022

Addition of $386,766 in Enterprise Information Technology Services (EITS) Office of the Chief Information Officer (CIO) cost allocation funds to cover higher than anticipated excess cyber liability costs in the Insurance Premiums category. Requires Interim Finance approval since the amount added to the Insurance Premiums category exceeds $75,000. **RELATES TO ITEMS F.15, F.16, F.17 and F.19. Work Program #C55162**

Agenda Items F-14, F-15, F-16, F-17, and F-19 were discussed jointly. Refer to discussion and motion for approval under Agenda Item F-19.

15. Department of Administration - Enterprise Information Technology Services - Agency IT Services - FY 2022

Transfer of $162,053 from the Reserve category to the Department Cost Allocation category to cover higher than anticipated excess cyber liability costs. Requires Interim Finance approval since the amount added to the Department Cost Allocation category exceeds $75,000. **RELATES TO ITEMS F.14, F.16, F.17 and F.19**. **Work Program #C55194**

Agenda Items F-14, F-15, F-16, F-17, and F-19 were discussed jointly. Refer to discussion and motion for approval under Agenda Item F-19.

16. Department of Administration - Enterprise Information Technology Services - Computer Facility - FY 2022

Transfer of $120,999 from the Reserve category to the Department Cost Allocation category to cover higher than anticipated excess cyber liability costs. Requires Interim Finance approval since the amount added to the Department Cost Allocation category exceeds $75,000. **RELATES TO ITEMS F.14, F.15, F.17 and F.19. Work Program #C55213**

Agenda Items F-14, F-15, F-16, F-17, and F-19 were discussed jointly. Refer to discussion and motion for approval under Agenda Item F-19.

17. Department of Administration - Enterprise Information Technology Services - Data Communications and Network Engineering - FY 2022

Transfer of $36,732 from the Reserve category to the Department Cost Allocation category to cover higher than anticipated excess cyber liability costs. Requires Interim Finance approval since the amount transferred to the Department Cost Allocation category exceeds 10% of the legislatively approved amount for that category. **RELATES TO ITEMS F.14, F.15, F.16 and F.19. Work Program #C55230**

Agenda Items F-14, F-15, F-16, F-17, and F-19 were discussed jointly. Refer to discussion and motion for approval under Agenda Item F-19.

18. Department of Administration - Enterprise Information Technology Services - IT Security - FY 2022

Addition of $163,800 in federal State Homeland Security Program grant funds transferred from the Division of Emergency Management to enhance the Governance, Risk, and Compliance application, which strengthens cybersecurity risk management for the state. Requires Interim Finance approval since the amount added to the Cyber Security category exceeds $75,000. **Work Program #C54753**

Refer to motion for approval under Agenda Item F.

19. Department of Administration - Risk Management - Insurance and Loss Prevention - FY 2022

Addition of $386,766 in Miscellaneous Insurance Premiums and a transfer of $867,596 from the Reserve category to the Insurance Premiums category to fund higher than anticipated excess cyber liability and Property and Contents policy costs. Requires Interim Finance approval since the amount added to the Insurance Premiums category exceeds $75,000. **RELATES TO ITEMS F.14, F.15, F.16 and F.17. Work Program #C55192**

Agenda Items F-14, F-15, F-16, F-17, and F-19 were discussed jointly.

LAURA FREED (Director, Department of Administration):
This series of work programs became necessary because Risk Management's premiums for two insurance policies—Excess Cyber Liability and Property and Contents—were much higher than budgeted. Cyber Liability increased over 500% from the previous fiscal year, from just under $75,000 to $481,000. Property and Contents increased by 44.5%, from $1.7 million to $2.4 million. Though many of the insurance policies in the Risk Management budget renew on July 1, the quotes from the broker for FY 2022 were not received until after the budget was closed. That requires Risk Management to request to utilize its reserve to pay Property and Contents as well as increase the assessment from various EITS budgets to pay the Cyber Liability premium. The use of reserve to pay for Property and Contents will reduce reserve to less than $160,000, compared to the legislatively approved $1.02 million. Thus, a rate increase during FY 2022 and FY 2023 will be necessary to bring the reserve back to the normal number of days of operating cash

(approximately 90 days) to pay claims for non-workers' compensation lines of insurance. Workers' Compensation has its own reserve category.

CHAIR BROOKS:
In several collaborative interstate legislative groups, this has been a hot topic. Many public and private agencies are falling prey to these schemes.

SENATOR DENIS:
On the Cyber Liability policy, part of the increase is due to market stream and ransomware. Please discuss the willingness of carriers to offer coverage to public entities.

MANDY HAGLER (Administrator, Division of Risk Management, Department of Administration):
Risk Management has seen a hardening of the market over the last several years, specifically toward public entities because they are considered a higher risk. The cyber market has seen a faster hardening than other policies. That is directly related to ransomware and attacks, specifically during COVID-19, when the majority of industries transitioned to telecommuting. Unfortunately, the division does not foresee that changing soon. Public infrastructures are known to be weaker than the private sector as the money is not readily available to increase public infrastructure. Therefore, public entities are considered a risk.

SENATOR DENIS:
Are public entities generally considered to be a higher risk because they do not have the systems and sophistication to fight off cyber-attacks?

MS. HAGLER:
Yes, public entities are known to have more liability due to lack of ability to increase infrastructure against cyber-attacks.

BOB DEHNHARDT (Chief Information Security Officer, EITS, Department of Administration):
Yes, EITS has experienced that in its environment. In general, ransomware incidents have more than doubled since 2018, a trend which is not decreasing. In 2020, recorded ransomware incidents cost approximately $350 million. That is not including ransom payments; that is solely responses to ransomware. That number is low because many organizations do not report unless necessary. The general consensus is that there is a lot more ransomware than what is known. Part of the reason the public sector is higher risk than the private sector is because, in the private sector, information security spending is approximately 10% of total information technology (IT) spending. In the public sector, it is generally 2% to 3%. The lack of investment in information security and cyber security in the public sector makes it more of a target.

SENATOR DENIS:
Nevada has been spending more on technology and cyber security. The state will need to increase that amount to mitigate the risk. The division is requesting funds

to pay for the increase in FY 2022. Will there be additional need in FY 2023? If so, when will the division be able to communicate that information to state agencies that are paying the increase so they can be prepared?

MS. FREED:
The increase would be to the Property and Contents rate, not Cyber Liability. That is what the partner work programs funded by EITS will cover. The division will probably have to submit another set of work programs in FY 2023 to raise the assessment on EITS for the Cyber Liability policy; hopefully, it will not increase again.

Daniel Marlow, Administrator, Division of Administrative Services, Department of Administration will address the rate increase in Property and Contents. He can discuss both the timing and the fiscal impact of the rate increase for both years in the 2021-23 biennium. As noted, the department is in the process of closing FY 2021, so there are many moving parts.

DANIEL MARLOW (Administrator, Division of Administrative Services, Department of Administration):
For the Property and Contents rates, the agency is in the process of closing out FY 2021, which will provide the final numbers that will be used to calculate the reserve level need. The rate increase will likely go into effect at the end of calendar year 2021. There are also a few more policies that have not renewed yet that lead into the calculations for the overall reserve for this budget for the non-workers' compensation insurance lines. With that, the current rate per square foot is approximately 0.10 cents per square foot. Based on current calculations, the rate will increase by approximately 0.05 cents per square foot. For most agencies, the average increase will be approximately $1,500. The rate will be higher for agencies with more square footage. The increase would be for FY 2022 to get the number correct for the operating and liability reserve line items. When the new codes are available for FY 2023, the agency will likely need to consider a mid-year increase in FY 2023.

SENATOR DENIS:
The Cyber Liability policy is anticipated to increase in FY 2023, correct?

MR. MARLOW:
Yes, that is correct; however, the amount is unknown. The agency is uncertain if the policy will be available in future fiscal years, based on information from the market. With that, the agency is not anticipating an EITS rate increase for FY 2022. Based on calculations, the division believes it will be able to operate sufficiently with that, depending on the final figures for FY 2021 and FY 2022, and the policy itself. If the policy is available in FY 2023, the agency may need to consider a rate increase for EITS.

SENATOR DENIS:
How will the state's risk be mitigated if the policy is not available in the future?

MS. FREED:
If Nevada is unable to obtain a Cyber Liability policy, the state may be required to self-insure, which has been the case for other states.

SENATOR DENIS:
That would not be ideal.

MS. FREED:
No, it would not. The agency has a good relationship with the brokers who diligently scour the market and find similar liability limits year to year. However, other states have not been able to procure cyber insurance.

ASSEMBLYWOMAN CARLTON:
In the past, the state has had to transition to self-insurance when certain insurance markets have been difficult to manage. If the state invested funds to upgrade the state's system, would that guarantee a decrease in cost? Is self-insurance being seriously considered in the event that cyber insurance is not available to the state?

MS. FREED:
Yes, I believe the state will be forced to examine the fiscal impact of self-insurance. Nevada has a fairly aggressive information technology security posture. Mr. Dehnhardt can talk about all the ways state information is protected. I anticipate the state will be able to procure a Cyber Liability policy in the 2021-23 biennium; however, I am uncertain about the 2023-25 biennium. That will need to be examined in the next budget cycle.

CHAIR BROOKS:
To expand upon Assemblywoman Carlton's comments and questions: I think the hardening of the system and investments in security are important beyond the potential insurance risk and costs associated with making those investments. Much of the damage in not monetary. It is hard to monetize the exposure of sensitive information such as pensions and benefits. The state's strategy of having an aggressive security posture and hardening of infrastructure is a good strategy in addition to the potential savings associated with insurance or self-insurance.

ASSEMBLYWOMAN JAUREGUI:
Is a premium increase expected with the state's other insurance policies?

MS. FREED:
I believe the policy for which the agency is awaiting a quote is for excess liability—also known as tort liability—that was passed through the Attorney General's Office for this year.

MS. HAGLER:
Yes, the agency is waiting for a quote for excess liability. A premium increase is anticipated as well as limits on the terms and limits. There are a couple small, miscellaneous policies, such as the policies for the Hoover Dam and the Business Enterprises of Nevada (BEN) program for the Bureau of Services to the Blind and

Visually Impaired, that will be up for renewal later this year. A small increase is anticipated for those policies as well. Unfortunately, all lines of insurance, with the possible exception of workers' compensation, range from flat to a 5% increase; most are experiencing an increase. The agency anticipates a substantial increase for excess liability. A meeting is scheduled tomorrow with the broker to discuss quotes for excess liability.

ASSEMBLYWOMAN JAUREGUI:
To clarify: there are some small policies that will likely experience slight increases but only one major policy—excess liability—will likely experience a substantial increase. Is the agency expecting an increase of 500%?

MS. HAGLER:
No, the anticipated increase for excess liability is 20% to 35%.

ASSEMBLYWOMAN JAUREGUI:
Is the 500% increase for cyber liability consistent with what other states are facing?

MS. FREED:
Yes, it is. All public entities are struggling to procure sufficient cyber liability.

MS. HAGLER:
I am a part of the State Risk and Insurance Management Association. Some colleagues in other states were unable to procure cyber liability insurance or chose to self-insure due to the rate increase.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEMS F-14, F-15, F-16, F-17, AND F-19.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

20. Cannabis Compliance Board - Marijuana Regulation and Control Account - FY 2021

Addition of $147 in Excise Tax Medical, ~~$17,075,537~~ ***$17,651,114*** in Excise Tax-Wholesale, $2,109,929 in Establishment Application Licenses and Fees, $2,000 in Board Filing Fee, $1,281,078 in Agent Card Registrations, ~~$429,996~~ ***$450,844*** in Time and Effort Assessments, $1,757,549 in Civil Penalties, $172 in Miscellaneous Revenue, and deletion of $250 in Administration Fees Returned Check and $4,664 in Coronavirus Aid, Relief and Economic Security Act, Coronavirus Relief Funds to align revenue authority with expected cash and enable the transfer of unused revenue to the Distributive School Account at the close of FY 2021. Requires Interim Finance approval since the amount added to the Transfer to Distributive School Account category exceeds $75,000. **Work Program #C54578. REVISED 8-3-21.**

Refer to motion for approval under Agenda Item F.

21. Cannabis Compliance Board - Marijuana Regulation and Control Account - FY 2022

Addition of $9,900,000 in Establishment Licenses and Fees and ~~$1,918,080~~ ***$959,040*** in Time and Effort Assessments to fund staff and resources needed to implement the provision of Assembly Bill 341 approved during the 2021 Legislative Session. Requires Interim Finance approval since the amount added to the Transfer to Pupil-Centered Funding Plan category exceeds $75,000. **RELATES TO ITEMS F.7 and 22. Work Program #C55003. REVISED 8-3-21.**

Agenda Items F-7, F-21, and F-22 were discussed jointly. Refer to testimony and motion for approval under Agenda Item F-22.

22. Department of Education - Pupil-Centered Funding Plan Account - FY 2022

Addition of ~~$10,200,977~~ ***$9,241,937*** in cannabis revenue transferred from the Cannabis Compliance Board to support the Pupil-Centered Funding Plan. Requires Interim Finance approval since the amount added to the Adjusted Base Pupil Funding category exceeds $75,000. **RELATES TO ITEM F.21. Work Program #C55631. REVISED 8-3-21.**

Agenda Items F-7, F-21, and F-22 were discussed jointly.

JESSICA ADAIR (Chief of Staff, Office of the Attorney General [OAG]):
The work program in Agenda Item F-7 is consistent with what the OAG submitted as a fiscal note for the bill that authorized the cannabis consumption lounge regulatory scheme. The funds will pay for two Senior Deputies Attorney General and one Legal Secretary 2 to perform the legal work necessary to stand up the regulatory scheme and assist the client in its continued regulation and enforcement of consumption lounges. The work program was submitted in consultation with the client and will be funded exclusively through Cannabis Compliance Board (CCB) revenues. The positions will work exclusively on matters for the client. This work program is consistent with what was discussed during the 2021 Legislative Session.

TYLER KLIMAS (Executive Director, CCB):
The work program in Agenda Item F-21 would add approximately $11 million in new revenue and fund the necessary resources and new staff needed to implement the provisions of A.B. 341 (2021 Legislative Session), which authorizes cannabis consumption lounges. All the positions and program-related expenses included in the work program will be funded through new revenue by implementing consumption lounges, including application and licensing fees and the time and effort that will be billed by the new positions. After staffing and program expenses, an estimated $9 million will be deposited into the Pupil-Centered Funding Plan at the end of this fiscal year.

The request for new, full-time positions mirrors the fiscal note submitted for the bill. However, the original request has been scaled down now that there is more clarity on the expected number of consumption lounges. This analysis was done at the request of the Assembly Committee on Ways and Means and the Senate

Committee on Finance. The original request included 30 positions, but the work program only requests 23 positions. The positions will support all aspects of facilitating consumption lounges, including administrative and program support staff, inspection and audit staff to perform pre-opening and ongoing compliance checks, investigation staff to perform background checks and suitability determinations, and enforcement staff to perform regulatory and criminal investigations. A more detailed description of these duties as well as the workload statistics used to determine the number needed are included in the supporting materials (Exhibit A).

The agency examined the anticipated personnel needs during the entirety of the consumption lounge rollout period, which allowed the CCB to stagger the start dates for the requested positions throughout the fiscal year to save on costs. The request for 23 positions is based on a projection of 60 licenses to be issued in the first year: approximately 40 retail-attached licenses and 20 independent licenses. The CCB was able to develop better numbers once the bill passed; it was a moving target during the session as the bill was amended.

The CCB has begun developing draft regulations and designing the application and licensing process. The full promulgation process will take place over several months, facilitated by a number of public meetings and workshops. The CCB, the OAG, and the newly initiated Cannabis Advisory Commission will be tasked with finalizing the lounge regulations through a number of subcommittees. Those subcommittees will begin meeting at the end of August 2021 to begin developing their recommendations around the topics of public health, public safety, and social equity, as they pertain to the lounges.

One of the first actions that was required of the CCB in A.B. 341 was to send a letter to all adult-use retail stores, indicating that they may qualify for a retail-attached consumption lounge license. In addition, the CCB included in the letter a request for any licensee to indicate if they plan to apply for a lounge license and to indicate if they could reasonably open one in the first half of 2022. This was done in part to gauge interest in the program but also to provide potential opportunity for the investigations team to get a head start on suitability and background checks. To date, the CCB has received 59 letters of intent from adult-use retail stores indicating that they plan to apply and open a retail-attached lounge. The original project was 40 retail-attached lounges, which means there is a lot of interest in the program. I believe this underscores the importance of ensuring the appropriate resources are in place for an effective and safe rollout of consumption lounges. The CCB understands that adding 23 new positions will require significant efforts in recruitment, hiring, and training. However, the agency has taken preemptive steps to prepare for this growth. The CCB looks forward to onboarding new talent to facilitate and regulate consumption lounges in Nevada.

ASSEMBLYMAN YEAGER:
When will the $100,000 licensing fee per retail-attached consumption lounge start being collected? When will the first lounge be operational?

MR. KLIMAS:
Over the next six months, the CCB will be developing regulations, and the subcommittees and advisory committees will work on their recommendations for the CCB. If all goes as planned, final workshops on consumption lounges will be held at the end of the year. If that happens, the CCB will be able to vote on adopting the regulations in December 2021 or the beginning of 2022. Once the regulations are in place, application and licensing can proceed. Lounges should begin to open, and licensing revenue collected in the first half of 2022.

ASSEMBLYMAN YEAGER:
How will the 23 new positions assist with the establishment of lounges and compliance with the regulations?

MR. KLIMAS:
Implementation of a program of this size and complexity touches all aspects and all core functions of the agency: administration and licensing, audit and inspection, investigation, and enforcement. There will be additions in staffing in each of those categories.

Administration and licensing staff will oversee the process of accepting applications. Administrative support staff will process agent cards. The CCB anticipates a lot more agent card applications and a lot more workforce entering the cannabis industry as a result of the consumption lounges.

For audit inspectors, after initial research on consumption lounges, they will review lounge plans, conduct pre-opening inspections, final inspections, and ongoing compliance inspections. With a new program like this, the consumption lounges will be visited more frequently than the retail establishments, at least on the front end. New and existing cannabis businesses need to be deemed suitable by the CCB before being issued a consumption lounge license. The consumption lounge is a new license so the investigations team will need to conduct suitability checks and draft suitability reports to the CCB. The CCB will need to deem an applicant suitable to own a consumption lounge license at a public meeting.

The CCB currently has an enforcement team of four Peace Officers Standards and Training (POST) officers. Four more officers will be added in April 2022, when the first lounges are anticipated to open. The enforcement team will perform regulatory and criminal investigations and will need to be available 24/7, knowing that lounge hours will likely match that.

ASSEMBLYMAN YEAGER:
The current hiring market is tight. The CCB is looking to add 23 new positions in addition to the 10 new positions that were approved in the 2021 Legislative Session. How does the CCB plan to hire and onboard 33 staff in time to make this program a success?

MR. KLIMAS:
I view the 10 positions as part of the budget approval and the 23 as part of the

consumption lounges in this request. The CCB needed the 10 positions yesterday. Those positions will focus on the existing needs of the CCB. Some of the positions of those 10 are nontraditional, such as an Administrative Law Judge and Legal Secretary. The CCB has already started recruitment for those positions, which go into effect October 1, 2021. Some of those 10 positions are auditors and inspectors. The CCB is requesting additional auditors and inspectors for the consumption lounges, but the positions will not overlap. The CCB will begin hiring consumption lounge auditors and inspectors in January 2022 and then again in April 2022.

The CCB understands the challenge of recruiting a large number of staff. The CCB has already implemented an employment page on its website and is also utilizing social media to announce recruitments. The CCB is using best practices from counterparts in other states and also establishing its own best practices. The CCB is developing a relationship with the university system. I have presented in front of the public health class at the University of Nevada, Reno, discussing the agency in an effort to drive recruitment. The CCB can underfill positions if necessary.

The implementation of consumption lounges is not taking the CCB by surprise. The CCB leadership team met in October 2020, six months before the agency came online. The leadership team knew where the CCB wanted to go and that the agency would grow, so the agency is prepared.

ASSEMBLYMAN YEAGER:
During the 2021 Legislative Session, there was discussion about the cannabis consumption lounge model and the upfront investment to regulate the lounges and get them up and running, just as there was with medical cannabis and adult-use cannabis. The hope is that the revenue will cover those expenses and then some. There is some additional revenue projected for the Distributive School Account (DSA). Since the passage of the bill, is the CCB confident that the consumption lounge industry will pay for itself and fund education?

MR. KLIMAS:
Growth has been approximately 30%, month over month, year over year, other than the one or two months during the COVID-19 shutdown when there was a limited increase. You alluded to Agenda Item F-20 and the $17 million to be deposited into the DSA over the projected amount. That amount is comprised of tax revenue, time and effort billings, and civil penalties now that the industry is being regulated as it should be. I do not anticipate a reduction in growth.

ASSEMBLYWOMAN CARLTON:
The projected number of independent consumption lounge applications is 500. How did the CCB arrive at that figure?

MR. KLIMAS:
In 2014, during the first round of medical marijuana licenses, the DPBH received a total of 520 applications for all establishment types: cultivation, production, dispensary, and labs. In 2018, for the most recent round of retail licensing, the

Department of Taxation received 462 applications. Both of those rounds of licensing were severely underestimated as to how many license applications would be received. Thus, the CCB believes the actual number of consumption lounge applications will also be higher than projected.

Currently, there are approximately 160 licensees that have either a cultivation facility or production facility but do not have a retail store. The CCB expects that the majority—if not all—will apply to open an independent lounge. There is no residency requirement for the independent licenses, so the expectation is that approximately 100 out-of-state businesses will apply as well. There is also a group of specialized entrepreneurs at restaurants, comedy clubs, night clubs, and yoga studios. The CCB expects that at least 200 of those, including in- and out-of-state businesses, will apply. There is also a small group of people who do not have any cannabis experience but want to get into the industry; the CCB projected approximately 40 of those types of applicants. Using the historical licensing rounds as context, 500 is a number with which the CCB feels confident. However, it may be a low estimate. The cannabis consumption lounge license in Nevada is the first in the nation. As long as businesses are compliant, there are minimal restrictions related to the business model or level of experience.

HEIDI HAARTZ (Deputy Superintendent, Student Investment Division, NDE):
The work program in Agenda Item F-22 is a companion work program to Agenda Item F-21. The work program aligns the revenue that is expected to be transferred into the Pupil-Centered Funding Plan account with the revenue projections that have been updated by the CCB. This work program would increase the revenue and expenditure authority by approximately $9.2 million in FY 2022.

SENATOR KIECKHEFER:
Is there an estimate for FY 2023? A lot of this revenue is tied to one-time application fees. Can the state expect a revenue stream at the same level?

MR. KLIMAS:
The one-time application fees will be realized in year one. That amount is not anticipated in year two. The consumption lounge licenses are not capped. There will be another licensing round likely next year. The CCB does not expect that large of a revenue influx after the initial licensing round.

> ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEMS F-7, F-21, AND F-22.
>
> SENATOR DENIS SECONDED THE MOTION.

ASSEMBLYWOMAN TITUS:
Although I voted against the consumption lounges during the 2021 Legislative Session, I do think they need to be regulated. I am concerned about the cost to regulate this industry versus the actual amount going toward education; however, I will support the motion.

THE MOTION PASSED UNANIMOUSLY.

23. Department of Education - COVID-19 Funding - FY 2022
Addition of $18,597,745 in federal American Rescue Plan (ARP) Act funds to support Individuals with Disabilities Act and early childhood education activities. Requires Interim Finance approval since the amount added to the ARP - Supplemental Local category exceeds $75,000. **Work Program #C55115**

Agenda Items F-23, F-24, F-25, F-26, and F-28 were discussed jointly. Refer to testimony and motion for approval under Agenda Item F-28.

24. Department of Education - COVID-19 Funding - FY 2022
Transfer of $2,120,880 from the American Rescue Plan (ARP) Act Reserve category to the ARP Elementary and Secondary School Emergency Relief (ESSER) III State Education Agency (SEA) Reserve category to support two projects related to opportunity gaps, access to adult education, and workforce development opportunities. Requires Interim Finance approval since the amount transferred to the ARP ESSER III SEA Reserve category exceeds $75,000. **Work Program #C55382**

Agenda Items F-23, F-24, F-25, F-26, and F-28 were discussed jointly. Refer to testimony and motion for approval under Agenda Item F-28.

25. Department of Education - COVID-19 Funding - FY 2022
Transfer of $8,000,000 from the American Rescue Plan (ARP) Act Reserve category to the ARP Elementary and Secondary School Emergency Relief (ESSER) III State Education Agency (SEA) Reserve category to fund teacher projects through the DonorsChoose website. Requires Interim Finance approval since the amount transferred to the ARP ESSER III SEA Reserve category exceeds $75,000. **Work Program #C55467**

Agenda Items F-23, F-24, F-25, F-26, and F-28 were discussed jointly. Refer to testimony and motion for approval under Agenda Item F-28.

26. Department of Education - COVID-19 Funding - FY 2022
Transfer of ~~$2,438,627~~ ***$1,896,465*** from the American Rescue Plan (ARP) Act Reserve category to the ARP Elementary and Secondary School Emergency Relief (ESSER) III State Education Agency (SEA) Reserve category to fund an increase in a data and assessments contract. Requires Interim Finance approval since the amount transferred to the ARP ESSER III SEA Reserve category exceeds $75,000. **RELATES TO ITEM F.28**. **Work Program #C55597. REVISED 7-22-21.**

Agenda Items F-23, F-24, F-25, F-26, and F-28 were discussed jointly. Refer to testimony and motion for approval under Agenda Item F-28.

27. Department of Education - Teach Nevada Scholarship Program - FY 2022
Transfer of $424,634 from the 25% Holdback Reserve category to the Teach NV Scholarship 25% category to support the expected payments for FY 2022. Requires Interim Finance approval since the amount transferred to the Teach NV Scholarship 25% category exceeds $75,000. **Work Program #C54768**

Refer to motion for approval under Agenda Item F.

28. Department of Education - Assessments and Accountability - FY 2022
Addition of ~~$2,438,627~~ ***$1,896,465*** in federal American Rescue Plan Act funds transferred from the Department of Education COVID-19 Funding account to fund an increase in a data and assessments contract. Requires Interim Finance approval since the amount added to the State Assessments Contracts category exceeds $75,000. **RELATES TO ITEM F.26. Work Program #C55600. REVISED 7-22-21.** Agenda Items F-23, F-24, F-25, F-26, and F-28 were discussed jointly.

HEIDI HAARTZ (Deputy Superintendent, Student Investment Division, NDE):
Agenda Item F-23 requests authority to receive and expend approximately $18.6 million in additional American Rescue Plan Act (ARPA) funding. The ARPA includes supplemental funding for the Individuals with Disabilities Education Act (IDEA). These funds are intended to support early intervention and special education services for infants, toddlers, children, and youth with disabilities and their families.

Agenda Item F-24 seeks authority to transfer funds from the Reserve category for the ARPA Elementary and Secondary School Emergency Relief (ESSER) funding to the Expense category to proceed with two projects that have been identified as reasonable and appropriate for the use of these funds. This would include projects that would allow the NDE to address closing the opportunity gaps for certain students who have traditionally been underserved and to provide access to adult education and work development opportunities for eligible learners.

Agenda Item F-25 seeks to transfer funding out of Reserve and into the expense category so the NDE can enter into an agreement with DonorsChoose. During the 2021 Legislative Session, the department put forth that request as part of a budget amendment. The members of the money committees asked the NDE to continue to work with DonorsChoose to determine if there are ways to reduce the project management costs. The department has been successful in those negotiations.

Agenda Item F-26 also seeks to transfer ARPA ESSER funding out of the Reserve category and into an expenditure category. This would allow the department to fulfill a contractual agreement with an existing vendor to continue assessments of students. This contract was negotiated during the 2021 Legislative Session. During the negotiations, it was determined that there were some increases in the cost for these services that could not be addressed during the legislative session. The NDE would like to backfill that contract for the 2021-23 biennium using the emergency relief funds.

Agenda Item F-28 is a companion work program that would allow the NDE to fulfill a

contractual obligation.

ASSEMBLYWOMAN GORELOW:
Please elaborate about the projects and how they will assist the school districts and charter schools as they recover from the pandemic.

JHONE EBERT (Superintendent of Public Instruction, NDE):
All these projects are in alignment with how the funds are allowed to be used during the COVID-19 pandemic. In addition to the federal guidance, the Nevada Board of Education established eight parameters for the expenditure of these funds, including social-emotional support, ensuring acceleration of learning, and support for educators. All the work programs align with those guidelines.

ASSEMBLYWOMAN GORELOW:
In Agenda Item F-23, early intervention is mentioned. What does that encompass?

JONATHAN MOORE (Deputy Superintendent of Student Achievement, NDE):
In special education, early intervention includes ensuring that when students are in the initial phases of diagnosis or even prior to diagnosis, they receive the necessary supports to potentially correct challenges they may be encountering.

ASSEMBLYWOMAN GORELOW:
Would that be children from birth to three years or as they transition into the school system?

DR. MOORE:
There are two funding streams under this award: IDEA Part B covers students in K-12 and Part C covers students in early childhood. Both parts combined make up this award to school districts to support early interventions as well as other services.

SENATOR BUCK:
I love DonorsChoose because it engages the outside communities in business and industry by having teachers write simple grants for what they need in their schools for their students. DonorsChoose has raised over $500,000 from outside agencies. Is there something in play to get private industry and business involved to double the amount of funds?

MS. EBERT:
DonorsChoose is not only an investment directly into classrooms for teachers and students, but it also amplifies the opportunity for the private sector to support communities. The NDE recently received a report from DonorsChoose. Over the years, Nevada educators have received over $10 million from private sector entities in Nevada and around the United States. People want to support educators. They see the projects and innovation and have been providing funds. The funding is not only provided at the state level; the private sector is able to directly invest into classrooms.

SENATOR BUCK:
It is helpful to have matched funding from outside agencies.

SENATOR KIECKHEFER:
What is the distribution formula for the IDEA funds? It appears the initial calculation is based on total student population and an overlay based on poverty. I do not recall using poverty as a distribution piece for special education funds in the past.

DR. MOORE:
The distribution of funds uses the same formula for IDEA Part B and Part C. It is important to note that these are supplemental funds that were allocated to the local educational agencies (LEAs) by formula. This was at the direction of the Office of Special Education Programs through the United States Department of Education. All funds must be allocated to LEAs; funds may not be used to increase set-aside funding. Part of the allocation methodology states that 85% of the funds must be allocated according to each LEA's relative proportion of the total public and private school enrollment. This is sometimes referred to as the population distribution. The remaining 15% of those funds are allocated by each LEA's relative proportion of free and reduced-price lunch participants. You may notice variation because these are supplemental funds in response to COVID-19. The United States Department of Education added the component.

ASSEMBLYWOMAN MILLER:
Regarding Agenda Item F-28 and testing in three languages. In 2019, legislation was passed stating that Nevada would offer standardized tests in all languages available from the testing provider. I believe the Smarter Balanced Assessment Consortium (SBAC) now offers 20 core languages. It says "to translate various assessments"—does that include all assessments, not just the SBAC? Why is it limited to Spanish, Chinese, and Tagalog? Are there plans to increase? Students in Nevada speak more than those three languages.

DR. MOORE:
There are two considerations regarding the translation. There was not an appropriation made when the 2019 legislation was passed. Nevada is fortunate to have the federal relief funds to be able to do this. The proposal is for the assessments within the Nevada State Assessment System. The SBAC currently offers the assessment in multiple languages. Based on the amount of funding, the NDE has prioritized the top three languages spoken in Nevada. It is important to note that, for many of the languages, it is not necessarily the assessment but various components of the assessment, such as the glossary and tools offered in those multiple languages to support students. This request seeks to implement those at this time, based on the funding available and what the vendor has available.

ASSEMBLYWOMAN MILLER:
Once provided, will this be ongoing, or will the translations and support systems only be available during the 2021-2022 school year? Will this be continued with future contracts with the vendors?

DR. MOORE:
The department hopes it will continue. As the department looks to negotiate contract extensions or new contracts, this will be a service that will be included in those negotiations. It may require additional appropriations depending on cost, but the department hopes to continue providing these supports to students in the future.

CHAIR BROOKS:
I appreciate NDE staff addressing many of the issues brought up by the members during the legislative session regarding DonorsChoose and developing creative ideas to address some of those concerns while continuing to use this tool to implement resources in high-needs areas. How does the NDE plan to promote this to educators?

MS. EBERT:
When I first became the State Superintendent of Public Instruction, teachers felt that they did not have direct communication from the NDE. I began communicating directly with educators about opportunities from the NDE that were available to them. There is a direct link between me and all licensed educators in the state. Layering that, nine school districts have a DonorsChoose liaison that helps work with educators—if they choose to take advantage—to develop their projects, make sure they are aligned with state standards, and ensure they are not missing a component to have a successful project launch within their classroom for their students. DonorsChoose has heard the Legislature's questions. The company is changing components of their website based on feedback from members of the IFC. It is a layered approach with me directly to the educators, districts supporting the teachers, DonorsChoose, and I hope the Committee as well.

CHAIR BROOKS:
Please provide a quick and easy way to share information about DonorsChoose. Also, what guidelines are used by DonorsChoose to determine which projects will receive funding?

MS. EBERT:
The standard components for projects within DonorsChoose start with the educator writing an essay describing their project and the idea they have for enhancing student learning. The teacher selects the resources needed to bring that project to life. DonorsChoose staff gathers the components to mail directly to the teachers. That is the base and standard work that DonorsChoose has done. The State of Nevada has asked DonorsChoose to customize additional components and create a help center that explains the steps for qualification.

During the process, teachers will be asked if they are requesting instructional materials and, if so, they must align their project to the Nevada Academic Content Standards. Teachers will also be asked if they are requesting professional development support not directly aligned to a standard but aligned with Nevada's COVID-19 response and recovery. There are four categories in that area: ensuring safe and healthy in-person learning environments conducive to social and emotional academic development; access to distance education and technology capacity for

educators, students, and families; social-emotional support of students in response to COVID-19; and support to parents, families, and communities. Those components are specific to the Nevada projects based on working with the NDE and DonorsChoose.

SENATOR DONDERO LOOP:
If a teacher is trying to acquire curriculum materials, is there a place on the DonorsChoose website to see the funding available in Nevada?

MS. EBERT:
If the work program is approved, there will be a component specific to Nevada educators. Since the time the department last met, DonorsChoose has created a website specifically for the State of Hawaii. Nevada will have a similar location base specific to the state.

ASSEMBLYWOMAN CARLTON:
The biggest concern that I heard during the previous discussion was the 15% fee, which would equate to approximately $1.2 million. That is no longer part of this discussion because DonorsChoose said that it will absorb that fee. I am assuming that the department will give DonorsChoose $8 million all at once and DonorsChoose will earn revenue based on those dollars. If that is true, my concern is that if things do not go as intended, there are not many options. Will the funds be disbursed in a single payment or proportionally? There is no requirement for a match in this program; this is an appropriation of $8 million to a private entity to support teachers. Can you confirm that?

MS. EBERT:
The process will be conducted on a reimbursement basis. DonorsChoose will send the NDE an invoice when projects are approved. You are correct; there is not a match requirement. The $8 million will be allocated from the state with no match requirement.

ASSEMBLYMAN WATTS:
I have seen that some schools have many teachers posting projects, and some have just one or none. Does the NDE plan to identify and target areas where there is a lack of projects? Will the department layer in an analysis to ensure that schools that are serving lower-income student populations are represented? Those schools in particular struggle to bring in some of the supplemental resources to support initiatives.

MS. EBERT:
As I noted, there are nine school districts that already have staff identified to support DonorsChoose and help teachers post projects. Sometimes staff members are not aware of opportunities, and it is incumbent upon the NDE to make sure that everyone is aware of the program. The department must be strategic with the data of those who traditionally have not posted projects. I have not had the opportunity to reach out directly to principals, but all 17 superintendents as well as the State Public Charter School Authority are aware of this program. I met with a group of

superintendents to ensure this is a wise use of funds, getting the funds directly to classroom teachers who have endured so much with this shift. Teachers know firsthand what their students need. They are closest to students. The superintendents will also be amplifying. The dashboard that DonorsChoose has shown the NDE for tracking projects and educators is robust. The state will have the option to sort by school, grade level, and academic standards. It will take a lot of people to reach educators to make sure they are aware of this opportunity.

Regarding the equity component, the program will be large scale, first in, first out. The NDE will reassess the expenditure of funds in December 2021. As mentioned, Hawaii had a smaller project; however, the number of applications was higher than predicted and the funds were allocated quickly. That is good news that funding was taken advantage of in a quick time frame.

ASSEMBLYMAN WATTS:
I look forward to seeing the expenditure data so that outreach and intervention can be modified to ensure the funds are disbursed to areas of need and to all grade levels.

CHAIR BROOKS:
The Committee would like the NDE to submit a quarterly report to the IFC showing the summary of funding awarded and a list of projects that have or have not been funded.

> ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEMS F-23, F-24, F-25, F-26, AND F-28 AND TO REQUIRE THE NEVADA DEPARTMENT OF EDUCATION TO PROVIDE QUARTERLY STATUS REPORTS ON THE DONORSCHOOSE PROGRAM TO THE INTERIM FINANCE COMMITTEE.
>
> SENATOR DENIS SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY.

29. Department of Education - Continuing Education - FY 2022
Addition of $400,021 in federal Supporting and Advancing Nevada's Dislocated Individuals (SANDI) grant funds transferred from the Office of Workforce and Innovation to support adult education students pursuing postsecondary credentials. Requires Interim Finance approval since the amount added to the SANDI Project ATS category exceeds $75,000. **Work Program #C55179**

Refer to motion for approval under Agenda Item F.

30. State Public Charter School Authority - FY 2022

Addition of $53,522,439 in federal American Rescue Plan (ARP) Act - Elementary and Secondary School Education Relief (ESSER) funds transferred from the Nevada Department of Education to address the disruptions to teaching and learning resulting from the pandemic. Requires Interim Finance approval since the amount added to the ARP ESSER category exceeds $75,000. **Work Program #C55051**

Refer to motion for approval under Agenda Item F.

31. Nevada System of Higher Education - Western Interstate Commission for Higher Education Administration - FY 2021

Transfer of $658 from the In-State Travel category and $2,759 from the Operating category to the Personnel Services category to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Personnel Services category exceeds $75,000. **Work Program #C55347**

Refer to motion for approval under Agenda Item F.

32. Nevada System of Higher Education - Western Interstate Commission for Higher Education - Loans and Stipends - FY 2021

Addition of $107 in Penalties, $6,291 in Interest Income and $153,685 in Loan Repayment revenue, and deletion of $55,663 in the In-Lieu Repayment revenue to support the Health Care Access Program (HCAP). Requires Interim Finance approval since the amount added to the HCAP category exceeds $75,000. **Work Program #C55393**

Refer to motion for approval under Agenda Item F.

33. Nevada System of Higher Education - Prison Education Program - FY 2022

Transfer of $88,699 from the Personnel Services category and $53 from the Operating category to the College of Southern Nevada, Prison Program category, transfer of $10,902 from the Personnel Services category, and $53 from the Operating category to the Western Nevada College, Prison Program category, and transfer of $103,452 from the Personnel Services category and $106 from the Operating category to the Truckee Meadows Community College (TMCC), Prison Program category to align personnel services and related costs in each institution's specific category. Requires Interim Finance approval since the amount transferred to the TMCC, Prison Program category exceeds $75,000. **Work Program #C55515**

Refer to motion for approval under Agenda Item F.

34. Nevada System of Higher Education - Capacity Building Enhancement - FY 2022

Transfer of $577,795 from the Personnel Services category and $618 from the Operating category to the Great Basin College category, transfer of $419,425 from the Personnel Services category and $442 from the Operating category to the Nevada State College category, transfer of $3,931,993 from the Personnel Services category and $4,062 from the Operating category to the College of Southern Nevada (CSN) category, transfer of $284,517 from the Personnel Services category and $265 from the Operating category to the Western Nevada College category, and transfer of $186,612 from the Personnel Services category and $177 from the Operating category to the Truckee Meadows Community College category to align personnel services and related costs in each institution's specific category. Requires Interim Finance approval since the amount transferred to the CSN category exceeds $75,000. **Work Program #C55531**

Refer to motion for approval under Agenda Item F.

35. Department of Agriculture - Agriculture Registration/Enforcement - FY 2022

Transfer of $40,163 from the Reserve category to the Pesticide Disposal Fund category to fund contracted services for collection and removal of unwanted pesticides. Requires Interim Finance approval since the amount transferred to the Pesticide Disposal Fund category exceeds 10% of the legislatively approved amount for that category. **Work Program #C55402**

Refer to motion for approval under Agenda Item F.

36. Department of Agriculture - Veterinary Medical Services - FY 2021

Transfer of $637 from the In-State Travel category to the Personnel Services category, $13 from the Operating Expenses category to the Personnel Services category, $6,492 from the Diagnostic Lab Services category to the Personnel Services category, and $12,862 from the Department Cost Allocations category to the Personnel Services category to fund a shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Personnel Services category exceeds $75,000. **Work Program #C55644**

Refer to motion for approval under Agenda Item F.

37. Department of Agriculture - Livestock Enforcement - FY 2021

Addition of $4,070 in Transfer from the Livestock Inspection account and $1,321 in Transferred from the Agriculture Registration/Enforcement account to fund a salary shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Personnel Services category exceeds $75,000. **Work Program #C55621**

Refer to motion for approval under Agenda Item F.

38. Department of Agriculture - Nutrition Education Programs - FY 2022
Addition of $12,525,815 in federal National School Lunch Program grant funds and $1,580,095 in federal Child and Adult Care Food Program Emergency Operational Costs grant funds to provide additional funding for local child nutrition program operators whose revenues were interrupted due to the COVID-19 pandemic. Requires Interim Finance approval since the amount added to the Child Nutrition Emergency Operational Costs category exceeds $75,000. **Work Program #C55173**

Refer to motion for approval under Agenda Item F.

39. Department of Agriculture - Nutrition Education Programs - FY 2022
Addition of $42,722 in federal Child and Adult Care Food Program (CACFP) Meal Service Training grant funds and $683 in federal State Administrative Expenses for Child Nutrition Program grant funds to support a contracted position to provide hands-on training for meal planning and special dietary accommodations. Requires Interim Finance approval since the amount transferred to the CACFP Meal Service category exceeds 10% of the legislatively approved amount for that category. **Work Program #C55204**

Refer to motion for approval under Agenda Item F.

40. Public Utilities Commission of Nevada - FY 2022
Transfer of $228,771 from the Reserve category to the Personnel Services category, transfer of $142,679 from the Reserve category to the Operating category, transfer of $7,716 from the Reserve category to the Equipment category, and transfer of $2,804 from the Reserve category to the Information Services category to fund personnel and related costs to support the implementation of Senate Bill 448 of the 2021 Legislative Session. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **Work Program #C54831**

Refer to motion for approval under Agenda Item F.

41. Public Utilities Commission of Nevada - FY 2023
Transfer of $303,330 from the Reserve category to the Personnel Services category to fund personnel costs for the implementation of Senate Bill 448 of the 2021 Legislative Session. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **Work Program #C54893**

Refer to motion for approval under Agenda Item F.

42. Department of Business and Industry - New Markets Performance Guarantee - FY 2022
Transfer of $1,750,000 from the Reserve category to the Qualified Equity Investment (QEI) Performance Costs category to refund fees to eligible applicants. Requires Interim Finance approval since the amount transferred to the QEI Performance Cost category exceeds $75,000. **Work Program #C55415**

Refer to motion for approval under Agenda Item F.

43. Department of Business and Industry - Real Estate - Administration - FY 2021
Addition of ~~$45,650~~ ***$47,890*** in Testing Fees, ~~$11,409~~ ***$10,389*** in Property Manager Exam Registration Fees, and transfer of $228,340 from the Testing Services category to the Transfer to General Fund Testing Fees category due to a higher than anticipated number of exams taken and testing fees collected through the end of the fiscal year. Requires Interim Finance approval since the amount added to the Transfer to General Fund category exceeds $75,000. **Work Program #C53950. REVISED 8-6-21.**

Refer to motion for approval under Agenda Item F.

44. Department of Business and Industry - Real Estate - Recovery Account - FY 2021
Addition of $3,320 in Recovery fees, deletion of $2,385 in Treasurer's Interest Distribution, and transfer of $48,353 from the Settlement Disbursements category to the Transfer to Education and Research category to allow for projected receipts and required transfer of surplus to the Real Estate Education and Research account. Requires Interim Finance approval since the cumulative amount added to the Transfer to Education and Research category exceeds $75,000. **Work Program #C54372**

Refer to motion for approval under Agenda Item F.

45. Department of Business and Industry - Labor Commissioner - FY 2022
Addition of $106,232 in Transfer from Department of Employment, Training and Rehabilitation to support the State Apprenticeship Director position as approved in Assembly Bill 459 of the 2021 Legislative Session. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **Work Program #C55094**

Refer to motion for approval under Agenda Item F.

46. Governor's Office of Economic Development - FY 2022
Addition of $98,568 in federal Stabilization Fund Reimagine Workforce Preparation Grant funds transferred from the Office of Workforce Innovation to support a new temporary Project Coordinator position to continue activities under the Supporting and Advancing Nevada's Dislocated Individuals (SANDI) project. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds $75,000. **Work Program #C54786**

Refer to motion for approval under Agenda Item F.

47. Department of Tourism and Cultural Affairs - Tourism Development Fund - FY 2021

Transfer of $18,237 from the Reserve category to the Lost City Museum category to cover a projected shortfall for the museum due to the effects of the COVID-19 pandemic. Requires Interim Finance approval since the cumulative amount transferred to the Lost City Museum category exceeds 10% of the legislatively approved amount for that category. **Work Program #C55565**

Refer to motion for approval under Agenda Item F.

48. Department of Tourism and Cultural Affairs - Tourism Development Fund - FY 2022

Transfer of $350,000 from the Marketing and Advertising category to the Tourism Grants category to support funding projects related to tourism-based community planning in rural areas. Requires Interim Finance approval since the amount added to the Tourism Grants category exceeds $75,000. **RELATES TO ITEM F.49. Work Program #C55425. WITHDRAWN 7-28-21.**

49. Department of Tourism and Cultural Affairs - Tourism Development - FY 2022

Addition of $350,000 in Transfer from Commission on Tourism funds to award tourism grants to support tourism-based community planning in rural areas. Requires Interim Finance approval since the amount added to the Tourism Grants category exceeds $75,000. **RELATES TO ITEM F.48. Work Program #C55426. WITHDRAWN 7-28-21.**

50. Department of Tourism and Cultural Affairs - Indian Commission - FY 2021

Addition of $2,017 in Transfer from Commission on Tourism funds, transfer of $5,199 from the Out-of-State Travel category to the Personnel Services category, and transfer of $3,519 from the In-State Travel category to the Personnel Services category to cover a projected salary shortfall after budget reduction adjustments. Requires Interim Finance approval since the cumulative amount transferred to the Personnel Services category exceeds 10% of the legislatively approved amount for this category. **Work Program #C54389**

Refer to motion for approval under Agenda Item F.

51. Department of Health and Human Services - Director's Office - Data Analytics - FY 2022

Addition of $267,984 in Centers for Disease Control and Prevention grant funds for the Nevada Violent Death Registry System to continue to collect and disseminate collected data. Requires Interim Finance approval since the amount added to the National Violent Death Reporting category exceeds $75,000. **RELATES TO ITEM F.61. Work Program #C55208**

Refer to motion for approval under Agenda Item F.

52. Department of Health and Human Services - Aging and Disability Services - Home and Community-Based Services - FY 2022

Addition of $236,836 in federal Consolidated Appropriations Act (CAA) 2021 grant funding to provide a targeted outreach campaign for individuals under 60 and caregivers to increase COVID-19 vaccine education and access. Requires Interim Finance approval since the amount added to the Aging and Disabilities Resource Center COVID-19 (CAA) category exceeds $75,000. **Work Program #C54888**

DENA SCHMIDT (Administrator, Aging and Disability Services Division, DHHS):
This work program adds $236,000 in federal grant funds to the Home and Community-Based Services budget with the goal of improving access to COVID-19 vaccinations for individuals aged 60 and under as well as caretakers. The Aging and Disability Services Division (ADSD) is working closely with Immunize Nevada and the Division of Public and Behavioral Health (DPBH) as well as several community partners to plan and coordinate outreach and assistive activities related to COVID-19 vaccinations, with a target on people with disabilities under the age of 60 as well as their caretakers. This is often done through the Nevada Care Connection Resource Centers, which provide resources and service navigation to people in need of long-term support services throughout the state. The ADSD has previously received funding for the 60 and over population. These funds will add to the existing activities for a different target population.

ASSEMBLYWOMAN TITUS:
Nevada needs to improve vaccination rates statewide. Are there any new or innovative ideas that will reassure people so they will get the vaccine? The 60 and over population has done well getting vaccinated. The vaccine is now available to people ages 12 to 60. What will the division do differently to encourage people to get vaccinated?

CHEYENNE PASQUALE (Social Services Chief I, Planning, ADSD, DHHS):
The ADSD has been in conversation with community partners that serve these individuals. The division is looking to target messaging in rural areas and messaging that is appropriate for people with disabilities and their caregivers. The ADSD will utilize its existing network of resource centers that are trusted partners in the community and work closely with these individuals. They will be able to answer questions and get individuals connected to appropriate resources to learn more about the vaccine. This funding will be released as a competitive notice of funding opportunity to allow communities to identify innovative strategies that will help with outreach and assistance efforts.

ASSEMBLYWOMAN TITUS:
What is the current percentage of vaccinated individuals in this group?

MS. PASQUALE:
The division does not have that information available. The ADSD has been working closely with Immunize Nevada and the DPBH to assess that data, which will be included in the notice of funding opportunity.

ASSEMBLYWOMAN TITUS:
It is important to track whether these campaigns are successful and recognize where the campaigns are failing. One thought may be to take the vaccine to the people rather than requiring them to go get a vaccine. It is important for the state to have the necessary data to reach people who need and want the vaccine and to encourage trust in the vaccine.

ASSEMBLYWOMAN TITUS MOVED TO APPROVE AGENDA ITEM F-52.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

53. Department of Health and Human Services - Aging and Disability Services - Home and Community-Based Services - FY 2022

Addition of $3,783,779 in federal American Rescue Plan (ARP) grant funds under the Older Americans Act (OAA) Title III-B, $6,169,229 in federal ARP grant funds under the OAA Title III-C, $361,910 in federal ARP grant funds under the OAA Title III-D, and $1,181,339 in federal ARP grant funds under the OAA Title III-E to provide older adults and caregivers access to essential services to help maintain independence and health during the COVID-19 pandemic. Requires Interim Finance approval since the amount added to the Fed-Title III-C COVID-19 (ARP) category exceeds $75,000. **Work Program #C54926**

DENA SCHMIDT (Administrator, ADSD, DHHS):
This work program requests the addition of $11.5 million in federal American Rescue Plan Act (ARPA) grant funds under the Older Americans Act. This funding is used to ensure older adults and caregivers have access to essential services to help them maintain their independence and health during the COVID-19 pandemic. This work program creates seven new positions needed to manage the fiscal, grant management, and reporting activities related to the additional funds received over the past two years.

During the 2021 Legislative Session, the ADSD discussed how the agency has grown. The division has had caseload growth but has not received new support staff for its fiscal, information technology, and human resources units to support the ongoing activities related to the growth of the agency. These positions will perform the critical work of oversight and technical assistance for the additional grant funds. The ADSD has doubled the number of subgrantees that it oversees; the new staff will be used to support those activities.

ASSEMBLYMAN WATTS:
The overall length of the project could go into FY 2024. The positions are budgeted through the end of FY 2023. Do you see a continued need for the positions after FY 2023 and, if so, how will the positions be funded after the grant funding expires?

MS. SCHMIDT:
The division is using the allowable administrative expenditures within the funds, which will be available through 2024. The critical need is to manage the current grant activities as well as the grants themselves. These funding sources must be tracked individually. The ADSD currently has one community partner receiving three food grants but each of those grants must be tracked independently. It has created a burden on the ADSD fiscal and grant management teams. The division anticipates using these provisions now to handle the extra workload and then evaluating that workload going forward. If there is a no-cost extension allowed with these funds or if additional federal dollars come in, then the need will continue within the ADSD, and the division would request funding and allocate it accordingly in the next budget cycle. The division would include that in the budget initiative, but the ADSD will be assessing the needs of each of the programs at that time to see if there is a need for funding to continue. That may be one or all the programs, it depends on the division's fiscal status in the next biennium.

ASSEMBLYMAN WATTS:
If the federal funds do not come in, there is no other funding identified that could continue those positions, correct?

MS. SCHMIDT:
If the need is still there after grant funding is exhausted, the division would review the budget for opportunities to cross-allocate amongst current resources. If funding is unavailable within the agency, the division would potentially request General Funds going forward to support the positions.

CHAIR BROOKS:
What is the division's plan to distribute the federal funding to community partners and subgrantees?

MS. SCHMIDT:
These are additional funds for the same services the division currently grants out to the community. The ADSD will be doing a competitive award to community partners to provide the services allowable within the Older Americans Act funding.

CHAIR BROOKS:
Will this leverage current programs? Will the community partners be required to go through the competitive process to expand their scope?

MS. SCHMIDT:
The division is always looking for additional partnerships within the community. During the pandemic, the division's community partners have learned to collaborate with one another. During the competitive process, the ADSD will be looking for new and innovative ways to reach communities that have not already been reached during the COVID-19 pandemic. This would provide additional resources for some providers, but the division hopes to gain additional providers and innovative ideas on how to meet the needs of the community.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM F-53.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

54. Department of Health and Human Services - Aging and Disability Services - Applied Behavior Analysis - FY 2022

Transfer of ~~$15,420~~ ***$14,621*** from the Personnel Services category to the Operating category, $2,161 from the In-State Travel category to the Operating category, and $494,376 from the Reserve category to the Operating category to transfer ownership of the licensing and regulation of the practice of applied behavior analysis to the Board of Applied Behavior Analysis pursuant to Senate Bill 217 of the 2021 Legislative Session. Requires Interim Finance approval since the amount added to the Operating category exceeds $75,000. **Work Program #C55553. REVISED 7-30-21.**

Refer to motion for approval under Agenda Item F.

55. Department of Health and Human Services - Aging and Disability Services - Desert Regional Center - FY 2021

Deletion of $400,000 in budgetary transfers from the Personnel category to partially fund projected shortfalls within the department for the remainder of the state fiscal year. Requires Interim Finance approval pursuant to Assembly Bill 543, **Section 49 (2019 Legislative Session). RELATES TO ITEM F.69. Work Program #C55129**

Refer to motion for approval under Agenda Item F.

56. Department of Health and Human Services - Health Care Financing and Policy - Health Care Financing and Policy Administration - FY 2022

Addition of $203,130 in federal Title XIX grant funds to establish an all-payer claims database pursuant to Senate Bill 40 of the 2021 Legislative Session. Requires Interim Finance approval since the amount added to the All Payers Claim Database category exceeds $75,000. **Work Program #C55028**

Refer to motion for approval under Agenda Item F.

57. Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2022

Addition of $167,964 in federal Title XIX grant funds, $976 in federal Title XXI grant funds, transfer of $49,183 from the Medical Assistance to the Aged, Blind and Disabled category to the Expanded Medicaid category, $4,072 from the Waiver category to the Expanded Medicaid category, and $1,662 from the Child Welfare Services category to the Expanded Medicaid category to fund testing for sexually transmitted diseases pursuant to Senate Bill 211 of the 2021 Legislative Session. Requires Interim Finance approval since the amount added to the Expanded Medicaid category exceeds $75,000. **Work Program #C55295**

Refer to motion for approval under Agenda Item F.

58. Department of Health and Human Services - Health Care Financing and Policy - Nevada Medicaid, Title XIX - FY 2022

Addition of $15,626 in federal Title XXI funds and $4,674,160 in federal Title XIX funds to fund increased costs of prescription drugs pursuant to Senate Bill 290 of the 2021 Legislative Session. Requires Interim Finance approval since the amount added to the Expanded Medicaid category exceeds $75,000. **Work Program #C55296**

Refer to motion for approval under Agenda Item F.

59. Department of Health and Human Services - Public and Behavioral Health - Communicable Diseases - FY 2022

Addition of $2,497,132 in Nevada Medication Assistance Program (NMAP) repayment funds to continue to provide Human Immunodeficiency Virus medication for NMAP clients. Requires Interim Finance approval since the amount added to the Comprehensive Care category exceeds $75,000. **Work Program #C55126**

Refer to motion for approval under Agenda Item F.

60. Department of Health and Human Services - Public and Behavioral Health - Biostatistics and Epidemiology - FY 2022

Addition of $2,099,161 in federal American Rescue Plan (ARP) Act grant funds to support the Disease Intervention Specialists (DIS) workforce in the Sexually Transmitted Disease (STD) program. Requires Interim Finance approval since the amount added to the STD ARP Act DIS Workforce category exceeds $75,000. **Work Program #C54823**

Refer to motion for approval under Agenda Item F.

61. Department of Health and Human Services - Public and Behavioral Health - Biostatistics and Epidemiology - FY 2022

Deletion of $194,511 in federal National Violent Death Reporting Systems grant funds due to the grant transfer to the Department of Health and Human Services Director's Office Data Analytics account. Requires Interim Finance approval since the amount deleted from the National Violent Death Reporting category exceeds $75,000. **RELATES TO ITEM F.51. Work Program #C55354**

Refer to motion for approval under Agenda Item F.

62. Department of Health and Human Services - Public and Behavioral Health - Maternal Child and Adolescent Health Services - FY 2022

Addition of $269,715 in federal American Rescue Plan Act for Home Visiting grant funds to provide home visiting services to support healthy infant and child development, prevent child maltreatment, and ensure referrals to needed services. Requires Interim Finance approval since the amount added to the Home Visiting COVID-19 category exceeds $75,000. **Work Program #C54839**

Refer to motion for approval under Agenda Item F.

63. Department of Health and Human Services - Public and Behavioral Health - Office of Health Administration - FY 2022

Addition of $682,912 in federal Public Health Crisis Response grant funds transferred from the Public Health Preparedness account to fund ten intermittent full-time equivalent positions to support the administration of COVID-19 pandemic activities. Requires Interim Finance approval since the amount added to the **Personnel category exceeds $75,000. Work Program #C54940**

Refer to motion for approval under Agenda Item F.

64. Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2022

Addition of $9,061,697 in federal American Rescue Plan (ARP) Act supplemental funding for the Community Mental Health Services Block Grant to address the effects of the COVID-19 pandemic on mental illness and substance abuse disorders. **This work program involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing, and the amount added to the Mental Health Block Grant ARP Act category exceeds $75,000. Work Program #C54898**

Agenda Items F-64 and F-65 were discussed jointly. Refer to discussion and motion for approval under Agenda Item F-65.

65. Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2022

Addition of $8,258,480 in federal American Rescue Plan (ARP) Act supplemental funding for the Substance Abuse Prevention and Treatment Block Grant to address the effects of the COVID-19 pandemic on mental illness and substance abuse disorders. **This work program involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing, and the amount added to the Substance Abuse Block Grant ARP Act category exceeds $75,000. Work Program #C54881**

Agenda Items F-64 and F-65 were discussed jointly.

BROOK ADIE (Chief, Bureau of Behavioral Health, Wellness, and Prevention, DPBH, DHHS):
These work programs are requesting the addition of federal ARPA supplemental funding for the Substance Abuse Prevention and Treatment Block Grant to address the effects of the COVID-19 pandemic for Americans with mental illness and substance use disorders. The mental health block grant allocation requires states to set aside 10% of the funding for individuals with first-episode psychosis and serious mental illness programs. The Substance Abuse and Mental Health Services Administration (SAMHSA) has encouraged states to consider focusing their efforts on building the crisis continuum of care. These dollars will be used to continue activities built under the COVID-19 supplemental funds and will be braided with the substance abuse block grant for hospital-based crisis stabilization centers to serve individuals, children, youth, and families experiencing behavioral health crisis to avoid unnecessary emergency room or inpatient utilization and interaction with law enforcement, to develop care plans, and to provide linkage to appropriate levels of care. These services will be part of the division's continuation of crisis services.

Agenda Items F-64 and F-65 involve the allocation of block grant funds, which requires a public hearing. Chair Brooks opened the public hearing pursuant to NRS 353.337. There being no requests to testify, Chair Brooks closed the public hearing.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEMS F-64 AND F-65.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

66. Department of Health and Human Services - Public and Behavioral Health - Behavioral Health Prevention and Treatment - FY 2022
Addition of $3,373,488 in federal National Initiative to Address COVID-19 Health Disparities Among Populations at High-Risk and Underserved Populations grant funds transferred from the Chronic Disease account to improve testing capabilities and other COVID-19 response activities within the affected populations. Requires Interim Finance approval since the amount added to the Transfer from 3220 (Chronic Disease) category exceeds $75,000. **Work Program #C54928**

Refer to motion for approval under Agenda Item F.

67. Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2022
Transfer of $1,845,000 from the Personnel Services category to the Professional Services category to fund participation in the Private Inpatient Hospital Upper Payment Limit program through the Nevada Clinical Services contracts. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds $75,000. **Work Program #C54811**

Refer to motion for approval under Agenda Item F.

68. Department of Health and Human Services - Public and Behavioral Health - Facility for the Mental Offender - FY 2022
Transfer of $658,235 from the Personnel Services category to the Professional Services category to cover projected costs for contracted doctors and nurses due to the inability to find and hire state positions. Requires Interim Finance approval since the amount transferred to the Professional Services category exceeds $75,000. **Work Program #C54820**

Refer to motion for approval under Agenda Item F.

69. Department of Health and Human Services - Welfare and Supportive Services - Administration - FY 2021
Addition of $400,000 in budgetary transfers to fund a projected shortfall in the Personnel category. Requires Interim Finance approval pursuant to Assembly Bill 543, Section 49 (2019 Legislative Session). **RELATES TO ITEM F.55. Work Program #C55112**

Refer to motion for approval under Agenda Item F.

70. Department of Health and Human Services - Welfare and Supportive Services - Administration - FY 2022
Addition of $131,555 in federal Families First grant funds transferred from the Department of Employment, Training and Rehabilitation to provide reimbursement for the processing of unemployment insurance claims, adjudication, staffing, training, and fraud classes. Requires Interim Finance approval since the amount added to the Personnel category exceeds $75,000. **RELATES TO ITEM F.72. Work Program #C54992**

Refer to motion for approval under Agenda Item F.

71. Department of Health and Human Services - Welfare and Supportive Services - Temporary Assistance for Needy Families - FY 2022

Addition of $2,673,770 in federal American Rescue Plan (ARP) Act Temporary Assistance for Needy Families (TANF), Pandemic Emergency Assistance Funds to provide supplemental TANF payments to eligible children whose cases were approved between August 15, 2021, and September 29, 2021. Requires Interim Finance approval since the amount added to the TANF ARP Act Grant category exceeds $75,000. **Work Program #C54929**

ROBERT THOMPSON (Deputy Administrator, Division of Welfare and Supportive Services [DWSS], DHHS):
This work program requests authority to draw down approximately $2.6 million into the Temporary Assistance for Needy Families (TANF) program. The ARPA authorized additional funding for TANF programs into the federal Administration for Children and Families to award pandemic emergency assistance funds. Nevada was awarded approximately $6.8 million in one-time assistance into the TANF program. The TANF program provides cash welfare assistance to Nevadans who have children in the home. It is the smallest DWSS program for constituents in the deepest poverty.

There are restrictions on the expenditure of the $6.8 million. It is one-time assistance and can only be used to provide non-recurrent, short-term benefits to families with children. The DWSS met with lawmakers and community partners to discuss the best way to spend the funds, which expire on September 30, 2022. Originally, the division thought 50% of the funds would be spent this year and 50% next year, but as the money rolled out, additional federal funds were allocated to families, and TANF caseloads began to drop significantly for the first time in history. The DWSS decided to use 40% of the funds this year and 60% next year. The division could use the funds to increase the TANF Block Grant in a small amount for a few consecutive months. The money could also be used to support the food stamp program. Often when there is additional money to provide to families, it impacts the food stamp program. For example, the division may provide $100 in TANF cash, but will likely take $30 out of the food stamp program, which may not seem like a benefit to those families.

Ultimately, the DWSS decided on a one-time benefit, which will be disbursed close to the beginning of the school year. The division determined that approximately 13,000 children—not just school-aged children, all children on the TANF program—would receive $185. In addition, community partners asked the division to use a portion of the funding to augment diaper assistance in Nevada. The DWSS agreed to request authority of $150,000 in diaper assistance, which would be disbursed through a vendor selected through the request for application (RFA) process. A vendor has not been identified. The DWSS will use the $150,000 to augment a current program, not initiate a new program.

ASSEMBLYWOMAN MONROE-MORENO:
Money that is currently being disbursed to families will drop off; I appreciate that the division is saving money for when that occurs. The funds can be a backstop to help those families. Please elaborate on the factors the agency will consider when determining how and when to utilize the remaining $4.1 million in TANF funding.

MR. THOMPSON:
For the $4.1 million set aside for next year, the division will have to evaluate the need. Most families currently receive $250 or $300 per child per month in tax credits. The division attributes the significant decrease in caseload to those tax credits; however, the DWSS anticipates the caseload will begin to increase again in January 2022. The federal funds received by the division need to be used for a non-recurrent, short-term benefit. The division's plan is to use the funds again at the beginning of the next school year to provide school supplies and related items, as the DWSS is concerned about families not being able to afford school supplies. However, if the caseload increases more than anticipated, the DWSS will have to obtain input from the Legislature and the community to determine if the division should shift that $4.1 million to a different, non-recurrent short-term benefit.

ASSEMBLYWOMAN CARLTON:
Regarding the diaper program, will the division refer people to existing contractors? Will this benefit only be available to TANF recipients?

MR. THOMPSON:
The $150,000 must be used for households with children that meet the poverty level of TANF; however, those families do not have to be TANF recipients. The DWSS could include that in the RFA if that is the Committee's suggestion. Historically, participants in these types of programs have had to meet the poverty level, but did not have to be a TANF recipient to utilize the funds.

ASSEMBLYWOMAN CARLTON:
My concern is that income verification makes the application process more complicated and lengthier. When someone needs diapers, they typically need them right away. They need to know this benefit is available and how to get it. I hope that you can communicate with current clients to make sure that they understand the process. Please include good criteria so that any vendor that wants to provide this service understands the process and the documents that will be required to provide this service. The guidelines need to be clear.

> ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM F-71.
>
> SENATOR DENIS SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY.

72. Department of Health and Human Services - Welfare and Supportive Services - Welfare Field Services - FY 2022

Addition of $504,391 in federal Families First grant funds transferred from the Department of Employment, Training and Rehabilitation to provide reimbursement for the processing of unemployment insurance claims, adjudication, staffing, training, and fraud classes. Requires Interim Finance approval since the amount added to the Personnel category exceeds $75,000. **RELATES TO ITEM F.70. Work Program #C54938**

Refer to motion for approval under Agenda Item F.

73. Department of Health and Human Services - Welfare and Supportive Services - Child Assistance and Development - FY 2022

Addition of $222,425,189 in federal American Rescue Plan Act Child Care Stabilization grant funds to provide resources, technical assistance, and professional development to child care providers, families seeking child care, and system development. Requires Interim Finance approval since the amount added to the Stabilization Grant category exceeds $75,000. **Work Program #C55307**

MARGOT CHAPPEL (Deputy Administrator, Field Operations Support, DWSS, DHHS): Agenda Item F-73 is a request for authority of an unprecedented amount of $222,425,189 in federal ARPA funds for this program. The division intends to use the funds to invest in child care stabilization grant funds, provide resources, technical assistance, and professional development to child care providers, families seeking child care, and system changes.

CHRISTELL ASKEW (Chief, Child Care Assistance and Development, DWSS, DHHS): The field of child care has many challenges. Child care providers run on an extremely thin margin, especially home-based providers. As a result, child care staff often earn a comparatively low wage. Yet high expectations are placed on child care providers and staff to provide high-quality care. Providers have not been able to increase their income because it would be at the expense of families who already cannot afford child care. Sometimes when families struggle to pay child care fees, providers waive the cost. Many providers did not establish their child care business to be business owners, but to work with the children.

The division would like to address these challenges in the form of a one-time infusion of ARPA Child Care Stabilization Grant funds, of which 90% must go directly to child care providers to support their businesses per federal requirements. States are encouraged to allot at least six months of operating costs to providers. The DWSS is utilizing its child care resource and referral partners—the Children's Cabinet and Urban League—to disseminate the funds directly to child care providers. For the remaining 10% of the funds, states are encouraged to essentially reimagine and restructure the child care industry and to increase capacity. As the division continues to develop the capacity-building project, the plan is to target underserved populations and child care deserts, with a focus on recruitment of home-based providers and micro centers. Micro centers are child care sites developed within an existing establishment to meet families where they are.

To restructure the child care industry in Nevada, the DWSS is proposing to strengthen and align child care systems, including alignment of policy, regulation, data systems, and the creation of a child care network hub that crosses all child care sectors and tailors services to individual provider need. For example, for home-based providers, services will include funding for technology advancements, shared services, and business training. All provider types will receive workforce support and assistance with capacity building such as a small monetization for equipment.

The goal is to help existing and newly recruited providers with the business piece of child care. Some of the services the DWSS is implementing have been shown to result in a decrease in administrative burden, an increase in revenue, and significant cost savings to providers. Essentially, the division will be helping providers do business in a more efficient and sustainable way. Additionally, to build a comprehensive child care hub across all sectors, the division will target existing programs in Nevada that need funding to support them in becoming more robust, such as the Teacher Education and Compensation Helps (TEACH) scholarship program, local Early Childhood Advisory Councils, and an expansion of the Nevada Youth First pilot.

To clarify, the Child Care and Development program does not provide direct services. The DWSS will utilize the Children's Cabinet and Urban League, which are already in the community providing support and have a trusted relationship with providers and families. However, the division is involved in the development and implementation levels of all the projects. The division will be conducting an evaluation of all projects and vendors to ensure these projects meet the desired outcomes.

In summary, this proposal includes funding in the following amounts:

- $270.9 million toward provider supports in the form of grants for operating costs and the establishment of systems to support the business of child care and capacity growth.

- $4.3 million in family supports—including an analysis to restructure the child care subsidy program, a robust outreach program to get families involved, and a community health worker program to reduce disparities in health care access and facilitate a connection to other resources and services.

- $190,000 for system supports in the form of grants to local Early Childhood Advisory Councils and establishment of pilot projects aimed at increasing capacity, quality, and access based on the needs of the local community.

Additionally, the DWSS has been awarded over $4 million in ongoing funding toward the base child care fund.

CHAIR BROOKS:
One of the biggest roadblocks to recovery and expansion of Nevada's economy is child care.

ASSEMBLYWOMAN MILLER:
Please discuss the application and distribution timeline for each of the proposed rounds of provider stabilization grant funds.

MS. ASKEW:
Round 1, which will roll out in September 2021, will be for family, friend, and neighbor providers. Round 2, which will roll out in October 2021, will be for licensed child care providers, centers, and before/after school providers,

ASSEMBLYWOMAN MILLER:
Have specific dates been identified?

MS. ASKEW:
By September 30, 2021, the division will have the notice of funding opportunity and the application posted and available for family, friend, and neighbor providers. By October 31, 2021, the notice of funding opportunity will be posted, and the application will be available for all providers.

ASSEMBLYWOMAN MILLER:
How will providers be notified about the program?

MS. ASKEW:
The DWSS has had several townhall meetings to discuss these grants. The notice of funding opportunity will be posted by September 30, 2021, but the rollout of the grants will go well into calendar year 2022. The division anticipates there will be plenty of time to identify and allow applications for all providers. For the first round, the family, friend, and neighbor providers are already registered with the Children's Cabinet and Urban League. The division has already identified those providers so the outreach will be quicker and easier to get those grants rolled out.

ASSEMBLYWOMAN PETERS:
What are the eligibility requirements for community-based organizations to receive the subgrants for outreach and technical assistance?

MS. ASKEW:
The division will be putting out an RFA. Applicants must be a nonprofit to apply for a subgrant. The outcomes are that providers can connect with the community, not only to help learn about the available grants, but also all the services available over time to incorporate recruitment of providers toward the subsidy program and to access the grants.

SENATOR DONDER LOOP:
What are the expected benefits to providers of a unified information system and what is the timeline to implement the new system?

MS. ASKEW:
There are three parts to the $3.9 million toward these activities. With the Wonderschool proposal, the entity will help providers with the business side of child care, including licensing, website creation for marketing, and implementing technology that helps streamline billing and maximize enrollment—essentially managing everything necessary to operate a profitable high-quality early childhood program. That is a pilot the division intends to expand. The Kith and Kin project will identify providers in the community that are currently serving children but are not registered or regulated, provide them with services such as training and the child care hub, and ensure they have supplies and resources. The third piece is the hub itself—to bring all the various projects and vendors together so that the division and vendors can work together to reduce duplication and streamline services.

As soon as the division receives authority for the funds, the intention is to amend the subaward. Most of the projects will kick off quickly. The Wonderschool project intends to start with outreach and recruitment immediately and then have the technology implemented in November or December 2021.

ASSEMBLYWOMAN GORELOW:
How would eligibility for the annual $1,000 wage incentive be determined and what is the timeline for distribution of the incentives for eligible child care staff?

MS. ASKEW:
The application for the wages for staff will be embedded in the Nevada Registry website. The Nevada Registry will be vetting all applicants to ensure they are currently working as child care staff. Additionally, applicants will be vetted through the providers themselves. The timeline to disburse payments to child care staff would be October 2021.

ASSEMBLYWOMAN GORELOW:
Please elaborate on the vetting process. How will the division prevent fraud?

MS. ASKEW:
The Nevada Registry is a system that tracks early childhood staff throughout the state. In order to be registered, they must be on the early childhood career ladder. The Nevada Registry staff will also be contacting child care providers to ensure they have a current list of all active staff. Applicants must also state on the application that they are currently working and not receiving unemployment benefits.

CHAIR BROOKS:
Most of this funding—$12.8 million—is going toward one-time wage incentives to register child care staff. Is there a plan for measuring the success of retention or expansion by doing that?

MS. ASKEW:
The DWSS intends to evaluate all these projects to ensure that the desired outcomes manifest. The division will monitor the staff to identify whether they are

retained over time.

ASSEMBLYWOMAN TITUS:
Relating to the Chair's question about documenting success and making sure this program expands access to child care: what is the status of the data? What is the void? How many more child care facilities does the state need?

MS. ASKEW:
I will provide the Committee with that data.

ASSEMBLYWOMAN TITUS:
What is the average wage of someone working in this industry?

MS. ASKEW:
It is my understanding that most staff are paid below $15 per hour, and the average pay is $10 per hour.

ASSEMBLYWOMAN TITUS:
How will the division measure success?

MS. ASKEW:
The division will be evaluating the projects for success in terms of retention of staff and how wages are impacted. There is a piece of the operating costs grant that requires 20% of the operating costs grant funding to go toward staff. Providers can use those funds to temporarily increase wages.

ASSEMBLYWOMAN TITUS:
Is this program only for nonprofit providers?

MS. ASKEW:
The operating costs grants will be disbursed to family, friend, and neighbor providers. All licensed family child care providers are also eligible. All licensed child care centers are eligible, aside from Head Start. Before/after school programs are also eligible.

ASSEMBLYWOMAN MONROE-MORENO:
The subgrantee in Northern Nevada will be the Children's Cabinet. What is that entity's relationship with the Southern Nevada community? How will the Children's Cabinet ensure issues are being addressed statewide?

MS. ASKEW:
The Children's Cabinet functions statewide and has locations in Northern and Southern Nevada. Historically, the Children's Cabinet has done a lot of work with the Child Care and Development fund for quality activities throughout the state. The division intends to pilot community health workers statewide. However, it will be the Children's Cabinet that facilitates the hiring process for community health workers.

CHAIR BROOKS:
Please provide quarterly reports on the expenditure of the funds. Transparency and accountability are important to ensure the money is going toward the best use.

> ASSEMBLYWOMAN MONROE-MORENO MOVED TO APPROVE AGENDA ITEM F-73 AND TO REQUIRE THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES TO PROVIDE QUARTERLY STATUS REPORTS ON THE EXPENDITURE OF AMERICAN RESCUE PLAN ACT CHILD CARE STABILIZATION GRANT FUNDS TO THE INTERIM FINANCE COMMITTEE.
>
> SENATOR DENIS SECONDED THE MOTION.
>
> THE MOTION PASSED UNANIMOUSLY.

Chair Brooks called a recess at 12:48 p.m. The meeting reconvened at 1:22 p.m.

74. Department of Health and Human Services - Welfare and Supportive Services - Energy Assistance Program - FY 2022
Addition of $6,721,093 in federal American Rescue Plan (ARP) Act Low-Income Home Energy Assistance (LIHEA) grant funds to support the projected increase in caseload. Requires Interim Finance approval since the amount added to the LIHEA ARP Act Grant category exceeds $75,000. **Work Program #C54922**

ROBERT THOMPSON (Deputy Administrator, DWSS, DHHS):
The division is requesting authority to draw down approximately $6.7 million from the ARPA to support increasing caseloads in the Energy Assistance Program. The Energy Assistance Program is designed to reduce the energy burden for Nevadans who are living in poverty and meet eligibility requirements for the program by reducing their cost for heating and cooling. The program targets seniors and households with children. In addition to the ARPA funds, the division has implemented a policy to increase the benefit for arrearage assistance.

ASSEMBLYMAN WATTS:
It appears these funds will be allocated across three programmatic areas: fixed annual benefit, arrearage benefit, and the Weatherization program. How did the division determine the allocation of funds to provide supplemental payments for the three programs?

MARIA WORTMAN-MESHBERGER (Chief, Employment and Support Services, DWSS, DHHS):
For the housing portion of the fund: per federal regulation, the division may transfer up to 15% to the Housing Division for the Weatherization program. Within the division's state plan, the DWSS allocated 5% of those funds at this time. For the fixed annual payment (FAP) benefit portion, projections showed an increase in the benefit amount, and the DWSS wanted to maintain the same benefit tables and caps as the previous year. The division also determined, based on new policies, to remove the energy burden and allow arrearage once every five years rather than

once in a lifetime. The division projects that this will increase those eligible for the program as well as the amount given for the program.

ASSEMBLYMAN WATTS:
Is the 15% maximum toward weatherization, with the decision to allot 5%, a standard practice for the LIHEA program or is that specific to these funds?

MS. WORTMAN-MESHBERGER:
The LIHEA ARPA funds were to be used the same and held to the same rules as the Low-Income Home Energy Assistance Plan (LIHEAP) funds. The 5% toward weatherization is the same for the LIHEAP program.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM F-74.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

75. Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2022
Addition of $2,310,228 in Community-Based Child Abuse Prevention (CBCAP) Grants, American Rescue Plan (ARP) Act funds to provide additional relief due to the continued impact of COVID-19 on programs authorized by the Child Abuse and Prevention Treatment Act. Requires Interim Finance approval since the amount added to the Federal CBCAP ARP Act Grant category exceeds $75,000. **Work Program #C54874**

Refer to motion for approval under Agenda Item F.

76. Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2022
Addition of $939,403 in Child Abuse and Neglect State (CANS) grant funds, American Rescue Plan (ARP) Act funds to enhance the child protective services systems established within the state. Requires Interim Finance approval since the amount added to the Federal CANS ARP Act Grant category exceeds $75,000. **Work Program #C54878**

Refer to motion for approval under Agenda Item F.

77. Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2022

Addition of $951,212 in National Initiative to Address COVID-19 Health Disparities Among Populations at High-Risk and Underserved Populations grant funds transferred from the Division of Public and Behavioral Health to provide guidance in addressing health disparities, facilitate equitable recovery in communities from the COVID-19 pandemic and improve systems to better address future public emergencies. Requires Interim Finance approval since the amount added to the Health Disparities category exceeds $75,000. **Work Program #C54844**

Refer to motion for approval under Agenda Item F.

78. Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2022

Addition of $894,294 in federal Title IV-E grant funds to provide authority to reimburse attorneys representing children and parents in child welfare legal proceedings. Requires Interim Finance approval since the amount added to the IV-E Attorney Reimbursement category exceeds $75,000. **Work Program #C54897**

Refer to motion for approval under Agenda Item F.

79. Department of Health and Human Services - Child and Family Services - Nevada Youth Training Center - FY 2022

Transfer of $52,788 from the Personnel Services category to the Contract Services category to fund a temporary contracted teacher position through FY 2022. Requires Interim Finance approval since the amount added to the Contract Services category exceeds $75,000. **Work Program #C54877**

Refer to motion for approval under Agenda Item F.

80. Department of Employment, Training and Rehabilitation - Equal Rights Commission - FY 2021

Addition of $1,206 in Prior Year Refunds received for a prior year expenditure and increase the reserve for reversion to the General Fund. Requires Interim Finance approval since the cumulative amount added to the Reserve for Reversion General Fund category exceeds 10% of the legislatively approved amount for that category. **Work Program #C54519**

Refer to motion for approval under Agenda Item F.

81. Department of Corrections - Prison Medical Care - <u>FY 2021</u>
Transfer of $382,815 from the Personnel Services category, $9,150 from the In-State Travel category, $8,400 from Maintenance of Buildings and Grounds category, $20,913 from Uniform Allowance category, $23,358 from ACLS Training category, and transfer of $133,472 from the Inmate Drivens category to the Professional Services category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Professional Services category exceeds $75,000. **Work Program #C55283**

RUSS ALFANO (Medical Administrator, Department of Corrections):

The Department of Corrections is requesting to revise Work Program #C55283 as follows:

- Personnel Services category from $382,815 to $142,947.
- In-State Travel category from $9,150 to $0.
- Maintenance of Buildings and Grounds category from $8,400 to $0.
- Professional Services category from $578,108 to $596,895.
- Uniform Allowance category from $20,913 to $0.
- Advanced Cardiac Life Support (ACLS) Training category from $23,358 to $0.
- Inmate Drivens category from $133,472 to $453,948.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM F-81 AS REVISED.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

82. Department of Corrections - Prison Medical Care - FY 2022
Transfer of ~~$2,400,042~~ ***$2,195,504*** from the Personnel Services category to the Professional Services category to fund contracted services for licensed health care professionals as projected through December 2021. Requires Interim Finance approval since the amount added to the Professional Services category exceeds $75,000. **Work Program #C55281. REVISED 7-27-21.**

Refer to motion for approval under Agenda Item F.

83. Department of Corrections - Ely State Prison - <u>FY 2021</u>
Transfer of $27,417 from the Personnel Services category to the Operating category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Operating category exceeds $75,000. **Work Program #C55304**

Refer to motion for approval under Agenda Item F.

84. Department of Corrections - High Desert State Prison - FY 2021
Transfer of $79,141 from the Inmate Drivens category to the Operating category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Operating category exceeds $75,000. **Work Program #C55249**

Refer to motion for approval under Agenda Item F.

85. Department of Corrections - Northern Nevada Correctional Center - FY 2021
Transfer of $44,526 from the Personnel Services category to the Operating category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Operating category exceeds $75,000. **Work Program #C55299**

Refer to motion for approval under Agenda Item F.

86. Department of Corrections - Southern Desert Correctional Center - FY 2021
Transfer of $10,146 from the Personnel Services category to the Operating category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Operating category exceeds $75,000. **Work Program #C55318**

Refer to motion for approval under Agenda Item F.

87. Department of Corrections - Lovelock Correctional Center - FY 2021
Transfer of $74,057 from the Personnel Services category to the Operating category and transfer of $24,081 from the Personnel Services category to the Utilities category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred from the Personnel Services category exceeds $75,000. **Work Program #C55246**

Refer to motion for approval under Agenda Item F.

88. Department of Corrections - Casa Grande Transitional Housing - FY 2021
Transfer of $5,259 from the Inmate Drivens category to the Operating category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred from the Operating category exceeds $75,000. **Work Program #C55247**

Refer to motion for approval under Agenda Item F.

89. Department of Corrections - Florence McClure Womens Correctional Center - FY 2021
Transfer of $40,142 from the Personnel Services category to the Operating category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred from the Personnel Services category exceeds $75,000. **Work Program #C55248**

Refer to motion for approval under Agenda Item F.

90. Department of Corrections - Carlin Conservation Camp - FY 2021
Transfer of $4,106 from the Personnel Services category to the Operating category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred from the Personnel Services category exceeds 10% of the legislatively approved amount for that category. **Work Program #C55244**

Refer to motion for approval under Agenda Item F.

91. Department of Motor Vehicles - System Technology Application Redesign - FY 2022
Transfer of $5,966,839 from the Reserve category to the State Fiscal Year 2021 Technology Fee Refund category to process refunds to Department of Motor Vehicles customers for the technology fee collected in FY 2021. Requires Interim Finance approval since the amount transferred to the State Fiscal Year 2021 Technology Fee Refund category exceeds $75,000. **Work Program #C55413**

The meeting recessed at 1:36 p.m. due to technical difficulties. The meeting reconvened at 1:43 p.m.

JULIE BUTLER (Director, Department of Motor Vehicles [DMV]):
This work program seeks to transfer approximately $6 million in technology fees that was collected during FY 2021 and deposited into a reserve account. The DMV is seeking to transfer that money into a newly established Technology Fee Refund category to provide technology fee refunds to DMV customers. Earlier this year, the Nevada Supreme Court deemed that the technology fees were collected unconstitutionally and anyone who paid that fee during FY 2021 is owed a refund. This work program will help the department effectuate the refunds.

CHAIR BROOKS:
It is unclear whether this meets the requirements of the outcome of the case. Has the DMV been in communication with the plaintiff's counsel or the judge? Has anyone confirmed that this plan meets the requirements set forth in the judgement?

MS. BUTLER:
No. The DMV does not need the plaintiff's counsel or the court to approve the plan. The department was required to develop a plan to effectuate the refunds, ensure that everyone who paid the $1 technology fee in FY 2021 is either refunded or given the opportunity to opt out, and perhaps donate a portion to the Highway Fund. The current plan meets those requirements.

I misunderstood the instructions from the DMV attorney. As S.B. 457 was discussed during the 2021 Legislative Session, I testified that the department needed to gain approval from the plaintiffs, their counsel, and the Supreme Court; however, that was a misunderstanding. The DMV can proceed with disbursing the refunds to customers as quickly as possible.

CHAIR BROOKS:
While you may not need the approval of the plaintiff or the judge, I have concerns about whether the plan is in full compliance with the language of the judgement. I am concerned that there has not been communication with the plaintiff.

On the operational and cost side: why was this plan chosen? Was a cost-benefit analysis done?

MS. BUTLER:
Yes. Once the decision was made, the DMV analyzed the options. I had conversations with the State Treasurer, who was concerned about the idea of issuing $1 refunds in the form of a paper check. It was estimated that each check would cost approximately $50 to issue. The DMV worked with the Office of the State Treasurer and the Office of the State Controller to develop electronic options to issue the refunds. Simultaneously, once the news came out that the DMV would be refunding the fees, the department began receiving phone calls asking the DMV not to mail $1 checks, which the department took into consideration. There is an estimated $2.6 million in refunds that the DMV will need to fund to approximately 240,000 businesses and 2.35 million individuals across the state. The Office of the State Controller does not have the capacity to disburse that many checks.

The DMV analyzed the options and researched whether the department had the authority to accept donations from people not wanting to receive $1 checks. The DMV does have that authority. The department also looked into issuing a $1 credit to customers; that was estimated to need more programming, which was discussed at the June 2021 IFC meeting. The department's attorney has talked about the plan with opposing counsel. The DMV believes the plan to be a good one. The more the issue is discussed, the longer it will take to effectuate the refunds. If you have specifics of where the DMV may not be complying with the court order, I would be happy to speak to that.

CHAIR BROOKS:
My concern around the notice and opportunity for every Nevadan who paid the technology fee to get the refund is covered; a postcard is certainly a notice. My main concern was the cost-benefit analysis. However, it sounds like the DMV, the Office of the State Treasurer, and the Office of the State Controller have discussed the possible scenarios and the plan is the most cost effective for the state. My concerns are satisfied.

ASSEMBLYWOMAN CARLTON:
I share Chair Brooks' concerns about whether the department requires agreement from opposing counsel and the court. It is important to be in agreement and not end up having to spend another $8 million to refund $2 million when the opposite side says it was not done how they wanted. Everyone needs to be on the same page so the refunds can be processed. The state is already spending more money on this than it should, money that could be used for other purposes. There needs to be a meeting of the minds on this to avoid another court case. Everything needs to be straightened out.

Please walk the Committee through the process. Legally, there is a significant difference between opting in and opting out. I want to make sure that everything is justifiable if the issue goes to court again. I suspect that will be the case if there are any mistakes; therefore, it is important to have a solid plan in place.

MS. BUTLER:
As indicated, when S.B. 457 was in discussions, the department met with Senator Settelmeyer about an alternative approach to solving this problem and complying with the court order. Senator Settelmeyer suggested giving everyone a $1 credit toward a future transaction. The reason the DMV did not move forward with that idea was that it was the department's understanding that the refund had to be paid only to people who paid the technology fee. By giving $1 credit to everyone, people who did not pay the fee will be included. Additionally, there are typically 7 million transactions per year. In FY 2021, the DMV only had 5.9 million transactions. If FY 2022 is a normal year, the department would be refunding $7 million after only collecting $5.9 million, which is a problem.

Senator Settelmeyer also suggested a credit. As I testified, the programming to issue those credits would cost significantly more than the $7.8 million that the Legislature approved in S.B. 457. The department is trying to effectuate the refunds as quickly as possible. The Department of Taxation has already started its refund process; the DMV is trying to be sensitive to that fact. The department thinks the current plan is the best solution in a bad situation. The DMV does not want to risk another court case and the associated fees.

The department has consulted with legal counsel, the Office of the State Treasurer, and the Office of the State Controller throughout the process. All parties believe the department is on solid legal footing to use an opt-in/opt-out process.

The process agreed upon by the DMV, the Office of the State Treasurer, and the Office of the State Controller is that the department's IT Division would run a query of all individuals who paid the technology fee in FY 2021. A letter or postcard will be sent to all those individuals informing them they are due a refund and providing the instructions for claiming it. The department will establish a secure website where each individual will create an account, select their refund preference, and enter a phone number or email address. The refunds will either be issued electronically through a banking process called Zelle, which has been used by the Office of the State Treasurer, or in the form of a paper check. For individuals who do not have access to a computer, the department envisions a return postcard that the customer could send back indicating their opt-in or opt-out selection. If they opt in, they will receive a paper check. If they opt out, it would be clearly noted that their refund will be considered a donation to the Highway Fund in accordance with statute. There are three different DMV statues that could be used, one of which is a generic statute under Chapter 353 of the *Nevada Revised Statutes*. If an individual fails to opt in or out, the money would be transferred to the Unclaimed Property fund and the statutes that govern the fund would take effect. If a customer opted in but did not cash the check, the money would be transferred to the Unclaimed Property fund after a period of time.

ASSEMBLYWOMAN CARLTON:
I understand the DMV worked diligently on this process. My concern is that without agreement from all parties, the process could be interrupted if someone were to file a complaint with the court indicating the process was not in compliance.

CHAIR BROOKS:
I agree with Assemblywoman Carlton. It sounds like the department has explored every avenue and arrived at the best solution; however, once the work program is approved, it is out of the Committee's hands. Even if the plaintiff and judge do not need to be in agreement with the DMV's plan, agreement is necessary for the Committee's peace of mind.

ASSEMBLYWOMAN TITUS:
It is my understanding that the technology fee was charged for every transaction. For customers with multiple registered vehicles, would they receive a single postcard?

MS. BUTLER:
Yes. That is part of the programming that needs to take place to ensure customers do not receive multiple checks.

ASSEMBLYWOMAN TITUS:
For multi-year registrations, such as my horse trailer, was I charged a fee for each year or just one fee because it was a single transaction?

MS. BUTLER:
Because it was a single transaction, it was only one fee.

ASSEMBLYWOMAN TITUS:
Did you stop charging this fee on the day of the court's decision?

MS. BUTLER:
The DMV did not stop charging on that same day. The court decision was made on May 13, 2021. Computer programming was required to stop the fee from appearing on transactions that were submitted via the Internet and to remove the fee from the forms. The DMV stopped collecting the fee around May 17 or 18. The DMV continued to collect that $1 fee until August 31 for transactions that were mailed in because of a backlog due to closures in the Titles section. Many people bought new cars during the COVID-19 shutdown. As a result, a backlog of titles developed. Titles are a complicated transaction and take time to process. The DMV was aware these transactions were mailed before the Supreme Court's decision so the department thought it would be fair to process items in the queue. The established cutoff date is September 1, 2021. After that time, if a customer includes the $1 technology fee, their paperwork will be returned with a request to issue a new payment minus the technology fee.

CHAIR BROOKS:
I would not entertain a motion for approval. More work needs to be done to give

the Committee a level of comfort and ensure that all parties involved will be satisfied, including tax-paying Nevadans.

ASSEMBLYWOMAN CARLTON MOVED TO DENY AGENDA ITEM F-91 AND TO REQUEST THE DEPARTMENT OF MOTOR VEHICLES SUBMIT A REVISED WORK PROGRAM FOR THE NEXT MEETING OF THE INTERIM FINANCE COMMITTEE.

SENATOR DENIS SECONDED THE MOTION.

ASSEMBLYWOMAN CARLTON:
I want to thank the DMV for all the work they have done with this unique process. Although, out of an abundance of caution, we need additional time to ensure the actions we take are correct prior to moving forward.

SENATOR GOICOECHEA:
The lawsuit was about the constitutionality of the fee. I will support the motion to deny.

THE MOTION PASSED UNANIMOUSLY.

92. Department of Motor Vehicles - Motor Vehicle Pollution Control - FY 2021
Addition of $657,000 in Pollution Control Fee revenue to align state revenue with projected fees collected and projected distributions for Washoe and Clark Counties. Requires Interim Finance approval since the cumulative amount added to the City/County Air Quality category exceeds $75,000. **Work Program #C54801**

Refer to motion for approval under Agenda Item F.

93. Department of Motor Vehicles - Motor Vehicle Pollution Control - FY 2021
Transfer of $102,000 from the Reserve category to the Transfers-Intra Agency Cost Allocation category to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Transfers-Intra Agency Cost Allocation category exceeds $75,000. **RELATES TO ITEM F.111. Work Program #C55472**

Refer to motion for approval under Agenda Item F.

94. Department of Motor Vehicles - Central Services - FY 2021
Transfer of $35,600 from the Personnel category to the Operating category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Operating category exceeds $75,000. **Work Program #C55640**

Refer to motion for approval under Agenda Item F.

95. Department of Public Safety - Nevada Highway Patrol Division - FY 2021
Addition of $14,707 in Transfer from Nevada Department of Transportation funding and transfer of $15,932 from the Personnel Services category to the Mobile Data Computers category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Mobile Data Computers category exceeds 10% of the legislatively approved amount for that category. **Work Program #C54936**

Refer to motion for approval under Agenda Item F.

96. Department of Public Safety - Nevada Highway Patrol Division - FY 2021
Addition of $219,242 in Contract Services Reimbursement revenue to align revenue collected with contracted services provided in FY 2021. Requires Interim Finance approval since the cumulative amount added to the Contract Services category exceeds $75,000. **Work Program #C55279**

Refer to motion for approval under Agenda Item F.

97. Department of Public Safety - Division of Parole and Probation - FY 2021
Transfer of $35,000 from the Personnel Services category to the Psychosexual Evaluations category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount transferred to the Psychosexual Evaluations category exceeds 10% of the legislatively approved amount for that category. **Work Program #C55400**

Refer to motion for approval under Agenda Item F.

98. Department of Conservation and Natural Resources - State Parks - FY 2022
Addition of $82,100 in Commission for Cultural Centers and Historic Preservation (CCCHP) grant funds transferred from the State Historic Preservation Office to fund the Red House Cabin restoration project. Requires Interim Finance approval since the amount added to the CCCHP-Red House Grant category exceeds $75,000. **Work Program #C55314**

Refer to motion for approval under Agenda Item F.

99. Department of Wildlife - Director's Office - FY 2021
Addition of $28,656 in Sportsmen Revenue fees transferred from the Wildlife Fund account to fund a projected shortfall in the Utilities category for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Utilities category exceeds $75,000. **Work Program #C55116**

This item was withdrawn August 13, 2021.

100. Department of Wildlife - Data and Technology Services - FY 2021
Transfer of $9,894 from the Out-of-State Travel category to the Administration category to fund a projected shortfall for temporary staffing and other operational expenses for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Administration category exceeds $75,000. **Work Program #C55068**

This item was withdrawn August 13, 2021.

101. Department of Wildlife - Conservation Education - FY 2022
Addition of $186,525 in Sportsmen Revenue fees transferred from the Wildlife Fund account to support an increase in publication costs for the annual hunting and fishing guides. Requires Interim Finance approval since the amount added to the Publications category exceeds $75,000. **Work Program #C55238**

Refer to motion for approval under Agenda Item F.

102. Department of Wildlife - Game Management - FY 2022
Addition of $200,000 in Elk Damage and Predator Fees in Restricted Revenue transferred from the Wildlife Fund account to mitigate damage caused by elk during times of drought. Requires Interim Finance approval since the amount added to the Elk Damage category exceeds $75,000. **Work Program #C55591**

Refer to motion for approval under Agenda Item F.

103. Department of Wildlife - Fisheries Management - FY 2022
Addition of $776,842 in federal State Wildlife Grant (SWG) funds and deletion of $554,168 in Sportsmen Revenue to continue funding wildlife conservation projects. Requires Interim Finance approval since the amount added to the SWG Aquatic Conservation category exceeds $75,000. **Work Program #C55258**

Refer to motion for approval under Agenda Item F.

104. Department of Wildlife - Fisheries Management - FY 2022
Addition of $208,419 in Trout Stamps and Aquatic Invasive Species Fees Restricted Revenue transferred from the Wildlife Fund account to support the purchase of fish food and shipping charges for hatcheries statewide. Requires Interim Finance approval since the amount added to the Hatchery Refurbishment category exceeds $75,000. **Work Program #C55592**

Refer to motion for approval under Agenda Item F.

105. Office of the Military - FY 2022
Addition of $140,819 in federal Department of Defense funding to cover the cost of hiring StarBase Training Specialists/Teachers earlier than originally planned. Requires Interim Finance approval since the amount added to the StarBase Program category exceeds $75,000. **Work Program #C55555**

Refer to motion for approval under Agenda Item F.

106. Department of Veterans Services - Office of Veterans Services - FY 2021
Transfer of $9,634 from the Personnel category to the Operations category, $51,763 from the Personnel category to the Fernley Cemetery category, $80,838 from the Personnel category to the Boulder City Cemetery, and $9,166 from the Personnel category to the Information Services category to fund a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Boulder City Cemetery category exceeds $75,000. **Work Program #C55399**

Refer to motion for approval under Agenda Item F.

107. Department of Veterans Services - Southern Nevada Veterans Home Account - FY 2021
Addition of $70,524 in Veteran Administration Per Diem Reimbursement funds to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Utilities category exceeds 10% of the legislatively approved amount for that category. **Work Program #C55403**

Refer to motion for approval under Agenda Item F.

108. Department of Veterans Services - Southern Nevada Veterans Home Account - FY 2021
Addition of $1,507,181 in federal American Rescue Plan Act funds to prevent, prepare for and respond to the COVID-19 pandemic. Requires Interim Finance approval since the amount added to the Veterans Administration One-Time COVID-19 category exceeds $75,000. **Work Program #C55420**

Refer to motion for approval under Agenda Item F.

109. Department of Veterans Services - Northern Nevada Veterans Home Account - FY 2021
Addition of $1,167,327 in federal American Rescue Plan Act funds to prevent, prepare for and respond to the COVID-19 pandemic. Requires Interim Finance approval since the amount added to the Veterans Administration One-Time COVID-19 category exceeds $75,000. **Work Program #C55424**

Refer to motion for approval under Agenda Item F.

110. Public Employees' Benefits Program - <u>FY 2021</u>

Transfer of ~~$835,379~~ ***$874,522*** from the State Employee Insurance Cost category to the ***Non-***State Retiree Insurance Cost category and transfer of ~~$6,515~~ ***$7,282*** from the State Employee Insurance Cost category to the Non-State Employee Insurance Cost category to fund a projected shortfall through the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the State Retiree Insurance Cost category exceeds $75,000. **Work Program #C55161. REVISED 7-27-21 and 7-28-21.**

Refer to motion for approval under Agenda Item F.

111. Department of Motor Vehicles - Compliance Enforcement - <u>FY 2021</u>

Addition of $116,170 in Prior Year Refunds transferred from the Motor Vehicle Pollution Control budget to correct an error in the FY 2020 cost allocation transfer. Requires Interim Finance approval since the cumulative amount transferred to the Reserve for Reversion Highway Fund category exceeds $75,000. **RELATES TO ITEM F.93. Work Program #C55475. RECEIVED AFTER SUBMITTAL DEADLINE, 7-30-21.**

Refer to motion for approval under Agenda Item F.

112. Department of Employment, Training and Rehabilitation - Rehabilitation Division - Blind Business Enterprise Program - FY 2022

Addition of $260,623 in federal Randolph-Sheppard Act - Financial Relief and Restoration Payment funds to offset losses of blind business vendors caused by the COVID-19 pandemic business closures. Requires Interim Finance approval since the amount added to the Vendor Benefits category exceeds $75,000. **Work Program #C55641. RECEIVED AFTER SUBMITTAL DEADLINE, 7-30-21.**

Refer to motion for approval under Agenda Item F.

113. Department of Business and Industry - Housing Division - Account for Low-Income Housing - FY 2022

Addition of $5,000,000 in Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act of 2021, transferred from the COVID-19 Relief Programs account to reimburse eligible expenditures for landlord rental assistance. Requires Interim Finance approval since the amount added to the Landlord Rental Assistance category exceeds $75,000. **Work Program #22ARPA3838. RECEIVED AFTER SUBMITTAL DEADLINE, 7-30-21. WITHDRAWN 8-3-21.**

114. Office of the State Treasurer - College Savings Trust - Nevada College Savings Trust - FY 2022

Addition of $1,500,000 in federal American Rescue Plan Act funds transferred from the COVID-19 Relief Programs account to fund 529 plan awards to Vax Nevada Days winners. Requires Interim Finance approval since the amount added to the American Rescue Plan Act category exceeds $75,000. **Work Program #C55800. RECEIVED AFTER SUBMITTAL DEADLINE, 7-30-21.**

Refer to motion for approval under Agenda Item F.

115. Department of Public Safety - Justice Grant - FY 2021

Transfer of $9,407 from the Operating category to the Personnel Services category to cover a projected shortfall for the remainder of the fiscal year. Requires Interim Finance approval since the cumulative amount added to the Personnel Services category exceeds 10% of the legislatively approved amount for that category. **Work Program #C55812. RECEIVED AFTER SUBMITTAL DEADLINE, 7-30-21.**

Refer to motion for approval under Agenda Item F.

116. Coronavirus Relief Funds Work Programs - FY 2022

Refer to motion for approval under Agenda Item F.

#	FY	WP#	Agency	Budget	Budget Account Description
1	2022	221CRF1000	010	1000	Office of the Governor
2	2022	22CRF1002	030	1002	Office of the Attorney General - Extradition Coordinator
3	2022	22CRF1030	030	1030	Office of the Attorney General - Administrative Budget Account
4	2022	22CRF1365	180	1365	Department of Administration - Enterprise Information Technology Services – Agency IT Services

RECLASSIFICATIONS

Refer to motion for approval under Agenda Item F.

Agency	Agency/ Account Number	Position Number	Present Class, Code, Grade & Salary	Proposed Class, Code, Grade & Salary
Nevada Department of Conservation and Natural Resources-Division of State Parks	704/4162	0084	Staff II, Associate Engineer Code: 6.228 Grade: 37/01 Employee/Employer Paid Retirement: $55,958.40	Parks Regional Manager (Commissioned) Code: 13.131 Grade: 41/01 Employee/Employer Paid Retirement: $66,628.08
Nevada Department of Employment, Training and Rehabilitation-Administrative Services	908/3272	0009	Administrative Assistant II Code: 02.212 Grade 25/01 Employee/Employer Paid Retirement: $33,971.76	Personnel Officer I Code: 07.522 Grade: 36/01 Employee/Employer Paid Retirement: $53,598.96

G. STATEMENT OF CONTINGENCY ACCOUNT BALANCE.

WAYNE THORLEY (Senate Fiscal Analyst, Fiscal Analysis Division, LCB):
The IFC Contingency Account statement balance begins on page 217 in Volume III of the Meeting Packet (Exhibit C). Because the state is in the fiscal year closing period for FY 2021 and is currently in FY 2022, the statement includes information for both fiscal years. On page 217, note that the balance of the Contingency Account was $39.2 million prior to actions of the Committee today. There is approximately $13.7 million in pending reversions of FY 2021 allocations, which are allocations made pursuant to legislation from the 2019 Legislative Session that were not fully utilized. Those reversions to the General Fund and the Highway Fund are currently being processed. After those reversions are processed, the FY 2021 balance will be $25.5 million. Carrying the $25.5 million forward as a beginning fund balance for FY 2022 and adding the $8.6 million in appropriations made to the IFC Contingency Account in FY 2022, pursuant to action from the 2021 Legislative Session, the total funding available in the IFC Contingency Account, prior to actions of the IFC, is $34.1 million. There is $419,339 worth of contingency allocation requests before the Committee today. If all of those are approved, the balance would be $33.7 million.

H. REQUESTS FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO NRS 353.268 (Note: IFC may approve a different amount for an allocation than the amount requested).

1. Office of the Controller – Request for an allocation of $51,680 for temporary personnel costs to track and reconcile payment of modified business tax refunds by the Department of Taxation.

   Agenda Item H-1 and Agenda Item I were discussed jointly. Refer to discussion and motion for approval under Agenda Item I.

2. State Department of Conservation and Natural Resources – Division of Water Resources – Request for an allocation of $250,000 to restore funds in the Account for the Channel Clearance, Maintenance, Restoration, Surveying and Monumenting Program pursuant to NRS 532.230 for channel clearance activities.

   MICHELINE FAIRBANK (Deputy Administrator, Division of Water Resources, Department of Conservation and Natural Resources):
   The Division of Water Resources seeks an allocation of $250,000 to replenish the Account for the Channel Clearance, Maintenance, Restoration, Surveying and Monumenting Program pursuant to NRS 532.230. This is a regular request when the funds in the available account are insufficient to meet the needs and fall below the $250,000 threshold, which is the purpose of the today's request.

   ASSEMBLYWOMAN PETERS:
   Are there any pending applications or requests beyond the request from Carson Valley Conservation District?

MS. FAIRBANK:
No, there are no other pending applications. The division has not solicited additional applications due to insufficient funding. However, if the account is restored, the division will solicit additional projects with the remaining funds.

ASSEMBLYWOMAN PETERS:
In the last drought cycle, there was an opportunity in certain areas to dredge and do maintenance on riverbed systems, particularly the Walker River outside of Yerington. Is that becoming of interest to communities and water districts this coming year? If so, would that be a project that would fall under this category?

MS. FAIRBANK:
That is something that could be of interest to organizations. However, the interplay between the Channel Clearance account and supporting diversions for irrigation practices or surface water diversions would have to fall within the program aspects of the Channel Clearance program.

SENATOR GOICOECHEA:
I am hopeful that some federal infrastructure money can be shifted to a new focus in Nevada, especially water issues. Due to low water levels, it is a great time to do channel clearance. Hopefully, more money can be committed to that because there is a lot of work to be done.

ASSEMBLYWOMAN CARLTON:
Typically, the account is replenished to $250,000. My understanding is that this is a request for $250,000 in addition to the $127,000—even though there are no other requests at this time. Why is additional funding being requested now? Is there a special circumstance?

MS. FAIRBANK:
To clarify: this request is for a total of $250,000, not $250,000 in addition to the $178,000 for the existing application. If the fund is replenished, the division will fund the pending application, which will leave a balance of $122,000 in the Channel Clearance account that will be used for additional solicitations. When the fund is exhausted, the division will submit an additional work program to replenish the account at that time.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM H-2.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

I. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO ASSEMBLY BILL 464, SECTION 4.3 (2021 Legislature) (Note: IFC may approve a different amount for an allocation than the amount requested) – Department of Taxation – Request for an allocation of $117,659 for personnel costs related to the issuance of refunds for the portion of modified business taxes paid in FY 2020 and FY 2021 that exceeded the reduced tax rates determined pursuant to NRS 360.203.

Agenda Item H-1 and Agenda Item I were discussed jointly.

LORI HOOVER (Chief Deputy, Office of the State Controller):
In the work program in Agenda Item H-1, the Office of the State Controller is requesting $51,680 for a part-time contracted position and associated costs to assist with the reconciliation of the state's bank accounts. The Office of the State Controller is responsible for completing a monthly bank reconciliation. Due to the Nevada Supreme Court's decision that a portion of the Modified Business Tax collected by the Department of Taxation in FY 2020 and FY 2021 must be refunded, there will be a higher level of activity in the bank accounts, increasing the time needed to reconcile the accounts. The Department of Taxation will be using Wells Fargo, the state's contracted financial institution, to issue the warrants as the Office of the State Controller does not have the labor resources or equipment to issue the warrants within the timeframe requested by the Department of Taxation. The additional transactions will need to be posted in the state's financial system; this will require different and additional procedures to ensure that the state's bank account is reconciled in a timely manner.

The Office of the State Treasurer has opened a separate, controlled disbursement account for the Taxation refunds. Funds will only be transferred from the state's main account to this account when warrants are presented for payment at the controlled disbursement account. Transactions will be reconciled in both the main bank account and the controlled disbursement account.

As stated, a part-time contracted position is requested to assist with the reconciliation of the bank accounts due to the additional transactions and procedures. The Department of Taxation estimates that approximately 37,000 accounts will need to be refunded. The Office of the State Controller will receive daily access to reports from Wells Fargo listing all warrants issued, cleared and outstanding. The contractor will work each week to ensure that all activity within the bank accounts related to Taxation refunds match the information on the Wells Fargo reports. This will allow a quicker month-end reconciliation process.

The reconciliation of the state's bank accounts is part of the Annual Comprehensive Financial Report (ACFR), which is also part of the audit report. Untimely completion of bank reconciliations could result in a finding for the ACFR and a finding in the single audit. The ACFR opinion can also affect the state's bond rating. The federal government relies on the single audit to determine federal assistance to the state.

The Office of the State Controller is requesting contractor assistance from August 30, 2021, through June 30, 2022. Warrants clearing or needing reissuance will affect the bank

accounts until 180 days after the last warrants have been issued. The Department of Taxation expects to issue the majority of the refunds by the end of August 2021. After 181 days, any warrants not cleared through Wells Fargo will be reversed by Wells Fargo. Any outstanding warrants will be processed by the Department of Taxation through the state's financial system, using the traditional refund procedures. One year after the date of issuance, any unclaimed refunds will be submitted to the Unclaimed Property section of the Office of the State Treasurer by the Department of Taxation. The Office of the State Controller is requesting to continue with the contractor through June 30, 2022, to ensure reconciliation of final bank statements affected by the refund transactions have been completed, which will include the verification of a list of outstanding warrants.

MELANIE YOUNG (Executive Director, Department of Taxation):
The request in Agenda Item I was authorized in Assembly Bill (A.B.) 464, Section 4.3 where funds were appropriated relating to the cost of the issuance of refunds for the Modified Business Tax. This request is for $117,659 to fund a management analyst position, operating costs, postage, and contract services to cover the printing and distribution of checks.

The number of taxpayers affected by this court decision is 37,113. The total cost to be refunded is estimated to be $80.3 million in taxes and interest due to those taxpayers. Since the Supreme Court's decision on May 13, the department has been working on a refund plan—developing solutions and meeting with stakeholders, including the Office of the State Treasurer and the Office of the State Controller. To date, the department has absorbed the cost to provide these resources for planning and development of the solution and initiating the refund checks. The department has taken the following steps to initiate the refunds:

- Notices have been sent to taxpayers requesting that they update their address and ensure the completeness of their tax records.

- The department has disbursed information through press releases and social media posts to taxpayers to contact the Department of Taxation.

- The department extended the call center hours for a two-week period, allowing taxpayers who needed to communicate outside of normal business hours.

- The department has assigned revenue officers to reach out to taxpayers who may have invalid addresses or issues that would prevent the department from issuing refund checks. It is estimated that 15,000 taxpayers need intervention to accurately process the refunds.

The first data file was sent to Wells Fargo last week; 22,621 taxpayers will receive refund checks in the total amount of $30.6 million this week. The department will continue to process refunds as taxpayers respond to the department's inquiries to ensure the completeness of their taxpayer records and that they have valid addresses. The department will continue taxpayer outreach to process refunds as quickly as possible. The Department of Taxation is asking any taxpayers who have not received their refund

checks within the next couple weeks to follow up with the department on outstanding items required to issue their refunds.

The department has a team of employees that will continue to work on validating credits and processing refunds. The department estimates that it will be an ongoing process and checks will be disbursed no less than monthly. The department estimates the following dates for the refunds: the weeks of September 13, October 11, November 15, and December 13. At that time, the department will reevaluate how many refunds are remaining and when those refunds can be completed.

The Management Analyst position will be responsible for the ongoing management of the refund check process through the contracted services by Wells Fargo to ensure the checks are received by taxpayers, cashed, and—if there are any issues with taxpayers not cashing checks—they can reissue them. Any checks not cashed become invalid after one year and will be forwarded to Unclaimed Property. Since the department will need continual processing of refunds for the foreseeable future, this position is needed to manage the workload of tracking refunds and issuing checks.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM H-1 AND AGENDA ITEM I.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

J. REPORT OF ACCEPTANCE OF GIFTS AND GRANTS PURSUANT TO NRS 353.335(2)(a) – ACCEPTED BY THE GOVERNOR BECAUSE OF AN EMERGENCY AS DEFINED IN NRS 353.263 OR FOR THE PROTECTION OF LIFE OR PROPERTY – <u>INFORMATIONAL ONLY</u>. Office of the Governor – Coronavirus Aid, Relief and Economic Security (CARES) Act Account – Acceptance of $75.4 million in federal American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds for distribution to Non-Entitlement Units of Local Government. **RECEIVED 6-25-21.**

LESLEY MOHLENKAMP (CRF and ARPA Fiscal Recovery Funds Coordinator, Governor's Finance Office):
Information Item J is for the acceptance of $75,369,262 in federal ARPA Coronavirus Local Fiscal Recovery Funds for distribution to non-entitlement units of local government. As part of ARPA, the federal government allocated $19 billion to states for distribution to non-entitlement units of local government within their borders. These funds are above and beyond the State Fiscal Recovery Funds, of which Nevada received $2.7 billion. Non-entitlement units of local government (NEUs) are typically local governments with populations of less than 50,000. There are 13 NEU cities in Nevada designated by the federal government to receive this aid. Award amounts are based on the population of the NEU relative to the entire population of all 13 NEUs. Payments for NEUs were to be sent out in two tranches: one payment to be made immediately in June 2021 and the other to be paid in one year. All other local governments, including counties and the metropolitan cities of Henderson, North Las Vegas, Las Vegas, Reno, Sparks, and

Carson City are to receive their payments directly from the Treasury; they follow a separate process and allocation method. This is a little different from the process and methods for the Coronavirus Relief Fund dollars. The $75.4 million represents the full amount of the first tranche payment that appeared in the state's bank account on June 16, 2021, to disperse to 13 Nevada NEUs, per Treasury guidance. The State of Nevada was required to disburse these funds within 30 days of receipt unless an extension was requested. Nevada was one of 17 states that did not need an extension. All 13 of Nevada's NEUs received payment from this fund on July 15 and July 16. For the most part, the state was disbursing funds to the NEUs as a facilitator. However, as part of the state's responsibilities, the Treasury directed the state to request a reference budget from the NEUs and apply a 75% cap. The NEUs could not exceed this total amount for their payment. The Governor's Finance Office (GFO) worked with local governments to collect reference budgets, apply calculations, and ensure the requirement was met.

There was no further discussion on this item.

K. REQUEST FOR APPROVAL TO ACCEPT GIFTS AND GRANTS PURSUANT TO NRS 353.335 – Department of Wildlife – Request for approval to accept a donation of $25,000 from the Mule Deer Foundation to purchase Global Positioning System (GPS) radio collars as part of a study on mule deer ecology and survival in Northwestern Nevada.

BONNIE LONG (Deputy Director, Department of Wildlife):
This request would allow the agency to accept $25,000 from the Mule Deer Foundation to purchase GPS collars for mule deer in the northwestern region of the state. This would allow the purchase of 20 collars at approximately $1,250 each.

ASSEMBLYWOMAN CARLTON MOVED TO APPROVE AGENDA ITEM K.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

L. INFORMATIONAL ITEMS.

WAYNE THORLEY (Senate Fiscal Analyst, Fiscal Analysis Division, LCB):
Agenda Item L-9, Governor's Office of Economic Development, has been identified for additional discussion.

1. OFFICE OF THE STATE TREASURER – Report on the Bond Interest and Redemption Fund pursuant to Assembly Bill 492, Section 18(3) (2021 Legislature).

   There was no discussion on this item.

2. DEPARTMENT OF ADMINISTRATION
   a) Quarterly report on the division's process on construction cost containment efforts, the tracking of budgeted inflationary costs compared to actual inflationary costs, and the tracking of other construction cost escalations compared to budgeted costs that are impacting legislatively approved Capital Improvement Program projects for the period ending June 30, 2021 (letter of intent, 2019 Legislature). **RECEIVED AFTER SUBMITTAL DEADLINE, 8-2-21.**
   b) Semiannual report regarding the status of action taken by the division to ensure the Marlette Lake Water System is able to continue operations as a self-sustaining system, and to report on actual raw water sales revenue received by the division along with revenue projections for the remainder of FY 2020 and for FY 2021 (letter of intent, 2019 Legislature). **RECEIVED AFTER SUBMITTAL DEADLINE, 8-2-21.**
   c) Annual report on the status of the new Buildings and Grounds inmate labor program in Southern Nevada for FY 2021 (letter of intent, 2019 Legislature). **RECEIVED AFTER SUBMITTAL DEADLINE, 8-2-21.**
   d) Report on Veterans with Service-Connected Disabilities Bidders' Preference pursuant to NRS 338.13846. **RECEIVED AFTER SUBMITTAL DEADLINE, 8-2-21.**
   e) State Public Works Division - Information regarding the Project Status Exception Report pursuant to NRS. 341.100(8)(g).

   There was no discussion on these items.

3. DEPARTMENT OF AGRICULTURE – Division of Plant Health and Compliance – Increase of one vacant 0.50 full-time equivalent (FTE) to a 1.00 FTE to perform farm registrations and compliance inspection for public safety regulations pursuant to the Food Safety Modernization Act, Produce Safety Rule.

   There was no discussion on this item.

4. DEPARTMENT OF HEALTH AND HUMAN SERVICES
   a) Division of Health Care Financing and Policy – Quarterly report regarding the Disproportionate Share Hospital Supplemental Payment Program for the period ending June 30, 2021, pursuant to NRS 422.390.
   b) Division of Public and Behavioral Health – Semiannual report status of the cancer registry's business practices for the period January 1, 2021, through June 30, 2021 (letter of intent, 2019 Legislature).
   c) Division of Welfare and Supportive Services – Semiannual report on the progress in meeting the Temporary Assistance for Needy Families Work Participation Rate, for the period January 1, 2021, through June 30, 2021 (letter of intent, 2019 Legislature). **RECEIVED AFTER SUBMITTAL DEADLINE, 7-27-21.**

   There was no discussion on these items.

5. DEPARTMENT OF CORRECTIONS
   a) Director's Office – Quarterly report on the department's retention and recruitment efforts for correctional officers at each of its institutions statewide and inmate population and capacity levels for the period ending March 31, 2021 (letter of intent, 2019 Legislature).
   b) Quarterly report on departmentwide overtime for the period ending December 31, 2020, as requested during the December 13, 2019, meeting of the Interim Finance Committee.
   c) Quarterly report on departmentwide overtime for the period ending March 31, 2021, as requested during the December 13, 2019, meeting of the Interim Finance Committee.

   There was no discussion on these items.

6. DEPARTMENT OF PUBLIC SAFETY – Records, Communications and Compliance Division – Quarterly report on the implementation progress and status of the Nevada Criminal Justice Information System modernization project for the period ending June 30, 2021 (letter of intent, 2019 Legislature).

   There was no discussion on this item.

7. DEPARTMENT OF TRANSPORTATION
   a) Quarterly report on the activities of the Advisory Committee on Transportational Storm Water Management and the implementation and efficacy of the department's storm water program pursuant to NRS 408.439 (11) for the period ending December 31, 2020.
   b) Quarterly report on the activities of the Advisory Committee on Transportational Storm Water Management and the implementation and efficacy of the department's storm water program pursuant to NRS 408.439 (11) for the period ending March 31, 2021.
   c) Quarterly report on the activities of the Advisory Committee on Transportational Storm Water Management and the implementation and efficacy of the department's storm water program pursuant to NRS 408.439 (11) for the period ending June 30, 2021.

   There was no discussion on these items.

8. SILVER STATE HEALTH INSURANCE EXCHANGE – Semiannual report regarding the transition to a state-based exchange operating model for the period January 1, 2021, through June 16, 2021 (letter of intent, 2019 Legislature).

   There was no discussion on this item.

9. GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT – Report on expenditures made from the money appropriated to provide grants to support small businesses and other entities impacted by the COVID-19 pandemic (Pandemic Emergency Technical Support Program), pursuant to Assembly Bill 106 (2021 Legislative Session). **RECEIVED AFTER SUBMITTAL DEADLINE, 7-30-21.**

MICHAEL BROWN (Director, Governor's Office of Economic Development [GOED]):
When GOED launched the program, I saw a quote stating that governments are good at bailing out the financial sector but challenged when it comes to helping the "local coffee shop." The Pandemic Emergency Technical Support (PETS) Program helped a lot of local coffee shops and other small businesses and microbusinesses across the state. A total of approximately $98 million was disbursed through 9,389 grants, expedited by a contractor.

There was no further discussion on this item.

10. Reports on the use of consultants for the January 1, 2021, through June 30, 2021, reporting period:
    a) Reports from school districts pursuant to NRS 391.155.
    b) Reports from boards and commissions pursuant to NRS 333.705(7).
    c) Reports from the Nevada System of Higher Education pursuant to NRS 333.705(7).

There was no discussion on these items.

M. REPORT ON THE APPOINTMENT OF A SUBCOMMITTEE TO ADVISE ON THE EXPENDITURE OF FEDERAL FUNDING RECEIVED UNDER THE AMERICAN RESCUE PLAN ACT AND SIMILAR FEDERAL LEGISLATION TO RESPOND TO THE COVID-19 PANDEMIC.

CHAIR BROOKS:
A subcommittee will be created to advise on federal COVID-19 funds the state has received or will receive. The subcommittee will consist of Senator Brooks, Senator Cannizzaro, Senator Dondero Loop, and Senator Kieckhefer, Assemblywoman Carlton, Assemblywoman Jauregui, Assemblywoman Monroe-Moreno, and Assemblywoman Tolles. Senator Dondero Loop will serve as the chair of this subcommittee. The date of the first meeting has not yet been scheduled; however, it will likely be held in September 2021.

ASSEMBLYMAN FRIERSON:
It is important to set this precedent of not having a structure over multiple interims that ties the hands of a future legislator.

ASSEMBLYWOMAN TITUS:
There are no rural representatives on this subcommittee. I hope the needs of rural Nevadans are taken into consideration.

There was no further discussion on this item.

N. PUBLIC COMMENT

TERRI LAIRD (Executive Director, Retired Public Employees of Nevada):
The Retired Public Employees of Nevada (RPEN) is a nonprofit organization founded in 1976. The RPEN has approximately 8,000 dues-paying members and 18 chapters statewide. I would like to echo remarks made in the first public comment period in support

of a return to pre-pandemic levels of benefits from the Public Employees' Benefits Program (PEBP). The PEBP Board voted on July 29, 2021, that now is the time to seek a restoration of benefits that were cut during the 2021 Legislative Session. The RPEN supports that unanimous decision by the PEBP Board.

Kent Ervin (Nevada Faculty Alliance) submitted written testimony for the record (Exhibit H).

Aaron Harris submitted written testimony for the record (Exhibit I).

Scott Sevier submitted written testimony for the record (Exhibit J).

John and Linda Gannon submitted written testimony for the record (Exhibit K).

Lorayn Walser submitted written testimony for the record (Exhibit L).

Stephanie Parker submitted written testimony for the record (Exhibit M).

Kristina Cote submitted written testimony for the record (Exhibit N).

Linnes Chester submitted written testimony for the record (Exhibit O).

M. Leigh Bogue submitted written testimony for the record (Exhibit P).

O. ADJOURNMENT.

Chair Brooks adjourned the meeting at 3:01 p.m.

_____
Senator Chris Brooks, Chair
Interim Finance Committee

_____
Brenda Erdoes, Director, Legislative Counsel Bureau,
and Secretary, Interim Finance Committee