

MINUTES OF THE OCTOBER 11, 2023
MEETING OF THE
INTERIM FINANCE COMMITTEE

Chair Daniele Monroe-Moreno called a regular meeting of the Interim Finance Committee (IFC) to order at 9:37 a.m. on October 11, 2023, online, and in Room 4401 of the Grant Sawyer Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Daniele Monroe-Moreno, Chair
Senator Marilyn Dondero Loop, Vice Chair
Senator Nicole Cannizzaro
Senator Pete Goicoechea
Senator Scott Hammond for Senator Heidi Seevers Gansert
Senator Dallas Harris
Senator Dina Neal
Senator Rochelle Nguyen
Senator Robin Titus
Assemblywoman Natha Anderson
Assemblywoman Shea Backus
Assemblywoman Tracy Brown-May
Assemblyman Max Carter for Assemblyman Cameron "CH" Miller
Assemblywoman Jill Dickman
Assemblywoman Michelle Gorelow
Assemblyman Gregory Hafen II
Assemblywoman Sandra Jauregui
Assemblyman Gregory Koenig for Assemblywoman Heidi Kasama
Assemblywoman Brittney Miller for Assemblywoman Sarah Peters
Assemblywoman Erica Mosca for Assemblyman Howard Watts
Assemblyman Philip P.K. O'Neill
Assemblyman Steve Yeager

COMMITTEE MEMBERS EXCUSED:

Senator Heidi Seevers Gansert
Assemblywoman Heidi Kasama
Assemblyman Cameron "CH" Miller
Assemblywoman Sarah Peters
Assemblyman Howard Watts

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Brenda Erdoes, Director, Legislative Counsel Bureau
Sarah Coffman, Fiscal Analyst, Assembly
Wayne Thorley, Fiscal Analyst, Senate
Brody Leiser, Chief Principal Deputy Fiscal Analyst
Cathy Crocket, Chief Principal Deputy Fiscal Analyst
Karen Hoppe, Principal Deputy Fiscal Analyst
Julie Waller, Principal Deputy Fiscal Analyst
Asher Killian, Legislative Counsel
Eileen O'Grady, Chief Deputy Legislative Counsel
Jessica Dummer, Deputy Legislative Counsel
Tom Weber, Fiscal Analysis Division Secretary
Melissa Garvin, 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](#): Meeting Packet – Volume IV
- [Exhibit E](#): Meeting Packet – Volume V
- [Exhibit F](#): Public Comment – Dawn Nielsen, Director of Externships, William S. Boyd School of Law, University of Nevada, Las Vegas
- [Exhibit G](#): Public Comment – Jon D. Ponder, Founder and CEO, HOPE for Prisoners
- [Exhibit H](#): Public Comment – Tina Quigley, President and CEO, Las Vegas Global Economic Alliance
- [Exhibit I](#): Public Comment – Sarah Watterson, President, Brightline West
- [Exhibit J](#): Public Comment – Victor Fuchs, President and Managing Partner, Helix Electric
- [Exhibit K](#): Public Comment – M. Sami Bakdash, Esquire, General Counsel, AX Transportation
- [Exhibit L](#): Public Comment – Michael A. Henderly, President, Xtreme Manufacturing
- [Exhibit M](#): Agenda Item F.1 – American Rescue Plan Act, Coronavirus State Fiscal Recovery Fund Funding Obligations
- [Exhibit N](#): Agenda Item F.1 – BA 1327 American Rescue Plan Act, Coronavirus State Fiscal Recovery Fund Table
- [Exhibit O](#): Agenda Item F.2 - GFO Director Letter
- [Exhibit P](#): Agenda Item F.2 - ARPA Spreadsheet GFO

A. ROLL CALL.

MELISSA GARVIN (Secretary, Fiscal Analysis Division, Legislative Counsel Bureau [LCB]), called the roll. All members were present except Senator Seever's Gansert, Assemblywoman Kasama, Assemblyman Miller, Assemblywoman Peters, and Assemblyman Watts, who were excused. Assemblywoman Jauregui and Assemblyman Yeager joined the meeting in progress.

CHAIR MONROE-MORENO:

Over the last year, there has been upheaval in different areas of the world. Events over the past weekend caused more upheaval. I am going to ask for a moment of silence knowing that although the fighting is not occurring in this community, it affects all communities. Our hearts go out to those who have lost family members and those who have family members being held hostage.

B. PUBLIC COMMENT.

DAWN NIELSEN (Director of Externships, William S. Boyd School of Law, University of Nevada, Las Vegas) provided public comment for the record ([Exhibit F](#)).

JON D. PONDER (Founder and Chief Executive Office [CEO], HOPE for Prisoners) provided public comment for the record ([Exhibit G](#)).

TINA QUIGLEY (President and CEO, Las Vegas Global Economic Alliance) provided public comment for the record ([Exhibit H](#)).

SARAH WATTERSON (President, Brightline West) provided public comment for the record ([Exhibit I](#)).

VICTOR FUCHS (President and Managing Partner, Helix Electric) provided public comment for the record ([Exhibit J](#)).

M. SAMI BAKDASH, ESQUIRE (General Counsel, AX Transportation) provided public comment for the record ([Exhibit K](#)).

MICHAEL A. HENDERLY (President, Xtreme Manufacturing) provided public comment for the record ([Exhibit L](#)).

C. APPROVAL OF MINUTES OF THE JANUARY 31, 2023, MEETING.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE THE MINUTES OF THE JANUARY 31, 2023, MEETING.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

D. APPROVAL OF MINUTES OF THE APRIL 6, 2023, MEETING.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE THE MINUTES OF THE APRIL 6, 2023, MEETING.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

E. APPROVAL OF MINUTES OF THE APRIL 22, 2023, MEETING.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE THE MINUTES OF THE APRIL 22, 2023, MEETING.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

F. AMERICAN RESCUE PLAN ACT, CORONAVIRUS STATE FISCAL RECOVERY FUNDS

1. Statement of American Rescue Plan Act, Coronavirus State Fiscal Recovery Fund obligations and remaining reserve balances within the COVID-19 Relief Programs budget account.

BRODY LEISER (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Agenda Item F.1 discusses the Statement of American Rescue Plan Act, Coronavirus State Fiscal Recovery Fund obligations, and remaining reserve balances.

The information today will be presented in two formats, one consistent with how this information has previously been presented to the Committee, and then also in a new formatted table. Both the traditional statement (American Rescue Plan Act, Coronavirus State Fiscal Recovery Fund Funding Obligations, [Exhibit M](#)), as well as the new table (BA 1327 American Rescue Plan Act, Coronavirus State Fiscal Recovery Fund Table, [Exhibit N](#)) have been provided to the Committee as separate handouts outside of the meeting packet. Both documents are also available on the committee meeting page.

As noted during the August 9, 2023, meeting, the Fiscal Analysis Division has begun working to identify savings from programs in which approved allocations ended with the close of FY 2023. Therefore, I will be presenting new

information today to update the Committee and members of the public on those savings which free up funding that could be considered for alternative uses.

The LCB Fiscal Analysis Division, in collaboration with the Governor's Finance Office (GFO), is working through the reconciliation process to identify final individual FY 2023 program expenditures and resulting savings; therefore, these amounts are still under review and subject to change. The Fiscal Analysis Division hopes to present the finalized figures at the December 13, 2023, IFC meeting.

There were 16 work programs submitted for consideration today requesting the use or de-obligation of Coronavirus State Fiscal Recovery Funds; however, Agenda Item G.10 has been withdrawn. The remaining 15 work programs would facilitate requests to do three things:

1. Transfer two previously approved programs from the Department of Health and Human Services (DHHS), Division of Health Care Financing and Policy to the DHHS Division of Public and Behavioral Health: this includes funding for training of board-certified lactation consultants and for health care workforce scholarships.
2. De-obligate funding from two previously approved programs, including funding for prenatal services in rural communities and for the City of Las Vegas Detention Center renovation project.
3. Establish a new program to support jail-based programming for forensic clients.

I will begin with the traditional statement ([Exhibit M](#)).

Starting with the summary statement on page 1, I would draw the Committee's attention to two items on this page. First, there is red text under the amounts obligated to actions of the 82nd (2023) Legislative Session. The dollar amount has been revised from the information presented at the August 9, 2023, IFC meeting as a result of reconciling final position-related fringe costs. The specific revisions are flagged with red text under the detailed sections of the statement.

Second, the unobligated balance shown on this page totals \$50.9 million, which is up from \$3.3 million that was presented during the August 9, 2023, IFC meeting. This is primarily due to the savings identified with the close of FY 2023, as well as the two requests submitted for consideration today to de-obligate funding for previously approved programs.

Pages 2 through 12 of the traditional statement detail the obligations approved to date, including the actions taken by the 81st (2021) and 82nd (2023) Legislatures, as well as actions approved pursuant to the State Budget Act under *Nevada Revised Statutes* (NRS) 353 ([Exhibit M](#)). Page 13 includes the items listed on Agenda Item G that were submitted for the Committee's consideration. Additionally on page 13, there is a row that summarizes and lists a figure of \$20.3 million in savings identified with the close of FY 2023.

On pages 14 through 21, the breakdown statement for select obligations of Coronavirus State Fiscal Recovery Funds is presented ([Exhibit M](#)). The only changes to this section of the statement since the August 9, 2023, meeting, are identified on page 20 and noted in red text as a result of reconciling final position-related fringe costs. However, I would like to draw the Committee's attention to the \$3.2 million on page 21 of remaining authority under the \$100 million that was set aside for allocations to state agencies. When the \$3.2 million is combined with that \$50.9 million figure that I referenced earlier on the summary page, there is a total of \$54.1 million in unobligated funding.

The table on page 22 is the same table that was presented in August 2023 from the close of FY 2022 ([Exhibit M](#)). The table that begins on page 23 is the new information for this meeting and details the individual programs where the preliminary savings of \$20.3 million has been identified with the close of FY 2023. The table on pages 23 and 24 includes a list of the programs from which the savings were derived.

The traditional statement format ([Exhibit M](#)) is comprised of numerous sections and tables. A new table was created to provide the same information but in a more digestible format. I would like to transition the Committee's attention to the new table ([Exhibit N](#)), which contains all the same information, but in a format similar to what was presented to the money committees when closing the COVID-19 Relief Programs Budget during the 82nd (2023) Legislative Session.

At the top of page 1 of the table ([Exhibit N](#)), there is a high-level summary that identifies the total state award of Coronavirus State Fiscal Recovery Funds of \$2.7 billion, the FY 2022 expenditures of approximately \$440.4 million, the total FY 2023 expenditures, which are approximately \$360.1 million, and the total that is currently authorized but not yet expended of approximately \$1.9 billion. In the top section of this new table, it shows the remaining unobligated balance of approximately \$54.1 million. The Fiscal Analysis Division is in the process of reconciling to reach consensus with the GFO on the final FY 2023 expenditure amounts as well as any savings that have been identified.

I will walk through the format of this new table ([Exhibit N](#)), providing a description from left to right through the columns. Lastly, I will provide a couple examples to explain how the information is presented. The first column is a description of the approved program allocation. This is the same verbiage that was provided on the traditional statement. The next column is the agency to which the funds were allocated. Column A, Approved Allocation, is the amount that was approved either through legislation or through the work program process for the individual programs. Columns B and C reflect the actual FY 2022 and FY 2023 expenditures, respectively. Column D is the net amount remaining, the approved allocation less the actual expenditures. Within Column E, the Fiscal Analysis Division has identified any amounts that have been characterized as savings or de-obligations. Column F reflects any remaining authority for the individual program allocations.

The cells that are color-coded in gray indicate that there are no expenditures or figures for the program. For example, looking at row one, that funding was approved to restore positions in FY 2022; therefore, the amount approved is in Column A, the actual expenditures are reflected in Column B. Because that was for FY 2022 only, Column C is grayed out. There are also several cells within Column E that are shaded in light green, which represents savings that are being identified for the first time on the statement and the first time for the Committee. These are associated with savings from programs that ended with the close of FY 2023. Looking at row two, this was for the restoration of position costs in FY 2023, a total of approximately \$3.5 million was approved. Column C shows that approximately \$3.16 million was expended. Column E then therefore reflects the savings of approximately \$341,000 since those were for FY 2023 only.

The information on the table is essentially in chronological order from top to bottom. On page 3, under the row starting with number 52, are the individual allocations that were approved under the \$100 million set aside for state agencies ([Exhibit N](#)). All of that detail is incorporated into the new table format. Hopefully it provides all the information within this single table, avoiding the need to reference various sections of the statement to see the information. There has been a lot of interest in the actual expenditure of these funds; the new format shows what has been obligated and what has been expended to date, as well as any resulting savings.

SENATOR TITUS:

Looking at ([Exhibit M](#)) and ([Exhibit N](#)), on one document, it says there is about \$20 million that could possibly be reallocated. However, on the other document, under the fifth column, the savings de-obligation amount is \$84 million. Is it correct that there is an additional \$84 million that could be reallocated?

MR. LEISER:

The \$84 million total that is in Column E on the new table ([Exhibit N](#)) accounts for savings that were also identified with the close of FY 2022, and the vast majority of that savings had already been repurposed. Currently, the savings that was identified with the close of FY 2023 was approximately \$20 million. Looking at the summary on page 1 of the new table, approximately \$54 million is the amount that would be available for repurposing. The \$54 million is comprised of the savings that were identified with the close of FY 2023 as well as some requests before the Committee today to de-obligate funds.

SENATOR TITUS:

What is the date by which these funds must be re-obligated?

MR. LEISER:

The deadline to obligate funds is December 31, 2024, and the deadline to expend the funds is December 31, 2026.

There was no further discussion on this item.

2. Status report on the administration, obligation and expenditure of American Rescue Plan Act, Coronavirus State Fiscal Recovery Funds (Letter of Intent, 2023 Legislative Session).

AMY STEPHENSON (Director, Governor's Finance Office [GFO]):

Agenda Item F.2 provides an update on the American Rescue Plan Act (ARPA) funds. The letter of intent (GFO Director Letter, [Exhibit O](#)) issued by this body requested a summary detailing each approved allocation of funds to date, the identification of any savings, the identification of any remaining unobligated authority, any updates from the U.S. Department of the Treasury (Treasury), and an update regarding the advance of ARPA funds to states and organizations as outlined in Section 12 of Senate Bill (S.B.) 504 (82nd [2023] Legislative Session). The spreadsheet provided is a detailed monthly report ending with August 31, 2023 (ARPA Spreadsheet GFO, [Exhibit P](#)). This monthly report comes from the agency to the GFO. The spreadsheet provides details including a description of each project, program, the agency and organization to which the funding was allocated, the status of the project and program, and spending as of August 31, 2023, for each project and program, any identified savings from each project, and any remaining unobligated authority.

As mentioned previously, identified savings are preliminary numbers. The Fiscal Analysis Division and the GFO are going through the reconciliation process between both offices. On August 10, 2023, the GFO received the 2023 Interim Final Rule from the Treasury that allows new eligible uses for emergency relief for natural disasters, community development, and surface transportation projects. The notification indicated existing eligible uses are generally unchanged and recipients may continue the use of State and Local Fiscal Recovery Funds in accordance with the 2022 Final Rule. As of this report, 150 advances have been processed pursuant to the required procedures for transferring funds to state agencies or issuing payments. At present, the GFO is working with subrecipients to reconcile their projects to the legislatively approved budget to determine if sufficient funds have been advanced and whether there is any pending balance forward request.

SENATOR CANNIZZARO:

There were a lot of discussions during the 82nd (2023) Legislative Session about the use of ARPA funds and making sure they are going towards the programs that have gone through the IFC approval process. This morning, the Committee received a 16-page table ([Exhibit P](#)) from the GFO. In looking through the table, I want to voice that there are very significant concerns, many of which I also laid out in detail during the 82nd (2023) Legislative Session, as have many other members of the Committee. There are issues and delays for things that are on this list, such as child care subsidies, child care grants, programs for children generally, different state contracts, and positions within the DHHS Division of Welfare and Supportive Services. After discussing these delays during the 82nd (2023) Legislative Session, the Committee requested to make sure that the issues were addressed so that it would be possible to spend the ARPA funds. Some of the items that are listed relate back to June or August 2023 where there is no additional information on this table. The Committee requires updated information as to where this money is being spent, and the reasons for the issues and delays. It is unacceptable that the IFC has not been informed about how the funds are being expended and has not been provided with last minute information about why the funds are not being spent or why they may be reverted to the state. I request that the Committee be provided with updated information before the next IFC meeting on December 13, 2023, so the Committee has adequate time to review. I will be reaching out with more detailed questions.

There was no further discussion on this item.

G. APPROVAL OF WORK PROGRAM REVISIONS FOR THE EXPENDITURE OF AMERICAN RESCUE PLAN ACT, CORONAVIRUS STATE FISCAL RECOVERY FUNDS, IN ACCORDANCE WITH NRS 353.220.

SARAH COFFMAN (Assembly Fiscal Analyst, Fiscal Analysis Division, LCB):

The following items have been pulled for further discussion: Agenda Items G.4, Office of the Governor; G.8, Office of the Governor and G.9, Department of Health and Human Services (DHHS), Division of Public and Behavioral Health (DPBH), which will be discussed with Agenda Items G.13, Office of the Governor; G.14, DHHS, DPBH; G.15, DHHS, DPBH; and G.16, Office of the Governor.

There was a request for Agenda Item G.4, Office of the Governor, to be pulled. I would note that Agenda Item G.4 also relates to Agenda Items G.5, DHHS, Division of Health Care Financing and Policy (DHCFP); G.6, DHHS, DPBH; and G.7, DHHS, DHCFP.

Agenda Item G.10, Office of the Governor, was withdrawn after the agenda was posted.

CHAIR MONROE-MORENO:

Senator Titus, you requested further discussion on Agenda Item G.4. After hearing that Agenda Items G.4, G.5, G.6 and G.7 are related, would you like all of those items pulled for further discussion?

SENATOR TITUS:

That is not necessary. My questions are limited to Agenda Item G.4.

1. Office of the Governor - COVID-19 Relief Programs - FY 2024

Transfer of \$366,000 from the Loss Revenue Reserves category to the American Rescue Plan Act (ARPA) Projects category to support an allocation to the Department of Health and Human Services, Division of Public and Behavioral Health to fund training for International Board-Certified Lactation Consultants. Requires Interim Finance approval since the amount transferred to the ARPA Project category exceeds \$350,000. **RELATES TO ITEMS G.2 AND G.3. Work Program #24FR132701**

Refer to motion for approval under Agenda Item H.

2. Department of Health and Human Services - Health Care Financing and Policy - Health Care Financing and Policy Administration - FY 2024

Deletion of \$300,000 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to repurpose a previously approved allocation from the Department of Health and Human Services (DHHS), Division of Health Care Financing and Policy to the DHHS Division of Public and Behavioral Health to continue the

support for training International Board-Certified Lactation Consultants. Requires Interim Finance approval since the amount deducted from the ARPA Lactation Consultant category exceeds 20% of the legislatively approved amount for that category. **RELATES TO ITEMS G.1. and G.3. Work Program #24FR315805**

Refer to motion for approval under Agenda Item H.

3. Department of Health and Human Services - Public and Behavioral Health - Public Health Improvements - FY 2024

Addition of \$666,000 in federal American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to support training for International Board-Certified Lactation Consultants (IBCLC). Requires Interim Finance approval since the amount added to the ARPA IBCLC category exceeds \$350,000. **RELATES TO ITEMS G.1 AND G.2. Work Program #24FRF32342**

Refer to motion for approval under Agenda Item H.

4. Office of the Governor - COVID-19 Relief Programs - FY 2024

Transfer of \$2,744,300 from the Loss Revenue Reserves category to the American Rescue Plan Act (ARPA) Public Health category to support an allocation to the Department of Health and Human Services, Division of Public and Behavioral Health to fund health care workforce scholarships and support staff. Requires Interim Finance approval since the amount transferred to the ARPA Public Health category exceeds \$350,000. **RELATES TO ITEMS G.5, G.6 and G.7. Work Program #24FR132702**

SENATOR TITUS:

Regarding the loan repayment for licensed practitioners, which types of practitioners will this benefit? What is the application process?

KELLI ANDERSON (Executive Branch Budget Officer, Governor's Finance Office [GFO]):

Work Program #24FR132702 is to align the GFO funds within the category to ensure the GFO supports the agency with its request. Someone from the DHHS Division of Public and Behavioral Health (DPBH) can discuss the specifics on which scholarships would be supported.

CODY PHINNEY (Administrator, DPBH, DHHS):

The DPBH provides those scholarships. The Office of Primary Care works on the scholarships related to various professionals. I do not have a list on hand; however, I will provide that information to the Committee. Andrea Rivers, Program Manager, DPBH, DHHS, may have that information available.

ANDREA RIVERS (Program Manager, DPBH, DHHS):

I do not currently have that list; however, I will provide it to the Committee.

SENATOR TITUS:

There is a great need across the spectrum of health care providers for some resources like the Office of Primary Care and the University of Nevada. How is the DPBH coordinating this effort?

Please clarify the division's meaning of "clinical rotations."

MS. PHINNEY:

Clinical rotations cover an array, from medical assistants to community health workers to professional-level staff. The DPBH will provide the Committee with specific details concerning clinical rotations.

SENATOR TITUS:

That is appreciated because the division is requesting a significant amount of money, so I am looking forward to receiving more details.

SENATOR TITUS MOVED TO APPROVE AGENDA ITEM G.4.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

5. Department of Health and Human Services - Health Care Financing and Policy - Health Care Financing and Policy Administration - FY 2025

Deletion of \$2,750,000 in federal American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to de-obligate funds since the Healthcare Workforce Scholarship and Support Staff project is being requested to be transferred to the Department of Health and Human Services, Division of Public and Behavioral Health. Requires Interim Finance approval since the amount deleted from the ARPA Health Care Workforce Initiative category exceeds \$350,000. **RELATES TO ITEMS G.4, G.6 and G.7. Work Program #25FR315801. RECEIVED 9-25-23, AFTER THE 9-11-23 SUBMITTAL DEADLINE.**

Refer to motion for approval under Agenda Item H.

6. Department of Health and Human Services - Public and Behavioral Health - Public Health Improvements - FY 2024

Addition of \$5,494,300 in federal American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to fund health care workforce scholarships and support staff. Requires Interim Finance approval since the amount added to the ARPA Health Care Workforce Scholarships category exceeds \$350,000. **RELATES TO ITEMS G.4, G.5 AND G.7. Work Program #24FRF32341**

Refer to motion for approval under Agenda Item H.

7. Department of Health and Human Services - Health Care Financing and Policy - Health Care Financing and Policy Administration - FY 2024

Deletion of \$2,750,000 in federal American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to repurpose a previously approved allocation from the Department of Health and Human Services (DHHS), Division of Health Care Financing and Policy to the DHHS, Division of Public and Behavioral Health to continue support for the health care workforce scholarships and support staff. Requires Interim Finance approval since the amount deducted from the ARPA Health Care Workforce Initiative category exceeds \$350,000. **RELATES TO ITEMS G.4, G.5 and G.6. Work Program #24FR315804**

Refer to motion for approval under Agenda Item H.

8. Office of the Governor - COVID-19 Relief Programs - FY 2024

Transfer of \$14,905,281 from the Loss Revenue Reserves category to the American Rescue Plan Act (ARPA) Public Health category to support an allocation to the Department of Health and Human Services, Division of Public and Behavioral Health to fund statewide jail-based programming for forensic clients. Requires Interim Finance approval since the amount transferred to the ARPA Public Health category exceeds \$350,000. **RELATES TO ITEM G.9. Work Program #24FR132703**

Agenda Items G.8, G.9, G.13, G.14, G.15, and G.16 were discussed jointly. Refer to discussion and motion under Agenda Item G.16.

9. Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2024

Addition of \$14,905,281 in federal American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account for statewide jail-based programming for forensic clients. Requires Interim Finance approval since the amount added to the Transfer from ARPA Jail-Based Programming category exceeds \$350,000. **RELATES TO ITEM G.8. Work Program #24FRF31611**

Agenda Items G.8, G.9, G.13, G.14, G.15, and G.16 were discussed jointly. Refer to discussion and motion under Agenda Item G.16.

10. Office of the Governor - COVID-19 Relief Programs - FY 2025

Deletion of \$2,008,751 from the balance forward of federal American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds since the Department of Health and Human Services, Division of Health Care Financing and Policy does not have resources to complete the project. Requires Interim Finance approval since the amount deleted from the ARPA Public Health category exceeds \$350,000. **Work Program #25FRF13271. RECEIVED 9-25-23, AFTER THE 9-11-23 SUBMITTAL DEADLINE.**

This item was withdrawn.

11. Office of the Governor - COVID-19 Relief Programs - FY 2024

Transfer of \$1,892,542 from the American Rescue Plan Act (ARPA) - Public Health category to the APRA - Loss Revenue Reserve category to make funds available for consideration of future projects since the Expanded Access to Prenatal Service in Rural Communities project is being cancelled. Requires Interim Finance approval since the amount transferred from the APRA - Public Health category exceeds \$350,000. **RELATES TO ITEM G.12. Work Program #24FRF13275. RECEIVED 9-25-23, AFTER THE 9-11-23 SUBMITTAL DEADLINE.**

Refer to motion for approval under Agenda Item H.

12. Department of Health and Human Services - Health Care Financing and Policy - Health Care Financing and Policy Administration - FY 2024

Deletion of \$1,892,542 in federal American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account authority with an offsetting de-obligation to the ARPA Women's Health Services expenditure category as the Expanded Access to Prenatal Service in Rural Communities project is being canceled due to a lack of interest from rural hospitals. Requires Interim Finance approval since the amount deducted from the ARPA Women's Health Services category exceeds \$350,000. **RELATES TO ITEM G.11. Work Program #24FR315803**

Refer to motion for approval under Agenda Item H.

13. Office of the Governor - COVID-19 Relief Programs - FY 2024

Transfer of \$20,280,147 from the American Rescue Plan Act (ARPA) - Services for Specific Populations category to the ARPA - Loss Revenue Reserve category to make funds available for consideration of other projects since the Forensic Las Vegas Jail Renovation project is being cancelled. Requires Interim Finance approval since the amount transferred from the ARPA Services for Specific Populations category exceeds \$350,000. **RELATES TO ITEMS G.14, G.15 and**

G.16. Work Program #24FRF13274. RECEIVED 9-25-23, AFTER THE 9-11-23 SUBMITTAL DEADLINE.

Agenda Items G.8, G.9, G.13, G.14, G.15, and G.16 were discussed jointly. Refer to discussion and motion under Agenda Item G.16.

14. Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2025

Deletion of \$33,305,537 in federal American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to de-obligate funds since the renovation project at the City of Las Vegas detention center has been terminated. Requires Interim Finance approval since the amount deleted from the ARPA - Forensic Las Vegas Jail Renovation category exceeds \$350,000. **RELATES TO ITEMS G.13, G.15 and G.16. Work Program #25FRF31611. RECEIVED 9-25-23, AFTER THE 9-11-23 SUBMITTAL DEADLINE.**

Agenda Items G.8, G.9, G.13, G.14, G.15, and G.16 were discussed jointly. Refer to discussion and motion under Agenda Item G.16.

15. Department of Health and Human Services - Public and Behavioral Health - Southern Nevada Adult Mental Health Services - FY 2024

Deletion of \$7,863,260 in federal American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs account to de-obligate funds for the renovation project at the City of Las Vegas detention center since the project has been terminated. Requires Interim Finance approval since the amount deleted from the ARPA - Forensic Las Vegas Jail Renovation category exceeds \$350,000. **RELATES TO ITEMS G.13 G.14 and G.16. Work Program #24FRF31612. RECEIVED 9-25-23, AFTER THE 9-11-23 SUBMITTAL DEADLINE.**

Agenda Items G.8, G.9, G.13, G.14, G.15, and G.16 were discussed jointly. Refer to discussion and motion under Agenda Item G.16.

16. Office of the Governor - COVID-19 Relief Programs - FY 2025

Deletion of \$33,305,537 from the balance forward of federal American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds to make these funds available for consideration of other projects since the Forensic Las Vegas Jail Renovation project is being cancelled. Requires Interim Finance approval since the amount deleted from the ARPA Services for Specific Populations category exceeds \$350,000. **RELATES TO ITEMS G.13, G.14 and G.15. Work Program #25FRF13273. RECEIVED 9-25-23, AFTER THE 9-11-23 SUBMITTAL DEADLINE.**

Agenda Items G.8, G.9, G.13, G.14, G.15, and G.16 were discussed jointly.

CODY PHINNEY (Administrator, DPBH, DHHS):

For more than a year, the DPBH has been negotiating with the City of Las Vegas to use a portion of the city's jail to expand the capacity to provide forensic mental health services. Due to some construction projects at the jail and the division's need to remodel the portion of the building that was to be used, a schedule could not be mutually agreed upon.

Since April 2023, the DPBH has been looking at alternate arrangements to address approximately 130 individuals currently in need of forensic mental health services. The proposal presented to the Committee today is jail-based programming. Jail-based programming is the most efficient and effective way to assess and treat competency. The DPBH has valuable partners to help provide these services, including Washoe County and the Washoe County Detention Center, and Clark County, Clark County Detention Center, and the police department. This is a solution that has been successful in other jurisdictions. It will accelerate the process, allow people to be served more quickly, and get through the court process in a timely manner.

In addition, the DPBH is exploring every opportunity to expand capacity. The current limitation is physical plant capacity, so the division is considering any possible unit. There is one in Las Vegas that is being examined for use. I have delayed some construction projects in hospitals such as Rawson-Neal Hospital, Stein Hospital, and Dini-Townsend Hospital, so those beds can be used partially for this purpose as well as for diversion programs.

ASSEMBLYMAN YEAGER:

Reading this work program was disheartening because during the 2021-22 Interim, a lot of effort went into the proposal for the City of Las Vegas jail. It is concerning to see that proposal abandoned. I have questions about that process as well as the proposed pilot program.

What was the issue related to the construction timeframes? In that context, the original proposal was approximately \$55.4 million, and the DPBH is requesting to repurpose approximately \$14.9 million for the pilot program, which leaves about \$40 million. There is an indication that the DPBH intends to present an alternative proposal to the Committee at its December 13, 2023, meeting. Please provide details about that proposal and any assurances that it will be operational before the City of Las Vegas project would have been complete. This is critical because the state is facing a deadline and under a court order on this issue. I am concerned that I am not seeing the addition of any permanent beds in the proposal. What happened with the City of Las Vegas and that proposal that appeared promising?

MS. PHINNEY:

The City of Las Vegas needed to refurbish the portion of the building that it was using, and the city would not have been able to turn over that portion of the building to the DPBH until summer 2024, but possibly as late as winter 2024. The division and its architects had a plan to refurbish that space, which would have taken 8 to 12 months to complete. Thus, it would have been a tight timeframe. There was also a safety concern because this additional unit would have been separate from other hospital services, so if there was a need for emergency coverage or additional staff, it would not be close by. The timing of those two construction projects as well as my own concern that the timeframe for construction might have to be extended, left me with grave concern about the division's ability to make that long-term solution work. The DPBH and the City of Las Vegas were unable to find a workable solution.

The DPBH is considering every available option. Currently, the division is researching how to bring 20 existing beds in Southern Nevada up to code. The DPBH is looking at every state facility that may have capacity to expand. In addition, the division will be increasing staff.

Washoe County is anticipating an increase and the county has onboarded staff. The county is working to find a temporary solution to address the increase. The DPBH is also starting to expand the diversion programs that help keep people with mental health issues in the system.

DREW CROSS (Agency Manager, Lake's Crossing Center):

I will be providing detail for Lake's Crossing Center's forensic diversion program. In collaboration with the county partners, the structure has been developed to support diversion. Lake's Crossing Center selects individuals with lower-level charges who have been assessed by a qualified clinician as appropriate for diversion. This is done with input from the district attorney as well as partners in the respective counties. This process has already made a significant contribution in Washoe County, where the list of individuals awaiting admission has been reduced from nearly 30 in April 2023 to the current number of 13. However, Lake's Crossing Center anticipates additional referrals from Washoe County as staffing is increased. Those who are diverted are provided wraparound services through the civil hospital and community partners. Due to the success, the Lake's Crossing Center is now bringing its diversion format to rural counties to assist in supporting the mental health population throughout the state.

ASSEMBLYMAN YEAGER:

A Las Vegas district court has assessed the state a fine of \$500 per day, per patient that is not being admitted to a forensic facility in a timely manner. I believe that

ruling was appealed and upheld. How much is the state being fined per day, and who is the recipient of those funds?

MS. PHINNEY:

Correct, the state is fined per patient, per day in cases where a contempt order has been issued. The DPBH recently paid approximately \$83,000 and the recipient of that money was Legal Aid of Southern Nevada. The division tracks the fines very carefully; I can provide that ongoing information to the Committee.

ASSEMBLYMAN YEAGER:

I appreciate the DPBH bringing this issue to the Committee now instead of later when the state is behind schedule. My frustration is with the derailment of a good plan through no fault of its own.

It was mentioned that other states have implemented similar programs. My understanding is the program will include mental health or competency treatment within Washoe County and the Clark County Detention Center. I thought that best practice is to conduct those types of treatment in an institutional setting rather than in a jail setting. I would like more information about the pilot program and confirmation that the program will be conducted in the jail, but hopefully not amidst everything else that happens in the jail.

MS. PHINNEY:

The DPBH will be working closely with both jails to provide the best evidence-based programming. The goal is to ensure that people are receiving services as quickly as possible, and if that means starting those services in the jail setting where possible, it may be that some of those people do not have to come to a forensic facility. It could hasten the process, which benefits the population at issue and the community.

MR. CROSS:

Mental health treatment exists outside of competency, which is a key point of this program, that these individuals will begin treatment earlier. The earlier the intervention, the sooner recovery can begin. The program will also entail social skills. Restoration cannot currently be done within the jail; however, other elements of social skills can be done to assist an individual in working with their attorney and understanding the court processes. Metrics are being established to measure if starting treatment earlier accounts for a reduction in stay once inmates are in the forensic facilities. There will also be an opportunity for everyone who is referred by the courts for pre-commitment evaluations or competency restoration to be part of this program. The DPBH works closely with the clinicians at the various county jails so there is clear communication and that there is a continuity of care between

the jail and the forensic facilities. This is all to the betterment of the client population.

ASSEMBLYMAN YEAGER:

I am glad to hear confirmation that the DPBH will not be conducting competency restoration within the confines of a jail, but rather, trying to do what is feasible for inmates who are in the jail and awaiting competency placement and more generalized mental health. Hopefully that will speed up the competency process. I am interested if the DPBH has information about other states that have implemented this successfully; written material that lays out the program and its effectiveness.

The last question is about the allocation of the proposed funding of \$14.9 million. It appears the DPBH will be servicing 60 clients at the Clark County Detention Center and 30 clients at the Washoe County Detention Center, which is a 2:1 ratio, but it looks like about \$8.9 million will be allocated to Clark County and \$5.9 million to Washoe County. Those numbers do not necessarily align with the 2:1 ratio. Is there something unique about either Clark County or Washoe County that would explain why the money is divided in that fashion rather than a population-based 2:1 division of the money?

SCOTT ZAVSZA (Captain, Las Vegas Metropolitan Police Department [LVMPD]):

Due to the Clark County Detention Center establishing housing for 60 individuals in one unit, the staffing is probably different than what it would be in a 30-person setting like Washoe County. I did not see the proposal, but per the guidelines for safety and security, two officers must be in that unit at all times. That may explain the difference in cost.

ASSEMBLYWOMAN ANDERSON:

There are multiple issues that need to be discussed: the change of location, the process itself, and the staffing. Do the detention centers have adequate staff to implement this program? Especially when looking at the backup documentation for Agenda Item G.9 related to items such as post-booking and entitlement benefits in Florida. Even if the detention centers have the staffing, will gaining that staff create a ripple effect in other areas where employees would be taken from other departments that are already understaffed?

MS. PHINNEY:

It is not the division's intention to create a ripple effect. The DPBH has had excellent support from the DHHS and the rest of the Executive Branch as well as community members. The DPBH believes the program has been established to allow for flexibility. I am focused on whether the division will be able to hire the necessary professional staff. The program was also established in a way that will help the

division move faster than some of the traditional state functions. The others that are partnering with the DPBH have had excellent success in hiring those kinds of professional staff.

You make an excellent point about the program in Florida. It is more broad-based than just the part that the DPBH is working on, but the division has collaborations established across the community with the welfare agency that establishes those benefits, and Medicaid is working on waivers related to some of the benefits for people that have been in jail. To reiterate, there is a broad base of things to benefit this population; it touches both mental health and the criminal justice system. This piece addresses most specifically the people who are waiting for assessment of and treatment to competency. That is currently where the DPBH has a real limitation and is a real focus area. This is one piece in that broad plan across the department and the Executive Branch that is making progress.

ASSEMBLYWOMAN ANDERSON:

Will the Committee be provided a copy of these plans and an update, or has that already been provided? What is the timeline of when these individuals will be hired?

MS. PHINNEY:

While working in the department, I see the welfare agency working with various agencies, putting people in those facilities, hospitals, and jails to get benefits. That is an ongoing activity that has been long standing. It is all part of the activities that the DHHS undertakes to address this more broadly. That is the plan to which I refer, it is not a written plan. Once this is approved, the DPBH will distribute the subaward to the counties as quickly as possible. The counties can provide information regarding the hiring process. I will provide the Committee with the written documentation about the plan and the data the DPBH will be collecting.

ASSEMBLYWOMAN ANDERSON:

To confirm, the timeline will be in the next three to five months or will it be sooner?

COREY SOLFERINO (Operations Bureau Chief Deputy, Washoe County Sheriff's Department):

The Washoe County Sheriff's Department has been working on this diligently behind the scenes, focusing on the scope of work for this request for proposal (RFP). Ideally, these clinicians would be a part of the employment cadre of the Washoe County Sheriff's Department but understanding the need to necessitate this program expeditiously and get it on point. The sheriff's department has already hired the personnel. The sheriff's department has 15 over-hire positions that allows for preplanning. When somebody leaves the department, it takes approximately 12 to 18 months to bring new officers online. The sheriff's

department has a wonderful recruitment division and is well poised to move forward. These 10 additional positions and the additional supervisor of this unit would allow the sheriff's department the opportunity to augment existing personnel to start up this unit and then allow the sheriff's department to backfill overtime for reallocating these personnel to this specific unit. The sheriff's department currently has 21 people in the academy and 17 who are primed for the next academy, which begins in January 2024. The sheriff's department has also been augmenting some of the retirements throughout the year with lateral hire personnel who do not have to go to the academy, already possess a Nevada Peace Officers Standards and Training certificate, and can start immediately with their field training officer program. Therefore, the only thing the sheriff's department would be waiting for is the funding mechanism and then the ability to put out the RFP and submit it. The sheriff's department just went to an RFP for the department's current medical provider just across the sheriff's department. That RFP closes at the end of the year. The Washoe County Sheriff's Department is encouraged, primed, and ready.

ASSEMBLYWOMAN ANDERSON:

Does Clark County have the same numbers in terms of staffing?

MR. ZAVSZA:

That is correct. Clark County has 22 individuals enrolled in the next academy, and currently has an academy of 24 running concurrent to the other one. Staffing is not the issue since the staffing would be augmented with the enrollees in the academies. Clark County has partnered with a contractor, Wellpath Recovery Solutions (Wellpath), for the staffing that would be needed to properly vet and run this unit. As far as staffing with the Clark County Detention Center on the security side, everything is ready. Clark County is looking forward to helping the state minimize the amount of time that people are at the forensic hospitals and to reduce the number of people on the list.

COLE CASEY (Vice President of Operations, Wellpath Recovery Solutions):

Wellpath currently provides medical care within the Clark County Detention Center. A proposal was developed by Wellpath and Clark County. Upon receiving financial approval and a signed agreement, recruitment would begin immediately. Wellpath has approximately 200 employees for all the combined contracts within the Clark County area. For a new contract, there is typically a startup plan of 60 to 90 days depending on the contract expiration date.

CHAIR MONROE-MORENO:

To confirm, Wellpath provides the medical services with Clark County. Does Wellpath also provide behavioral health care services?

MR. CASEY:

That is correct. Wellpath provides medical and mental health, and then another division within the organization provides competency restoration and other competency programming throughout the United States.

CHAIR MONROE-MORENO:

Would this be an expansion of the current partnership between Wellpath and Clark County, or would a new plan have to be created?

MR. CASEY:

The plan would be an additional scope and it would fall under a different operational timeline. On the line is Dr. Rebecca Jackson who developed the proposal with Clark County. I can defer to her to provide further information about her department.

REBECCA JACKSON (Vice President of Mental Health, Wellpath Recovery Solutions):

As Mr. Casey was discussing, Wellpath has multiple programs in the country that are jail-based behavioral health programs. I am happy to answer any questions regarding the treatment programming offered in these programs.

SENATOR NEAL:

It was mentioned that the current theory to take \$14.9 million has an expansion of scope and that there is a proposal which would provide the details that this Committee has been asking about. Please break down what is the expansion of that scope. Also, please provide the proposal or at least give the Committee some highlights on what is in the written proposal.

DR. JACKSON:

I did work on the Clark County proposal, which includes 60 beds within one unit in the detention center. The premise of a jail-based mental health program would be to provide early access to psychiatric and mental health treatment to stabilize individuals while they are waiting for a hospital bed for competency restoration. Many states in the country are struggling with long wait lists, difficulty in placing forensic patients in those high-demand forensic beds. Providing stabilization in treatment services within the jail while they wait has a couple of benefits. First, it provides psychiatric and mental health care closer to the point of need where the individuals are currently being housed. Second, it has the potential to reduce the wait list.

Many people are deemed incompetent because they are psychiatrically unstable and providing medication and early treatment can help them become competent even prior to a bed in placement, which can also help to reduce the wait list. This involves working with individuals with psychiatry and mental health care; providing program services around their cooccurring disorders for mental health care with symptom management, understanding the need for medication and its benefits; providing social skills training and psychoeducation about their illness, but also about communication and how to care for themselves in the community; working on activity and general wellness activities so they are better able to care for themselves in any type of environment; and also providing substance use disorder treatment while they are on the wait list for a hospital bed. Providing these additional services prepares the individual so that when they go to a state hospital, they can focus on the legal portion of competency restoration, and therefore reduce the length of stay in the hospital and hopefully restore them to competency more quickly so they can return to court and proceed with their case.

SENATOR NEAL:

To summarize, there is \$282,824 statewide for pharmacy and program supplies, focusing on early intervention, medication, and medication while forensic patients are in jail, before they transition to a forensic bed. Is \$282,824 sufficient for pre-treatment, managing cooccurring disorders, and fulfilling compliance and maintenance of medication? The last issue is important because improper use of medication could be the reason the patient went to jail. For example, if a person is experiencing a schizophrenic episode and they have an encounter with law enforcement, they may find themselves in jail without a diagnosis. What would this look like and is \$282,824 sufficient enough to be effective?

MS. JACKSON:

It is common to meet individuals with medication needs when they are admitted to the jail or a program, who for whatever reason have not been medicated before. One of the first things that Wellpath does when someone comes into the program is to receive a psychiatric evaluation within the first day. The psychiatrist has a conversation with them about what medication would be useful and can write a prescription. When an individual is entering the program, in addition to working with psychiatry, they work with nurses to understand the importance of medication. The nursing and clinical staff encourage the individual to take their medication and provide group treatment and individual coaching around the importance of medication, both now and for their future wellbeing. In terms of the pricing on medication, Wellpath staff assisted with this proposal and modeled the pharmacy cost based on similar programs and demographics. I do not understand the finances behind that, but I can provide the Committee additional information about how those numbers were forecasted.

SENATOR NEAL:

When you provide that information to the Committee, I would like clarification on how that figure would cover the next 18 months (the remainder of 2023 through 2025), the end date, and how the prescription costs were modeled when the diseases of patients are unknown. What are Wellpath staff's assumptions around the diseases that they are encountering in order to determine what those prescriptive costs will be for compliance and continual maintenance over an 18-month period? This is important to know to prevent the same cycle where an individual lacks mental health care, experiences an episode, and ultimately reenters the jail system.

SENATOR GOICOECHEA:

The DPBH started with a \$55.4 million forensic mental health program with 45 beds in Clark County. Now the numbers have changed to 90 beds for \$14.9 million. I would like to see the DPBH return to the IFC at the December 13, 2023, meeting to request additional funds. My concern is the other 15 counties; this is great for Clark and Washoe Counties, but there are 300 beds. The winter season is approaching, which is difficult for rural areas such as Winnemucca, Elko, and White Pine County where there is a lack of forensic beds and competency programs. Forensic patients are transferred between facilities. Also concerning is that at \$500 a day, it does not sound like enough money. Previously a figure of \$83,000 was mentioned, which is equivalent to 160 days for one individual at a forensic facility. I do not think \$14.9 million will meet the need for 300 beds. What caused the numbers to change so dramatically?

MS. PHINNEY:

The \$15 million request does not replace the \$55.4 million project. There are some significant differences in that the DPBH is not doing capital construction for these jail-based services, nor is the division hiring nearly as many state staff because hiring is done at the county level; therefore, a very different model is being used. The DPBH sees the benefit in helping address the demand coming into the state facilities overall and that will benefit the rural counties. I also want to point out that Mr. Cross and I have been communicating with the rural sheriffs and we are interested in finding solutions that will work for those counties as well. I recognize that it is incredibly difficult to have even one person waiting in the rural jails for a long period of time for these services. The DPBH will continue to consider every option and continue to come back to IFC meetings to provide a status report.

SENATOR GOICOECHEA:

Regarding hiring, I realize a lot of it is going to be done on the local side, but it is important to ensure they reach out and try to build their staff. I understand

everybody is nervous about what is going to happen in 2026, but the bottom line is everyone needs to work together to get this service in place.

ASSEMBLYMAN O'NEILL:

During the 82nd (2023) Legislative Session, a lot of time and effort was spent in the Assembly Committee on Ways and Means dealing with pay raises for state staff, in particular state police officers. Earlier, the Washoe County Sheriff's Department mentioned the number of lateral deputies that were coming online shortly. How many of those are state troopers?

MR. SOLFERINO:

A significant number of state police were hired over the last couple of years. The last 4 hired were from other counties, not from the state. There are 11 in the queue that will begin the next academy in January 2024. I will provide more specific information to the Committee.

ASSEMBLYMAN O'NEILL:

Even though that is a burden for Lyon County, I am glad to hear that they were not all state police officers, that was my biggest concern. I do not need additional information provided.

SENATOR NGUYEN:

I am frustrated because during the 82nd (2023) Legislative Session, there was a permanent plan to correct this situation which is not new for the state. It seems like this has changed from a permanent project to a temporary idea, and it is now being called a "pilot project." How immediate will reallocating \$14.9 million effect this temporary fix to remove people? The state is under a court order with a monthly fine of approximately \$50,000. As noted by Senator Goicoechea, as it gets colder more people will potentially be arrested and have their competency assessed or challenged. What is the immediacy of this pilot project? What is the timeline on seeing actual outcomes of the project?

I am glad that an alternative plan will be presented to the Committee at the December 13, 2023, meeting. I am hopeful that at that time the Committee will not have to consider an idea that is not on paper and does not address the immediate hemorrhaging of money and resources. I would imagine that because the state does not have this program, the resources and associated problems are shifted onto county governments and jails. For this \$14.9 million pilot program, how soon will it help the situation? Will the Committee be presented with alternative proposals prior to the December 13, 2023, IFC meeting?

MS. PHINNEY:

I will draft a written plan to show the Committee before the December IFC meeting. I understand the Committee's frustration with the scattered planning. That is because it is broad. The DPBH is exploring every option because there are a lot of different points where the division can intercept this population that needs demand.

The division expects to implement this program and test the theory of jail-based services speeding up the program within about six months; however, I do not want to over promise. The DPBH will then be measuring the number of people that are still needing services. The length of stay in forensic services is closely monitored and that will continue. The division is efficient and pushing to become more efficient, with stays being within the expected length of stay. The DPBH sees more demand for this service and more clients within the long-term population under the NRS 178.461 commitment. Those clients are going into the same beds as the short-term population. Every time that population is increased, four beds are taken offline per year. Looking at all the mechanisms that the DPBH can come up with to address that, one of the things that is being discussed is placing that long-term population in the forensic setting in a central place and treating that somewhat separately than the short-term population. I will provide clearer plans for the Committee and all the data the DPBH can collect on its effectiveness.

SENATOR NGUYEN:

To confirm, the DPBH is requesting to use \$14.9 million of the \$55.4 million that was allocated for a capital project that would have produced physical forensic beds into a pilot program. This program may show some results in six months and will result in approximately \$500,000 in fines. Then possibly in December, there will be a plan in writing for the additional \$40.0 million. Is that correct?

MS. PHINNEY:

The original plan was to request \$14.9 million in addition to the \$55.4 million. The 70 beds that were planned at the Las Vegas City Jail would have been permanent beds and the staff would have been state employees. Most of the \$55.4 million funding was for staff, \$10.0 million was allocated for the remodel of the building, but that would not have been enough money. Therefore, there were significant challenges with the implementation of the 70-bed project. The other concern is that 70 beds would not meet the demand. It is critical that the DPBH focus on the various intercept points that can be addressed like maximizing the capacity the state has available in existing facilities and using it for this purpose, and also partnering with counties to ensure that services are available to people as quickly as possible.

SENATOR NGUYEN:

It sounds like it is no fault of the state. When presented, this was a permanent project that at least added some permanency to a problem that the state has with forensic beds. The current plan is a temporary solution. In terms of these alternative plans, is the DPBH working with the courts, local law enforcement, and the jails to find another ability or place to build out these forensic beds? Is the DPBH just now looking at other types of programs?

MS. PHINNEY:

The DPBH is looking at every physical space and programming option available. The DPBH has a unit in Las Vegas, and I intend to request some additional funding to make improvements to that space to allow the division to use it for this purpose. This is a partial solution because there is an increased demand for this service. Other jurisdictions have expressed the necessity to address other areas of the system rather than solely focusing on adding beds. Intercepting and diverting people to more appropriate levels of service will provide a partial solution to the state's competency issues by reducing the demand for that service.

MR. SOLFERINO:

The Washoe County Sheriff's Department is working diligently in Washoe County on a capital improvement project for a forensic medical mental health unit; however, the timeline is unknown. The cost will be approximately \$200.0 million but there is a rising average daily population. When I addressed this Committee four years ago, the average daily population was 1,123 for the Washoe County Sheriff's Department. While the numbers may be different in Clark County, the percentages are likely similar. Last quarter the average daily population was 1,224, of which over 75% of that population is defined as chronically ill. Between 35% and 56% of the current inmate population at some point during their stay are on mental health medication. Thus, it is a recurring problem. These additional 30 to 35 beds in the identified housing unit will allow for earlier treatment and identifications to be made sooner. To achieve the goal in Washoe County, Sheriff Balaam has made a pledge to assist the rural areas in that endeavor because recruitment and retention is very difficult, especially for licensed clinicians and social workers.

Rather than the release and repeat program, Washoe County Sheriff's Department is trying to get to the root cause of this at the initial stages. There has been significant success in Washoe County by offering yoga and music therapy to the current mental health population. This will just further enhance those capabilities and hopefully help the state in reducing the need for forensic beds on the backside.

CHAIR MONROE-MORENO:

There are two forensic hospitals, Lake's Crossing Center and Stein Hospital in Las Vegas. How long is the average wait time for a client to be placed in either one of the facilities? What is the current waitlist for forensic services in Clark County and Washoe County?

MR. CROSS:

The current waitlist is 103 clients in Clark County, 13 clients in Washoe County, and 13 clients in the rural counties. The average length of stay prior to admission is currently two to three months.

CHAIR MONROE-MORENO:

How long is the average length of time to get a bed?

MR. CROSS:

The average length of stay across the state for forensic services is approximately 96 days. The average length of stay to admission is between two and three months.

CHAIR MONROE-MORENO:

Earlier testimony said that the state has paid \$83,000 in fines; \$500 per client, per day. While waiting to establish the pilot program, since the state will not have additional beds, how much additional money will be paid out in fines?

MS. PHINNEY:

To clarify, the DPBH is fined \$500 per day from Clark County only for clients in which there has been a finding of contempt. Not everyone on the waitlist is included in those fines, which is why the amounts do not line up. The division has paid approximately \$83,000 in the first fine payment. I will provide the Committee with the weekly payment amounts. I have not calculated what the fines will be in the future because it is difficult to know when those orders of contempt will be provided.

CHAIR MONROE-MORENO:

Unfortunately, there is nothing in the backup documentation about the plan details. First, the fact that this program is being scrapped is very depressing. A lot of work has gone into this program, it is sad that it will not come to fruition. I am hesitant about this request because the Committee has not seen a written plan. I know the funds need to be de-obligated, but putting money into something with so much uncertainty is problematic for me.

ASSEMBLYMAN YEAGER:

Unlike the City of Las Vegas Detention Center, I do not believe the pilot program is a long-term solution. I look forward to receiving additional information at the December 2023 IFC meeting. It would be ideal to have a two-part solution, long-term and short-term, to mitigate the issue. Both are very important.

I would like to make two separate motions. The first motion is to approve Agenda Items G.13 through G.16, which would de-obligate the ARPA funds for the City of Las Vegas Detention Center since the project will not move forward. It makes sense to de-obligate the funds so they are available for use and hopefully there will be a proposal at the December 2023 IFC meeting about how those funds can be used.

The motion for Agenda Items G.8 and G.9 is to defer consideration until the December 2023 IFC meeting. I think there is some merit to the proposal, but I have concerns that there is not a written plan about how this will operate. Considering this has been a topic of discussion for about a decade, the two-month delay should not be an issue. I would like to see a more definite plan on the pilot program as well as details on a permanent solution.

CHAIR MONROE-MORENO:

The Committee would need to approve Agenda Items G.13 through G.16 and not approve Agenda Items G.8 and G.9.

ASSEMBLYMAN YEAGER:

I will amend the motion as you stated.

ASSEMBLYMAN YEAGER MOVED TO DENY AGENDA ITEMS G.8
AND G.9 AND APPROVE AGENDA ITEMS G.13 THROUGH G.16.

SENATOR DONDERO LOOP SECONDED THE MOTION.

SENATOR GOICOECHEA:

I would like the Committee to fund the \$14.9 million. The Committee heard during testimony that recruitment is a critical factor. The 60-day delay will not help with the plan. I would like the Committee to approve Agenda Items G.8 and G.9. Even if the plan is loose, it would allow recruitment to begin.

CHAIR MONROE-MORENO:

I agree that staff will be necessary, but the Committee needs to see a detailed plan first.

THE MOTION PASSED WITH THE MEMBERS PRESENT.
(Senator Goicoechea and Assemblywoman Dickman opposed the motion.)

H. APPROVAL OF GIFTS, GRANTS, WORK PROGRAM REVISIONS AND POSITION CHANGES NOT INVOLVING THE EXPENDITURE OF AMERICAN RESCUE PLAN ACT, CORONAVIRUS STATE FISCAL RECOVERY FUNDS, IN ACCORDANCE WITH CHAPTER 353 OF NRS.

SARAH COFFMAN (Assembly Fiscal Analyst, Fiscal Analysis Division, LCB):

The following items have been pulled for further discussion: Agenda Items H.10, Department of Administration, State Public Works Division and H.50, Department of Public Safety, will be discussed jointly; H.23, Department of Tourism and Cultural Affairs (DTCA), Division of Tourism, has a revision and will be discussed jointly with H.24, DTCA, Division of Tourism; H.25, DTCA, Division of Tourism; H.26, DHHS, Director's Office and H.30, DHHS, DHCFF, will be discussed jointly; H.27, DHHS, Aging and Disability Services Division (ADSD); H.36, DHHS, DPBH; H.55, Department of Wildlife; H.61, DHHS, ADSD; and the reclassification request for the Department of Public Safety, Division of Parole and Probation.

The following items are requests for provisional approval pursuant to Assembly Bill 361 (2023 Legislative Session): Agenda Items H.3, Office of the Governor, State Energy Office; H.4, Office of the Governor, State Energy Office; H.42, DHHS, Division of Child and Family Services (DCFS), and H.43, DHHS, DCFS.

Agenda Item H.33, DHHS, DPBH, was withdrawn after the agenda was posted.

SENATOR NEAL:

I would like further discussion on Agenda Items H.20, Governor's Office of Economic Development, and H.44, Department of Employment, Training and Rehabilitation.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE THE REMAINING WORK PROGRAM REVISIONS AND POSITION RECLASSIFICATIONS UNDER AGENDA ITEMS G AND H.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

- 1. Office of the Governor - State Energy Office - Office of Energy - FY 2024**
Addition of \$107,705 in federal State Energy Plan (SEP) Formula grant funds and deletion of \$22,432 in transfers from the Renewable Energy Fund to align state authority with federal authority and to support to energy programs and reporting.

Requires Interim Finance approval since the amount added to the SEP Formula Grant category exceeds 20% of the legislatively approved amount for that category. **Work Program #C64925**

Refer to motion for approval under Agenda Item H.

2. Office of the Governor - State Energy Office - Office of Energy - FY 2024

Addition of \$10,543,609 in federal United States Department of Energy Bipartisan Infrastructure Bill grant funds for the prevention of power outages and enhancing the resilience of the electric grid to the state and Indian tribes. Requires Interim Finance approval since the cumulative amount added to the Grid Resilience category exceeds \$350,000. **Work Program #C64960**

Refer to motion for approval under Agenda Item H.

3. Office of the Governor - State Energy Office - Office of Energy - FY 2024

Addition of \$1,205,025 in federal United States Department of Energy - Home Energy Efficiency Rebates grant funds to support planning, administration, and/or technical assistance activities related to the state's Home Energy Rebate Program. Requires Interim Finance approval since the amount added to the Inflation Reduction Act Home Energy Rebate 50121 category exceeds \$350,000. **This work program requests provisional approval pursuant to Assembly Bill 361 (2023) to accept grant funding that has not yet been awarded by the federal government and to revise the work program to implement the grant. Work Program #C65358**

Refer to motion for approval under Agenda Item H.

4. Office of the Governor - State Energy Office - Office of Energy - FY 2024

Addition of \$1,198,004 in United States Department of Energy - Home Electrification and Appliance Rebates grant funds to support planning, administration, and/or technical assistance activities related to the state's Home Energy Rebate Program. Requires Interim Finance approval since the amount added to the Inflation Reduction Act High-Efficiency Rebate 50122 category exceeds \$350,000. **This work program requests provisional approval pursuant to Assembly Bill 361 (2023) to accept grant funding that has not yet been awarded by the federal government and to revise the work program to implement the grant. Work Program #C65359**

Refer to motion for approval under Agenda Item H.

5. Office of the Governor - Nuclear Projects Office - FY 2024

Addition of \$76,968 in federal Western Interstate Energy Board funds to account for additional revenues received above the legislatively approved authority and placement of the additional funds in the Reserve for Reversion to the General Fund category. Requires Interim Finance approval since the amount added to the Reserve

for Reversion to General Fund category exceeds 20% of the legislatively approved amount for that category. **Work Program #C65566**

Refer to motion for approval under Agenda Item H.

6. Office of the Attorney General - State Settlements - FY 2024

Addition of \$1,559,500 in T-Mobile U.S. Inc. settlement funds to fund a supplemental virtual reality program to help introduce neglected and disadvantaged populations to career paths. Requires Interim Finance approval since the amount added to the T-Mobile Settlement Funds category exceeds \$350,000. **RELATES TO ITEM H.20. Work Program #C65382**

Refer to motion for approval under Agenda Item H.

7. Office of the Attorney General - Consumer Protection Legal Account - FY 2024

Transfer of \$6,471,343 from the Reserve category to the Transfer to Budget Account 1038 Consumer Advocate category, transfer of \$385,545 from the Reserve category to the Legal Aid to Non-Profit 11% category, transfer of \$665,941 from the Reserve category to the Legal Aid to Non-Profit 19% category, and transfer of \$2,453,464 from the Reserve category to the Legal Aid to Non-Profit 70% category to provide for required distribution of unrestricted settlements received in fiscal year 2023 to legal aid organizations. Requires Interim Finance approval since the amount added to the Legal Aid to Non-Profit 70% category exceeds \$350,000. **Work Program #C65622**

Refer to motion for approval under Agenda Item H.

8. Department of Administration - Nevada State Library, Archives and Public Records - State Library - FY 2024

Addition of \$860,614 in federal Institute of Museum and Library Services Title I funds to support public library development consistent with the Library Services and Technology Act. Requires Interim Finance approval since the amount added to the Library Development Title I category exceeds \$350,000. **Work Program #C64942**

Refer to motion for approval under Agenda Item H.

9. Department of Administration - Risk Management Division - Insurance and Loss Prevention - FY 2024

Addition of \$82,148 in Excess Liability Insurance funds transferred from the Attorney General's Office Tort Claim Fund and transfer of ~~\$709,630~~ **\$363,596** from the Reserve category to the Insurance Premiums category to fund increases in insurance premium renewals. Requires Interim Finance approval since the amount added to the Insurance Premiums category exceeds \$350,000. **Work Program #C65251. REVISED 9-22-23.**

Refer to motion for approval under Agenda Item H.

10. Department of Administration - State Public Works Division - Buildings and Grounds - FY 2024

Addition of \$2,590,785 in Building Rent - Executive Budgets funds for six new positions and associated costs to support the acquisition of 17 properties. Requires Interim Finance approval since the amount added to the Personnel category exceeds \$350,000. **RELATES TO ITEM H.50. Work Program #C65237**

Agenda Items H.10 and H.50 were discussed jointly. Refer to discussion and motion for approval under Agenda Item H.50.

11. Department of Agriculture - Veterinary Medical Services - FY 2024

Addition of \$500,000 in federal United States Department of Agriculture - Animal and Plant Health Inspection Service grant funds to support feral horse management. Requires Interim Finance approval since the amount added to the Feral/Estray Horses Earmark category exceeds \$350,000. **Work Program #C64948**

Refer to motion for approval under Agenda Item H.

12. Department of Agriculture - Nutrition Education Programs - FY 2024

Addition of \$10,359,046 in federal United States Department of Agriculture - Supply Chain Assistance funds to continue supporting school meal program sponsors with elevated food and labor costs. Requires Interim Finance approval since the amount added to the Child Nutrition Supply Chain Assistance category exceeds \$350,000. **Work Program #C63421**

Refer to motion for approval under Agenda Item H.

13. Department of Agriculture - Nutrition Education Programs - FY 2024

Addition of \$1,978,954 in federal United States Department of Agriculture - Fresh Fruit and Vegetable Program grant funds to continue to provide program support for sponsors in Nevada. Requires Interim Finance approval since the amount added to the Fresh Fruit and Vegetable Program category exceeds \$350,000. **Work Program #C63891**

Refer to motion for approval under Agenda Item H.

14. Department of Agriculture - Commodity Foods Distribution Program - FY 2024

Addition of \$252,500 in federal United States Department of Agriculture - The Emergency Food Assistance Program (TEFAP) - Commodity Credit Corporation (CCC) grant funds to fund supply chain challenges and elevated food costs. Requires Interim Finance approval since the amount added to TEFAP CCC Bonus category exceeds 20% of the legislatively approved amount for that category. **Work Program #C64969**

Refer to motion for approval under Agenda Item H.

15. Public Utilities Commission - FY 2024

Transfer of \$210,860 from the Reserve category to the Information Services category to replace audio and video equipment in the Carson City and Las Vegas hearing rooms. Requires Interim Finance approval since the amount transferred to the Information Services category exceeds 20% of the legislatively approved amount for that category. **Work Program #C65215**

Refer to motion for approval under Agenda Item H.

16. Department of Business and Industry - Housing Division - Account for Affordable Housing - FY 2024

Addition of \$6,694,023 in federal National Housing Trust Fund grant funds and transfer of \$1,623,491 from the Encumbered Reserve category to the National Housing Trust Funds category to cover projected subgrantee reimbursements for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Home Funds category exceeds \$350,000. **Work Program #C65340**

Refer to motion for approval under Agenda Item H.

17. Department of Business and Industry - Housing Division - Account for Affordable Housing - FY 2024

Addition of \$838,053 in federal Home Investment Partnerships Program grant funds and transfer of \$1,190,819 from the Federal Grant Reserve category to the Home Funds category to cover projected subgrantee reimbursements for the remainder of the fiscal year. Requires Interim Finance approval since the amount added to the Home Funds category exceeds \$350,000. **Work Program #C65500**

Refer to motion for approval under Agenda Item H.

18. Department of Business and Industry - Labor Commission - FY 2024

Addition of \$510,539 in federal United States Department of Labor State Apprenticeship Expansion Formula grant funds to expand and develop state apprenticeship opportunities. Requires Interim Finance approval since the amount added to the State Apprenticeship Program category exceeds \$350,000. **Work Program #C64369**

Refer to motion for approval under Agenda Item H.

19. Governor's Office of Economic Development - FY 2024

Addition of \$209,162 in federal State Trade Expansion Program (STEP) grant funds to support export development for eligible small businesses. Requires Interim Finance approval since the amount added to the STEP category exceeds 20% of the legislatively approved amount for that category. **Work Program #C64287**

Refer to motion for approval under Agenda Item H.

20. Governor's Office of Economic Development - FY 2024

Addition of \$1,559,500 in T-Mobile U.S. Inc. settlement funds transferred from the Office of the Attorney General State Settlements budget to fund a supplemental virtual reality program to help introduce underserved and disadvantaged populations to career paths. Requires Interim Finance approval since the amount added to the Education Stabilization Fund - Reimagine Workforce Preparation Grant Program Governor's Office of Workforce Innovation category exceeds \$350,000. **RELATES TO ITEM H.6. Work Program #C65160**

SENATOR NEAL:

According to the justification on page 236 in Volume II of the meeting packet ([Exhibit B](#)), the Governor's Office of Economic Development (GOED) is acting as a pass-through with program management responsibilities assigned to the Carson City Library. While reading the identified problem and solution, it appears it is a virtual reality program that is providing soft skills training, not necessarily removing the barrier of partnering disadvantaged populations with educational partners. I find that unclear, because in the solutions it says this virtual reality program is a supplement to training programs that lead to industry credentials leveraging existing statewide resources. If the barrier is that disadvantaged populations such as women, minorities, youth, and rural residents are having a difficult time finding career pathways and connecting to educational institutions, please explain how this program will help remove that barrier.

KARSTEN HEISE (Senior Director of Strategic Programs and Innovation, GOED):

GOED originally received a grant in 2019 from the U.S. Department of Education called Project SANDI (Supporting and Advancing Nevada's Dislocated Individuals); however, this grant ended September 30, 2023. The grant is currently in a no-cost extension phase and is overseen by the Governor's Office of Workforce Innovation.

As part of that grant, the team developed a specific methodology of removing the barriers. It goes far beyond the training that is being helped by virtual reality, which is a tool. That methodology is formally called "Individual Career Mapping and Training Delivery Model" and it only works when using the approach that is based on leveraging networks and talking about super connectors in networks. GOED

identified the library as an institution and identified individuals called “navigators.” Many parts of that network will form a community of practice and act as super connectors to reach those unreachable.

As part of Project SANDI, GOED calls it a proof-of-concept phase, and it has proven itself thus far. The program has been rolled out in rural high schools, vocational rehabilitation transition planning, juvenile probation, un-housed populations, municipal specialty courts, and workforce learning coordinators across high school districts. As part of the individual career mapping, GOED is using virtual reality as a tool to incite interest in those populations that otherwise would not engage. GOED has learned that even if there are training programs in place, or if there is access to those training programs with things like tuition reimbursement, there are still barriers where those populations are not reached. Unfortunately, GOED has also found that established training and education providers reach a certain part of the population, but not those critical and disadvantaged parts of the population including community colleges, which is why they are embedded in the network and the approach.

SENATOR NEAL:

If the program management responsibilities are assigned to the Carson City Library, how did Southern Nevada become part of this?

Is this a virtual reality soft skills training, or is it a program that is creating a credential or an educational program that is completed online in a short period of time?

MR. HEISE:

GOED is a pass-through and will subgrant to the Carson City Library, which is part of a broader library network. It will then have an arrangement with the City of North Las Vegas Library because the intent is to cover the entire state with this program. GOED is trying to utilize a network approach, where a library in local jurisdictions is a center of a network, and through that GOED can reach disadvantaged populations. A library is a neutral non-threatening place where everyone can be reached.

Regarding the second question, the virtual reality headsets that are a part of the collection of the library are available as tools; however, the individual career mapping exercise is within virtual reality. Within the virtual reality are field trips, which give the individual exposure to a career in a certain industry. This is an important point because it is often difficult to get internships or exposure to potential employers. For example, through virtual reality, an individual can experience a workday at a health care facility or an advanced manufacturing facility, whereas otherwise it would be difficult to experience that without an internship. That is the exposure that will help an individual map out a career path

and then pursue that career through credentials. This individual virtual reality then connects an individual to credentials that GOED has developed that works through virtual reality headsets.

SENATOR NEAL:

Why did the network not reach to the broader Clark County Library system?

This program is supposed to connect disadvantaged populations like women, minorities, and youth to an educational program. I am well versed in the virtual certificates and there is no critical thinking attached to them. I do not understand how this virtual experience connects people to an educational institution. At what point in this experience is the person connecting with the educational provider that will advance their degree and move them into a space where they will be connected with an employer?

TAMMY WESTERGARD (Project SANDI Coordinator, GOED):

One way to understand how the virtual reality experience works is akin to helping individuals improve labor market literacy through virtual reality and a SAS career information database system called the Nevada Career Explorer (NVCE), which can be accessed through every public library in the state. There will be a subject matter expert workforce development professional that will be in residence at the North Las Vegas Library and the Carson City Library. However, that does not mean that all jurisdictions are not being served, because these tools were provided through Project SANDI. Project SANDI has left a legacy of individual career mapping that helps people improve their labor market literacy skills, and then through the tools that have been built, will continue to use them. The community of practice that is connected to the workforce development agencies, Nevada Works and Workforce Connections, are connected to community college counselors, nonprofit agencies, and public libraries. There is a connection within the SAS database system where referrals are made once an individual has charted their own career map and has decided to pursue a training program. Then, within the system, the individual is referred to the proper training provider. In some cases, there are five industry recognized credential training programs. There are one-to-one course companions in virtual reality from which an individual could benefit, such as a certified nursing assistant, a dialysis technician, an advanced manufacturing certificate, math for tech, and skilled trades like heating, ventilation, and air conditioning (HVAC). Those are course companions that typically run with the training program that is provided by the community colleges. I hope that was helpful in answering your question.

SENATOR NEAL:

It was helpful in a generic and broad sense. I am very clear there are workforce initiatives happening in the libraries, and I am very familiar with Project SANDI. The way this justification is written, where a problem and a solution are identified along with the program sustainability, resulted in a series of questions, many of which remain unanswered. It is unclear how this program creates outcomes for disadvantaged populations and puts them on a career pathway simply by showing them what the job market has to offer. It appears that the program is geared toward existing industries that are a focus in Nevada. However, how will this program connect disadvantaged populations to other careers? Is this virtual reality program only a high-level skills piece?

I will discuss this further with GOED offline to get additional clarification. I am not interested in another program that will not do what is intended. I have not seen the outcomes associated with Project SANDI that should have helped disadvantaged populations find secure and sustainable jobs.

VICE CHAIR DONDERO LOOP:

I hope when you meet with GOED in the near future you will get clarification regarding the Clark County Library District.

SENATOR TITUS:

I attended a back-to-school night in Churchill County, where GOED was a vendor. I was quite impressed with the job shadowing piece of the virtual reality program where an individual can see firsthand what a career entails. Although I recognize Senator Neal's concerns, I was quite impressed with the virtual reality piece and the jobs that are offered. For example, an individual can see firsthand what the job of dairy farming entails and understand the process, which will help them determine if that career is appealing. There is a whole litany of jobs offered through the program. I wanted to thank GOED for its efforts. I understand there are concerns and a lot of unanswered questions, but this program is a step in the right direction. This program can help when somebody does not know where to begin.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA
ITEM H.20.

SENATOR NGUYEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS
PRESENT.

21. Governor's Office of Economic Development - Nevada State Small Business Credit Initiative - FY 2024

Addition of \$2,044,233 in federal United States Treasury - State Small Business Credit Initiative - Technical Assistance (TA) grant funds to provide assistance for programs that support small businesses. Requires Interim Finance approval since the amount added to the TA Grant Program category exceeds \$350,000. **Work Program #C64546**

Refer to motion for approval under Agenda Item H.

22. Department of Tourism and Cultural Affairs - Division of Tourism - Cultural Affairs Administration - FY 2024

Transfer of \$15,233,380 from the Reserve category to the Transfer to Tourism category to align the transfer of Room Tax revenues to the Tourism Development Fund budget. Requires Interim Finance approval since the amount added to the Transfer to Tourism category exceeds \$350,000. **Work Program #C65453**

Refer to motion for approval under Agenda Item H.

23. Department of Tourism and Cultural Affairs - Division of Tourism - Cultural Affairs Administration - FY 2024

Transfer of ~~\$175,875~~ **\$95,428** from the Reserve category to the Transfer to Tourism category to cover costs related to new office space locations in Reno and Las Vegas. Requires Interim Finance approval since the cumulative amount added to the Transfer to Tourism category exceeds \$350,000. **RELATES TO ITEM H.24. Work Program #C65763. REVISED 9-22-23.**

Agenda Items H.23 and H.24 were discussed jointly. Refer to discussion and motion for approval under Agenda Item H.24.

24. Department of Tourism and Cultural Affairs - Division of Tourism - Tourism Development Fund - FY 2024

Addition of ~~\$175,875~~ **\$95,428** in ~~Transfer from Commission on Tourism transferred~~ **Room Tax revenues transferred** from the Cultural Affairs Administration account to cover costs related to new office space locations in Reno and Las Vegas. Requires Interim Finance approval since the amount added to the Operating category exceeds 20% of the legislatively approved amount for that category. **RELATES TO ITEM H.23. Work Program #C65433. REVISED 9-22-23.**

Agenda Items H.23 and H.24 were discussed jointly.

ANGIE MATHIESEN (Operations and Finance Manager, Division of Tourism, Department of Tourism and Cultural Affairs [DTCA]):

Agenda Item H.24 originally requested an increase in authority for the cost of a newly obtained office location in Reno. When the work program was created to fund data wiring work for some cubicles, the amount requested was \$2,000. At the time of submitting the work program a quote was unavailable; however, a quote has since been obtained. The quote exceeds the original amount by \$3,695, so the revised total is \$5,695. The division is requesting to revise the work program to be able to pay for the cost of the data wiring.

Agenda Item H.23 is the companion work program that transfers that authority from budget account 1520 into budget account 1522. Therefore, the revisions will affect both work programs and change the total of the work program from \$95,428 to \$99,123.

SARAH COFFMAN (Assembly Fiscal Analyst, Fiscal Analysis Division, LCB):

The information that Fiscal staff received was that in Agenda Item H.24, the total amount for category six is \$3,695 and that then equals to the \$99,123 that is being identified for transfers from the Commission on Tourism.

VICE CHAIR DONDERO LOOP:

Please confirm the numbers provided by Ms. Coffman.

MS. MATHIESEN:

The original amount requested in category six was \$2,000. The request is to increase it by \$3,695, which would make it a total of \$5,695, which then makes the total of the work program \$99,123.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEMS H.23 AND H.24 AS REVISED ON THE RECORD.

SENATOR NGUYEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

25. Department of Tourism and Cultural Affairs - Division of Tourism - Tourism Development Fund - FY 2024

Addition of \$3,712,000 in federal Economic Development Administration (EDA) grant funds ***and transfer of \$928,000 from the Promotion and Advertising category to the EDA-Adventure Centers Grant category*** to construct recreation hubs that are part of the Nevada State Adventure Centers Project and ***to allocate for state match requirements***. Requires Interim Finance approval since the amount added to the EDA-Adventure Centers Grant category exceeds \$350,000. **Work Program #C65868. REVISED 9-22-23.**

ANGIE MATHIESEN (Operations and Finance Manager, Division of Tourism, DTCA):

The DTCA Division of Tourism has been awarded federal funds from the U.S. Department of Commerce Economic Development Administration for the State Adventure Center construction projects in Carson City and Boulder City. Work Program #C65868 establishes a revenue general ledger and expenditure category to bring in the money for those federal funds as well as to expend those funds.

ASSEMBLYWOMAN MILLER:

Please discuss the anticipated benefits of the Nevada Adventure Centers Project and the impact of the division's marketing activities by utilizing \$928,000 in Room Tax revenues that are legislatively approved for promotions and advertising to meet the federal grant's state match requirement.

M.E. KAWCHACK (Deputy Director, Division of Tourism, DTCA):

The benefits will be reduced slightly. The division anticipated opening these adventure centers, so the media plan was different this year, a good amount of which has already been pre-planned. The actual Room Tax collections were higher than projected this year. The division sees a long-term benefit of these adventure centers supporting all the marketing efforts because most of the focus is on outdoor adventure.

ASSEMBLYWOMAN MILLER:

Please discuss the plan and the level of support the division would provide to oversee and manage each of the recreation hub locations.

Ms. KAWCHACK:

There is one center in Boulder City and one in Carson City, which are currently supported by Boulder City Chamber of Commerce and Visit Carson City. The division has entered into public and private partnerships to explore outdoor adventure businesses taking over those places to better support the questions

from people who are looking to enjoy outdoor activities like hiking or rock climbing. The division will work closely with Boulder City and Carson City through the remainder of the project, which is through 2027.

ASSEMBLYWOMAN MILLER:

Along with that plan, would that also support the ongoing operating and maintenance expenditures for the two recreation hubs in the future? If not, please explain how operating and maintenance expenditures would be supported.

MS. KAWCHACK:

The Division of Tourism will be collecting rent from the businesses that will be occupying those spaces. The division will monitor the visitor volume and income to project those operations. That is anticipated in the 2025-27 biennium, so there is time to build projections and get through the construction. If there are any additional operational costs, the division will discuss with the 2025 Legislature; however, the division is hoping to fill that gap through sponsorships and lease opportunities.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA
ITEM H.25.

SENATOR NGUYEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS
PRESENT.

Vice Chair Dondero Loop called a recess at 12:30 p.m. The meeting reconvened at 1:14 p.m.

26. Department of Health and Human Services - Director's Office - Fund for Resilient Nevada - FY 2024

Transfer of \$474,590 from the Reserve category to the Opioid Allocation category to support statewide projects to address the impact of opioid use disorder and other substance use disorders. Requires Interim Finance approval since the amount transferred to the Opioid Allocation category exceeds \$350,000.
RELATES TO ITEM H.30. Work Program #C64775

Agenda Items H.26 and H.30 were discussed jointly. Refer to discussion and motion for approval under Agenda Item H.30.

27. Department of Health and Human Services - Aging and Disability Services - Administration - FY 2024

Addition of \$4,149,999 in federal Money Follows the Person (MFP) - Rebalancing Demonstration grant funds transferred from the Facility Outreach and Community Integration Services and MFP budget to support the Home and Community-Based Services case management system modernization project. Requires Interim Finance approval since the amount added to the MFP Home and Community-Based Services System category exceeds \$350,000. **This work program requests provisional approval pursuant to Assembly Bill 361 (2023) to accept grant funding that has not yet been awarded by the federal government and to revise the work program to implement the grant. RELATES TO ITEM H.61. Work Program #C63769**

Agenda Items H.27 and H.61 were discussed jointly. Refer to discussion and motion for approval under Agenda Item H.61.

28. Department of Health and Human Services - Aging and Disability Services - Planning, Advocacy and Community Grants - FY 2024

Addition of \$150,058 in federal Title V Community Service Employment Program grant funds to enhance services and programs provided for low-income unemployed individuals aged 55 or older. Requires Interim Finance approval since the amount added to the Title V Senior Employment category exceeds 20% of the legislatively approved amount for that category. **Work Program #C64964**

Refer to motion for approval under Agenda Item H.

29. Department of Health and Human Services - Aging and Disability Services - Planning, Advocacy and Community Grants - FY 2024

Addition of \$1,166,934 in federal Title XX Social Services Block Grant funds transferred from the Director's Office Grants Management Unit budget to provide community support services for older adults and people with disabilities. Requires Interim Finance approval since the amount added to the Title XX category exceeds \$350,000. **Work Program #C64981**

Refer to motion for approval under Agenda Item H.

30. Department of Health and Human Services - Health Care Financing and Policy - Health Care Financing and Policy Administration - FY 2024

Addition of \$508,190 in federal Title XIX grant funds and \$474,590 in Opioid Settlement funds transferred from the Director's Office Fund for Resilient Nevada budget to support the implementation of Assembly Bill (A.B.) 389 of the 2023 Legislative Session. Requires Interim Finance approval since the amount added to the A.B. 389 category exceeds \$350,000. **RELATES TO ITEM H.26. Work Program #C64784**

Agenda Items H.26 and H.30 were discussed jointly.

DAWN YOHEY (Clinical Program Planner, Department of Health and Human Services [DHHS] Director's Office):

The DHHS Director's Office is requesting to transfer \$474,590 from reserves to category 10 for projects. The DHHS is planning to transfer these dollars to the Division of Health Care Financing and Policy (DHCFP) as a state match to develop a waiver which covers a set of services 90 days pre-release through Medicaid for incarcerated populations. Treatment for incarcerated populations is an approved core strategy within the opioids settlement. Access to medication for opioid use disorder and other treatment interventions within the jails and prisons is very limited or inconsistent and individuals transitioning from incarceration to the community have limited access to treatment or care management in the community. Progress has been made through drug treatment courts and similar interventions; however, more work is needed to provide treatment both in criminal justice settings and during transition so that people can recover from opioid use disorders and maintain their recovery in the community.

There are several gaps in treatment in the criminal justice system, including public support for treatment and prevention services for individuals reintegrating into the community post-incarceration, as well as access to medication for opioid use disorder and other treatment interventions within jails and prisons. This waiver aligns with goal six of the Nevada Opioid Statewide Plan, which is to provide opioid prevention treatment consistently across the criminal justice and public safety systems.

CHAIR MONROE-MORENO:

Is Nevada the only state that has requested this waiver? If not, how many other states have received the waiver?

STACIE WEEKS (Administrator, Nevada Medicaid Division, DHCFP, DHHS):

At this time, California has received this waiver and there are about a dozen other states seeking this authority, so Nevada would be behind those states. I know that the Centers for Medicare and Medicaid Services (CMS) currently has a backlog on reviewing Section 1115 waivers. The division's goal would be to submit this waiver and hope that once the CMS gets through the other 12 waivers, perhaps it will not take as long to review Nevada's waiver application because by then the CMS will have experience reviewing the applications.

SENATOR HARRIS:

How would the DHHS collaborate with the Nevada Department of Corrections (NDOC) to provide services to inmates under the proposed waiver?

Ms. WEEKS:

The division has been talking to other states that have been working on these types of waivers, and coordination is one of the most important pieces. As a payor, the division can obtain the authority to pay for the services, but it needs to ensure that the NDOC, jails, and others at the county level, including courts, understand the program and assist with the design process. Once the division can obtain this funding, the DHCFP will hire a vendor to help write the application for the waiver and troubleshoot the problems that may exist with developing a system that the division can pay for within the correction system. Part of that goal would be to have the vendor facilitate an advisory committee to the division in developing this waiver. The DHCFP will be working with the vendor on the many things that will be necessary to make this program successful including working with the NDOC, counties, jails, representatives from the jails, and the courts. The division will also include Legal Aid of Southern Nevada and the Division of Welfare and Supportive Services (DWSS), the eligibility system. The DHCFP wants to ensure the DWSS is involved to make sure people are enrolled and flagged so Medicaid can pay for their services. This will be a big project and it will take about a year because it is going require a lot of collaboration with many parties.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA
ITEMS H.26 and H.30

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS
PRESENT.

31. Department of Health and Human Services - Public and Behavioral Health - Women, Infants, and Children Food Supplement - FY 2024

Addition of \$197,763 in federal Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) - Farmers Market Nutrition Program (FMNP) grant funds to improve WIC outreach, innovation, and FMNP modernization efforts. Requires Interim Finance approval since the amount added to the FMNP category exceeds 20% of the legislatively approved amount for that category. **Work Program #C63611**

Refer to motion for approval under Agenda Item H.

32. Department of Health and Human Services - Public and Behavioral Health - Public Health Preparedness Program - FY 2024

Addition of \$525,690 in federal Centers for Disease Control and Prevention - Public Health Crisis Response grant funds to prepare, prevent, and respond to cases of Monkey Pox (MPOX). Requires Interim Finance approval since the amount added to the Public Health Emergency Preparedness MPOX category exceeds 20% of the legislatively approved amount for that category. **Work Program #C62582**

Refer to motion for approval under Agenda Item H.

33. Department of Health and Human Services - Public and Behavioral Health - Health Investigations and Epidemiology - FY 2024

Addition of \$146,968 in federal Sickle Cell Data Collection grant funds to support a surveillance system that collects data to inform health care practices and policies related to sickle cell disease. Requires Interim Finance approval since the amount added to the Sickle Cell Program category exceeds 20% of the legislatively approved amount for that category. **This work program requests provisional approval pursuant to Assembly Bill 361 (2023) to accept grant funding that has not yet been awarded by the federal government and to revise the work program to implement the grant. Work Program #C64642**

This item was withdrawn.

ASSEMBLYWOMAN BROWN-MAY:

Having had the opportunity to meet with many nonprofit organizations throughout the local community, one of the issues that arose was specific to sickle cell data collection and cancer in children, and the potential loss of federal funds as a result of the lack of data. I was excited to see Agenda Item H.33 on the agenda; however, I understand some grant funds could not be secured under this item, so it was withdrawn from the agenda at the last minute. I am troubled by that given the fact that there are so many children who have sickle cell disease and cancer. I know there are local organizations that are collecting data and are anxious and excited to work with state partners to drawdown additional federal funds.

I am hopeful that this issue can be resolved and perhaps it will be placed on the December 2023 agenda so this long-standing issue in the state can be rectified.

CHAIR MONROE-MORENO:

I have also had conversations with some nonprofit organizations that work in this space, and I look forward to having that item come back to the IFC. I hope the state partners can work with the nonprofit organizations to put Nevada in alignment with federal guidelines and drawdown federal funding to ensure a positive impact on Nevada's families in those two areas.

There was no further discussion on this item.

34. Department of Health and Human Services - Public and Behavioral Health - Chronic Disease - FY 2024

Addition of \$900,000 in federal Strategic Approach to Advancing Health Equity for Priority Populations with or at Risk for Diabetes grant funds to improve the management and prevention of diabetes in high-burden populations. Requires

Interim Finance approval since the amount added to the Diabetes Management category exceeds \$350,000. **Work Program #C64449**

Refer to motion for approval under Agenda Item H.

35. Department of Health and Human Services - Public and Behavioral Health - Office of Health Administration - FY 2024

Deletion of \$9,291,873 in federal Strengthening and Sustaining Nevada's Public Health Infrastructure grant funds to eliminate the grant funds for data modernization efforts, planning and preparing for public health emergencies, and responding to daily and ongoing public health needs of the diverse communities served. Requires Interim Finance approval since the amount deleted from the Public Health Infrastructure category exceeds \$350,000. **RELATES TO ITEMS H.36 AND H.38. Work Program #C64536**

Refer to motion for approval under Agenda Item H.

36. Department of Health and Human Services - Public and Behavioral Health - Office of Health Administration - FY 2024

Addition of ~~\$638,441~~ **\$546,569** in federal Strengthening and Sustaining Nevada's Public Health Infrastructure grant funds transferred from the Public Health Improvements account to support personnel and operating costs for data modernization efforts, prepare for public health emergencies, and respond to ongoing public health needs. Requires Interim Finance approval since the cumulative amount added to the Centers for Disease Control and Prevention Public Health Infrastructure category exceeds \$350,000. **RELATES TO ITEMS H.35 AND H.38. Work Program #C64742. REVISED 9-29-23.**

ANDREA RIVERS (Agency Manager, Division of Public and Behavioral Health [DBPH], DHHS):

Agenda Item H.36, Work Program #C64742, is a request for transfer of authority in the amount of \$546,569 from budget account 3234, to support four IT and fiscal-related positions to remain in budget account 3223. Upon review of these four positions and their tasks and workload, they support the entire division in strengthening the division's infrastructure and are more appropriate in the larger agency administrative budget of 3223. Also, with these positions remaining in budget 3223, it allows the DPBH to maintain the positions and overhead costs and will allow the support of indirect should the federal grant funding end.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA
ITEM H.36.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

37. Department of Health and Human Services - Public and Behavioral Health - Community Health Services - FY 2024

Addition of \$195,000 in COVID-19 Vaccine Response grant funds transferred from the Immunization Program budget to support the implementation of COVID-19 vaccination services to rural counties. Requires Interim Finance approval since the amount added to the Transfer from Immunization category exceeds 20% of the legislatively approved amount for that category. **Work Program #C64174**

Refer to motion for approval under Agenda Item H.

38. Department of Health and Human Services - Public and Behavioral Health - Public Health Improvements - FY 2024

Addition of \$9,291,873 in federal Strengthening and Sustaining Nevada's Public Health Infrastructure grant funds to support personnel and operating costs for data modernization efforts, plan and prepare for public health emergencies, and respond to daily and ongoing public health needs of the diverse communities served. Requires Interim Finance approval since the amount added to the Public Health Infrastructure category exceeds \$350,000. **RELATES TO ITEMS H.35 AND H.36. Work Program #C64695. REVISED 9-29-23.**

Refer to motion for approval under Agenda Item H.

39. Department of Health and Human Services - Child and Family Services - Children, Youth and Family Administration - FY 2024

Addition of \$833,012 in federal Infant - Toddler Court Program grant funds to continue efforts to strengthen families and prevent child maltreatment. Requires Interim Finance approval since the amount added to the Infant Toddler Program category exceeds \$350,000. **Work Program #C65130**

Refer to motion for approval under Agenda Item H.

40. Department of Health and Human Services - Child and Family Services - Information Services - FY 2024

Addition of \$1,412,728 in federal Department of Health and Human Services Title IV-E grant funds for the replacement of the Unified Nevada Information Technology for Youth (UNITY) system. Requires Interim Finance approval since the amount added to the American Rescue Plan Act UNITY Replacement category exceeds \$350,000. **Work Program #C64816**

Refer to motion for approval under Agenda Item H.

41. Department of Health and Human Services - Child and Family Services - Nevada Youth Training Center - FY 2024

Addition of \$137,339 in federal School Improvement Title I - 1003(a) grant funds subgranted from the Nevada Department of Education to improve educational services for youth residing at the facility. Requires Interim Finance approval since the amount added to the School Improvement Grant category exceeds 20% of the legislatively approved amount for that category. **Work Program #C64053**

Refer to motion for approval under Agenda Item H.

42. Department of Health and Human Services - Child and Family Services - Southern Nevada Child and Adolescent Services - FY 2024

Addition of \$335,100 in federal Pediatric Mental Health Care Access Program grant funds to support ongoing efforts to promote behavioral health integration in pediatric primary care facilities. Requires Interim Finance approval since the amount added to the Pediatric Mental Health Access category exceeds 20% of the legislatively approved amount for that category. **This work program requests provisional approval pursuant to Assembly Bill 361 (2023) to accept grant funding that has not yet been awarded by the federal government and to revise the work program to implement the grant. Work Program #C64870**

Refer to motion for approval under Agenda Item H.

43. Department of Health and Human Services - Child and Family Services - Southern Nevada Child and Adolescent Services - FY 2024

Deletion of \$661,413 ~~\$1,099,354~~ in federal Substance Abuse and Mental Health Services Administration - System of Care Implementation grant funds and transfer of \$248,418 from the System of Care (SOC) for Serious Emotional Disorders (SED) Youth category to the Personnel category to align state and federal authority and provide continued support for the Nevada SOC program. Requires Interim Finance approval since the cumulative amount transferred from the SOC for SED Youth category exceeds \$350,000. **This work program requests provisional approval pursuant to Assembly Bill 361 (2023) to accept grant funding that has not yet been awarded by the federal government and to revise the work program to implement the grant. Work Program #C65692. REVISED 9-20-23.**

Refer to motion for approval under Agenda Item H.

44. Department of Employment, Training and Rehabilitation - Rehabilitation Division - Vocational Rehabilitation - FY 2024

Addition of \$2,630,574 in federal State Vocational Rehabilitation Services grant funds to support Pre-Employment Transition Services (Pre-ETS) activities designed to assist individuals with disabilities in developing the necessary skills and experiences to transition into employment. Requires Interim Finance approval since the amount added to the Client Services - Pre-ETS category exceeds \$350,000. **Work Program #C64559**

DRAZEN ELEZ (Administrator, Department of Employment, Training and Rehabilitation [DETR]):

Agenda Item H.44 is more of a technical solution. DETR has received some feedback from a couple of audits, one from the state and one from the federal government, regarding how the department tracks expenses for this grant. DETR wanted to have a separate category for expenses related to pre-employment transition services so they can be more easily tracked. It is essentially a movement of authority.

ASSEMBLYWOMAN BROWN-MAY:

Prior to a motion, it is important that I disclose out of an abundance of caution that my employer contracts with DETR Division of Vocational Rehabilitation to provide pre-employment transition supports and that employer may benefit. As a result, I will abstain from the vote.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEM H.44.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED WITH THE MEMBERS PRESENT.
(Assemblywoman Brown-May abstained from the vote.)

45. Department of Employment, Training and Rehabilitation - Rehabilitation Division - Vocational Rehabilitation - FY 2024

Addition of \$214,367 in federal State Vocational Rehabilitation Services grant funds to implement enhancements and security of case management data and to improve communication with clients. Requires Interim Finance approval since the amount added to the Client Information System category exceeds 20% of the legislatively approved amount for that category. **Work Program #C64983**

Refer to motion for approval under Agenda Item H.

46. Department of Employment, Training and Rehabilitation - Rehabilitation Division - Vocational Rehabilitation - FY 2024

Addition of \$96,305 in federal State Vocational Rehabilitation Services grant funds to gather and report data required for Workforce Innovation and Opportunity Act performance measures across case management systems for core partners. Requires Interim Finance approval since the amount added to the Client Information System category exceeds 20% of the legislatively approved amount for that category. **Work Program #C65024**

Refer to motion for approval under Agenda Item H.

47. Department of Employment, Training and Rehabilitation - Employment Security Division - Workforce Development - FY 2024

Transfer of \$7,234,204 from the Reserve category to the Client Services category to fund in-state travel and contractual obligations. Requires Interim Finance approval since the amount transferred to the Client Services category exceeds \$350,000. **Work Program #C65334**

Refer to motion for approval under Agenda Item H.

48. Department of Corrections - Correctional Programs - FY 2024

Addition of \$594,959 in federal Title I-Part D (subpart 1) - Youthful Offender Program grant funds transferred from the Nevada Department of Education to assist in providing continuing education and skills training necessary for inmates to successfully reintegrate into the community upon release. Requires Interim Finance approval since the amount added to the Youthful Offender Grant category exceeds \$350,000. **Work Program #C65124**

Refer to motion for approval under Agenda Item H.

49. Department of Corrections - Correctional Programs - FY 2024

Addition of \$361,000 in T-Mobile U.S. Inc. settlement funds transferred from the Governor's Office of Workforce Innovation to provide continuing education and skills training necessary for female offenders to successfully reintegrate into the community upon release. Requires Interim Finance approval since the amount transferred to the Reduce Recidivism Nevada Female category exceeds \$350,000. **Work Program #C65147**

Refer to motion for approval under Agenda Item H.

50. Department of Public Safety - Capitol Police - FY 2024

Addition of \$601,931 in funds transferred from Buildings and Grounds for 5 new positions and associated costs to support the acquisition of 47 properties *in Carson City and Las Vegas*. Requires Interim Finance approval since the amount added to the Personnel category exceeds \$350,000. **RELATES TO ITEM H.10. Work Program #C65234. REVISED 9-22-23.**

Agenda Items H.10 and H.50 were discussed jointly.

MATTHEW TUMA (Deputy Director, Department of Administration):

Agenda Items H.10 and H.50 are work programs associated with the new building acquisitions for the state. In the 2023 Capital Improvement Program (CIP) legislation, the acquisition of many buildings in Carson City and Las Vegas were authorized. At that point, the budget for Buildings and Grounds (B&G) had already closed and the rates had already been set, so any of the associated costs with managing those buildings on the Executive Branch side had been pushed into the

2023-24 Interim. These two work programs are the first for FY 2024 on the increased expenditures and increased revenues associated with the new buildings and the operations for B&G.

SENATOR NGUYEN:

In addition to supporting the new office buildings, how would these six proposed full-time positions impact the work order backlog? Also, how would they impact overtime costs as well as the ability to perform preventative and routine maintenance?

MR. TUMA:

One of the things impacting most departments and divisions over recent years has been vacancy rates. Vacancies have resulted in higher levels of overtime for existing employees as well as a backlog in services and support. I am aware there were questions between Fiscal Analysis Division staff and the Department of Administration on the department's current recruitment efforts to fill existing positions as soon as possible. Filling these new positions as well will help address the workload. Positions in B&G are not bifurcated in the sense that they are only assigned to one building, those resources are pooled across all of these resources, so the Department of Administration expects that to help the management of all properties throughout the state.

SENATOR NGUYEN:

Do you think the department will have any issues filling those additional six positions?

MR. TUMA:

Recruitment is an ongoing challenge for the state. The department plans on filling those positions as expeditiously as possible. The state is planning and has conducted several job fairs to help with recruitment and is pursuing several different strategies on buttressing recruitment efforts in addition to the generous cost-of-living adjustments (COLAs) that were approved during the 82nd (2023) Legislative Session, making jobs more competitive. With all those contributing factors applied, the department hopes to fill its positions and reduce its vacancy rate within the department, division, and throughout the state.

SENATOR NGUYEN:

Please discuss the five new positions that are needed to provide security and police services for the new buildings at the McCarran Center. How did the agency arrive at that number?

JOHN LETOS (Chief, Capitol Police):

Staffing for law enforcement is always very challenging. The Capitol Police has extra challenges because it is predominantly considered a protective force, but also responds to traditional calls for police service. There are currently 82 properties in the Las Vegas area under the purview of the Capitol Police. With the addition of 17 properties, when there are only six officers housed in Las Vegas, it becomes very challenging to provide the protective posture that is needed for those properties as well as respond to calls for service. When divided between shifts, there are only three officers for the day shift and three officers for the evening shift because the Capitol Police provides 16 hours of coverage. To put it in context, from a response standpoint for these 82 properties from January 1, 2023, through July 13, 2023, the Capitol Police responded to 1,100 calls for service. Some of those calls are more time consuming than others, but in the end, those calls still required officers to produce a total of 309 police reports and make 15 arrests in and around state properties. When responding to those calls, it is very difficult to have that protective posture in those buildings that are needed. By having these extra resources, the Capitol Police will be able to strengthen staffing in days and evenings so that officers can provide a protective presence and still respond for police services as needed.

SENATOR NGUYEN:

Why are five officers being requested, as opposed to another amount?

MR. LETOS:

I wanted to make sure I was being judicious with the funding. Five officers are enough to provide that protective presence as well as respond to those calls for service. It would allow for two additional officers for evenings and two additional officers for days, which should be adequate.

SENATOR NGUYEN:

I see there is a new position within the Capitol Police Division that would serve as a Lieutenant/Deputy Chief. How did the agency determine a Lieutenant/Deputy Chief position was needed to provide leadership in the Las Vegas area in response to the building acquisitions? Was it a direct response to those building acquisitions or is there some other basis for the position?

MR. LETOS:

A span of control becomes a concern when adding four additional officers. Having a deputy chief that can handle the responsibility in Southern Nevada helps alleviate some of the workload and administrative pieces from my tasks. During potential protests or some of the First Amendment assemblies that the Capitol Police

encounters, having a deputy chief that can operate as a field force commander and control those assets remotely, while I handle some of the other things, will make my job a little easier. The position will also provide support on the protection side of the house.

SENATOR NGUYEN:

Regarding Agenda Item H.10, with a projected lower than optimal operating reserve level in FY 2024, does the agency anticipate increasing the rental rate for state agencies in FY 2025? If so, what would be the estimated range of that rental rate increase?

MR. TUMA:

Currently, the Department of Administration is not contemplating a rental rate revision mid-biennium, but it will likely have to be revised going into the 2025-27 biennium. The department is lowering its reserves significantly with this work program, beyond the legislatively approved reserve date. There are a variety of ways the department can manage cash flow as well as prioritize projects within the division and the budget account. Those things would be done before contemplating raising the rental rate mid-biennium. That creates a cascade of problems for agencies since they are budgeted at the specific rental rate that was approved by the Legislature. If the department wanted to do that in FY 2025, it would have to receive the Committee's approval, but there are currently no plans to do so.

SENATOR HARRIS:

Please explain why the agency is requesting nine additional vehicles when the division currently has six leased vehicles and is only seeking five additional positions.

MR. LETOS:

Part of the request for nine vehicles is stemming from the need for vehicles in Carson City. The Capitol Police did not request additional personnel for Carson City because the staffing can effectively handle that once the other vacancies get filled, but there is a shortage of vehicles in Carson City even before additional properties were added.

SENATOR HARRIS:

Please explain why the fuel costs for 11 vehicles are included, when only 9 vehicles are being requested.

MR. TUMA:

My understanding is the fuel costs for the Capitol Police have been underfunded for their support of buildings within both Northern and Southern Nevada. This was a vehicle that the Department of Administration was utilizing to true up the operational costs since they are funded by B&G.

SENATOR HARRIS:

To confirm, the state is currently underfunding the fuel costs per vehicle. Now, the agency is requesting fuel costs for two more vehicles at the underfunded amount to compensate for the difference. Is that correct?

MR. TUMA:

One of the things the Department of Administration has noticed, for fuel and utility costs and the base year funding model that is utilized when budgeting, is the base year expenditures for fuel for energy costs were lower than what was experienced in the work program year. By using those base year costs for a lot of those things, the department has underfunded what those costs are operationally based off FY 2023 totals. One thing to notice in this work program is that there is a large amount for utility expenditures, and that is because the agency started the fiscal year significantly under budgeted on utility costs by about \$800,000. Also, utility, fuel and energy costs have increased significantly in the last year. Most agencies that have large expenditures associated with those costs have noticed these changes. The department tries to be as transparent and accurate as possible when talking about operational costs for the fiscal year. When looking at the overall reserve amounts, the department wants to be transparent with the Committee about the full cost.

SENATOR HARRIS:

A conversation with Fiscal staff may be necessary, but I think it would be more transparent to say funding will be for 9 cars at the additional amount rather than funding for 11 vehicles that will actually be split among 9 vehicles. It may be necessary to increase the fuel costs and then provide funding for 9 vehicles with the understanding that fuel costs are more expensive.

Given this request contains expenses outside the scope of the new properties, how would the Capitol Police's ability to provide police services be impacted if this request were deferred to a future IFC meeting, contingent upon the agency providing the Committee with delineated resources needed for the new properties and the additional resources sought to enhance the agency's existing operations?

MR. LETOS:

The Capitol Police officers do a phenomenal job; they cover a lot of ground with a small team. One of the biggest challenges faced by the Capitol Police are factors such as vacation time and training, which causes the agency to operate below a safe minimum staffing level. This will become even more challenging with the addition of more properties. With a new building coming online to house the constitutional officers, I would like to have a robust protective force inside that building to provide an adequate protective posture. The Capitol Police is requesting a very small addition to its footprint. To provide context, the Legislative Branch is adding three buildings and 15 Legislative Police officers who will strictly be a protective force. However, the Capitol Police officers have a dual capability of providing protective force and also responding to calls for service. It is very challenging to do that effectively with only six officers.

CHAIR MONROE-MORENO:

Please provide more details about how it was determined that a Lieutenant/Deputy Chief position was needed to provide leadership in Las Vegas in response to the building acquisitions.

MR. LETOS:

The span of control from a police operational standpoint should have five to seven officers assigned to each supervisor. If four law officers are added, there will be a force of ten officers with one sergeant. That span of control is too great; therefore, adding an extra supervisor is ideal. A lieutenant would be preferred because that individual could act as a deputy chief in the southern operations, expand the force's abilities to handle First Amendment assemblies, work at a higher elevated level from the sergeant, and help support the supervision of the protective team. It is preferable to have a lieutenant function in that capacity, to act as a field force commander in those types of incidents; therefore, the lieutenant position is the ideal addition.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA
ITEMS H.10 and H.50.

SENATOR DONDERO LOOP SECONDED THE MOTION.

SENATOR TITUS:

I am opposing the motion. I expressed my concerns during the 82nd (2023) Legislative Session regarding the expansion of the state's footprint and owning more buildings in Northern and Southern Nevada that would require the expansion of personnel when there is already a tremendous lack of personnel and open

positions. This is exactly what I was worried about, that as Nevada's government is expanded, the costs, personnel, and footprint are also expanded.

THE MOTION PASSED WITH THE MEMBERS PRESENT.
(Senator Titus opposed the motion.)

51. Department of Public Safety - Office of Criminal Justice Assistance - Justice Grant - FY 2024

Addition of \$183,408 in federal Bureau of Justice Assistance - Coronavirus Emergency Supplemental grant funds to provide operating supplies, memberships, and furniture purchases. Requires Interim Finance approval since the amount added to the Operating category exceeds 20% of the legislatively approved amount for that category. **Work Program #C65112**

Refer to motion for approval under Agenda Item H.

52. Department of Conservation and Natural Resources - Conservation Districts - FY 2024

Addition of \$139,000 in federal United States Department of Agriculture - Forest Service grant funds to reduce wildfire risk, improve watershed health, and restore wildlife habitat in the Santa Rosa-Paradise landscape. Requires Interim Finance approval since the amount added to the Grant Conservation Districts category exceeds 20% of the legislatively approved amount for that category. **Work Program #C63842**

Refer to motion for approval under Agenda Item H.

53. Department of Wildlife - Director's Office - FY 2024

Addition of \$57,068 in federal Wildlife Restoration grant funds, \$24,792 in federal Boating Access Grants, and \$666,947 in Sportsmen Revenue transferred from the Wildlife Fund account, and the deletion of \$91,934 in federal Sport Fish Restoration grant funds and \$2,582 in federal State Wildlife Grant funds to realign state authority with federal authority and to provide support to wildlife programs. Requires Interim Finance approval since the amount added to the Boating Access Improvement category exceeds \$350,000. **Work Program #C64793**

Refer to motion for approval under Agenda Item H.

54. Department of Wildlife - Data and Technology Services - FY 2024

Addition of \$63,033 in federal Wildlife Restoration and Basic Hunter Education grant funds and \$71,000 in Sportsmen Revenue transferred from the Wildlife Fund account to realign state authority with federal authority and to provide support to wildlife programs. Requires Interim Finance approval since the amount added to the Geographic Information System category exceeds 20% of the legislatively approved amount for that category. **Work Program #C64727.**

Refer to motion for approval under Agenda Item H.

55. Department of Wildlife - Game Management - FY 2024

Deletion of \$522,256 in federal Wildlife Restoration Grants, \$53,153 in All Federal Small Grants, and \$321,331 in Sportsmen Revenue transferred from the Wildlife Fund, and a transfer of \$229,613 from the Deer and Antelope category to the Game Administration category, \$107,113 from the Deer and Antelope category to the Predation Management Department of Wildlife Projects category, \$44,745 from the Deer and Antelope category to the Air Operations category, \$26,751 from the Deer and Antelope category to the Migratory Bird category, and \$484 from the Deer and Antelope category to the Furbearer category to realign state authority with federal authority. Requires Interim Finance approval since the amount deducted from the Deer and Antelope category exceeds 20% of the legislatively approved amount for that category. **Work Program #C64794**

SENATOR TITUS:

Agenda Item H.55 is a request to transfer funds from the Deer and Antelope category to categories that are not associated with those populations, such as the Furbearer and Migratory Bird categories. What is the reasoning for this transfer and what monies will be used for the mule deer habitat? Also, what is the current estimate of deer herd populations? Lastly, was the number of deer tags decreased in 2023?

ALAN JENNE (Director, Nevada Department of Wildlife [NDOW]):

In regard to the funds for habitat, those funds come out of the department's Habitat Division, so they would not be reflected within this grant. There are still funds that are well supported within the Habitat Division that are being utilized for mule deer habitat and sagebrush habitat.

SHAWN ESPINOSA (Administrator, Game Management Division, NDOW):

Nevada's mule deer populations have declined for roughly the last 40 to 50 years because of drought conditions that Nevada has experienced particularly in the last decade. Fawn recruitment has declined as well, which is one of the biggest reasons that mule deer populations in Nevada are not increasing or remain stable, because the NDOW is not able to recruit. This is also seen in sage grouse populations as well. The sagebrush obligates are having trouble with respect to drought and loss of sagebrush due to wildfire, causing declines in species like that.

Last year, there was an estimated 68,000 mule deer, which represents a significant decline from ten years ago when the population was about 109,000. In response to the dwindling population, NDOW has decreased mule deer tags by about 30%. Mule deer tags significantly decreased this past year, to which NDOW is responding.

In 2022, the drought situation in Nevada was followed by a winter in which the state experienced well over 200% average snowpack. This particularly impacted the Area 10 herd, which is the largest population in the state. That is where the state experienced most of the trouble. Areas 6 and 7 are the second and third largest populations; however, there was not as much of an impact in that part of Nevada. In the central part of the state, the population was stable, and the declines were not as significant as in northeastern Nevada.

SENATOR TITUS:

I would like to confirm the previous population numbers the Committee received from NDOW. In 2022, the deer population was 78,000. Prior to that, the average was 94,000. The current mule deer population is down to 68,000.

MR. ESPINOSA:

That is correct.

SENATOR TITUS:

The Committee had also previously been given the number of deer tags that were issued. The average was 18,615, and in 2022 NDOW issued 15,177 deer tags. What was the amount that NDOW issued in 2023?

MR. ESPINOSA:

NDOW has issued approximately 9,000 deer tags in 2023.

SENATOR TITUS:

With the expectation of fulfillment, is it usually 50%? Is that what NDOW is averaging on the deer tags issued?

MR. ESPINOSA:

The average success rate was 35% in 2022.

SENATOR TITUS:

The impact of fires and drought was mentioned. Is NDOW conducting any studies on the impact of the wild horses on the water resources in the springs? If so, is there any data that could be shared with the Committee?

MR. ESPINOSA:

NDOW is still working on the studies related to wild horses, so I do not have any final results yet. Dr. David Stoner at Utah State University has been working on the studies and has been able to provide the Wildlife Commission with some preliminary results. I do not currently have the results with me, but NDOW will provide the results to the Committee. NDOW will also provide results of the effects of wild horses on Nevada's sage grouse population.

SENATOR TITUS:

The more important question is the impact on the mule deer and sage grouse populations and avoiding the endangered species list. It is important to consider the impacts on the environment as a whole rather than just one species.

SENATOR TITUS MOVED TO APPROVE AGENDA ITEM H.55.

ASSEMBLYWOMAN BACKUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

56. Department of Wildlife - Habitat - FY 2024

Addition of \$225,506 in Dream Tag Projects revenues transferred from the Wildlife Fund account to support wildlife rehabilitation and restoration projects. Requires Interim Finance approval since the amount added to the Dream Tag Projects category exceeds 20% of the legislatively approved amount for that category. **Work Program #C64785**

Refer to motion for approval under Agenda Item H.

57. Department of Wildlife - Habitat - FY 2024

Addition of \$346,908 in Industrial Development/Mining Assessment Funds transferred from the Wildlife Fund account to fund approved industrial development projects through the end of the current fiscal year. Requires Interim Finance approval since the amount added to the Industrial Development Projects category exceeds 20% of the legislatively approved amount for that category. **Work Program #C64818**

Refer to motion for approval under Agenda Item H.

58. Department of Wildlife - Habitat - FY 2024

Addition of \$3,845,249 in All Small Federal Grants and deletion of \$208,088 in federal Wildlife Restoration Grant funds, \$113,217 in federal Sport Fish Restoration Grant funds, and \$324,444 in Sportsmen Revenue transferred from the Wildlife Fund Account to realign state authority with federal authority. Requires

Interim Finance approval since the amount added to Nevada Partners for Conservation and Development Program category exceeds \$350,000. **Work Program #C65291**

Refer to motion for approval under Agenda Item H.

59. Department of Transportation - Transportation Administration - FY 2024

Addition of \$750,000 in Highway Fund Authorizations to align funding with anticipated Enterprise Information Technology Services expenditures for site space rent and data circuits. Requires Interim Finance approval since the amount added to the Information Services category exceeds \$350,000. **Work Program #C65322**

Refer to motion for approval under Agenda Item H.

60. Office of the Military - Division of Emergency Management - Emergency Management Assistance Grants - FY 2024

Addition of \$3,671,273 in Federal Emergency Management Agency - Pre-Disaster Mitigation grant funds to support ongoing mitigation projects. Requires Interim Finance approval since the amount added to the Pre-Disaster Mitigation category exceeds \$350,000. **Work Program #C64552**

Refer to motion for approval under Agenda Item H.

61. Department of Health and Human Services - Aging and Disability Services - Facility Outreach and Community Integration Services, and Money Follows the Person - FY 2024

Addition of \$4,149,999 in federal Money Follows the Person grant funds to support the modernization of the Home and Community-Based Services (HCBS) case management system. Requires Interim Finance approval since the amount added to the Transfer to Aging and Disability Administration HCBS System category exceeds \$350,000. **This work program requests provisional approval pursuant to Assembly Bill 361 (2023) to accept grant funding that has not yet been awarded by the federal government and to revise the work program to implement the grant. RELATES TO ITEM H.27. Work Program #C64975. RECEIVED 9-19-23, AFTER THE 9-11-23 SUBMITTAL DEADLINE.**

Agenda Items H.27 and H.61 were discussed jointly.

SENATOR TITUS:

To confirm, this is an ongoing upgrade to a computer system. One of the comments on the benefits is that the upgrade will help improve care coordination with community providers to comply with federal regulations. Will the community providers be obligated to upgrade their computer systems to communicate with this new computer system? If so, is funding available?

DENA SCHMIDT (Administrator, Aging and Disability Services Division [ADSD], DHHS):

It is an ongoing system and the ADSD is replacing the entire system. This funding is being used for part of it, specific to home and community-based services.

JEFF DUNCAN (Agency Manager, ADSD, DHHS):

It is a web-based system and there is no anticipated impact to the community partners by having to upgrade computer equipment. I will follow up and provide the Committee with further clarification.

SENATOR TITUS:

The discussion is usually focused on things such as off-the-shelf programs and access, as well as associated costs. However, the problem is that users may not be able to get into the program. The state recently saw that with the recent death certificate upgrade. It was problematic for users to access the program to sign death certificates. I just want to make sure it is not going to impact the very people the ADSD is trying to help.

ASSEMBLYWOMAN BROWN-MAY:

To confirm, this is specific to home and community-based services waiver implementation. The provider network to which it would apply would be relatively narrow, specifically through the ADSD. They are currently communicating through this provider process and money follows the person. That would continue long term, correct?

MR. DUNCAN:

Home and community-based services are not specific just to the ADSD waivers. The services are for multiple programs, like the FOCUS program, community partners that operate the Older Americans Act programs, etc. Providers are not necessarily Medicaid providers; it is more those community partners. Also, all of the ADSD's internal agency staff use the system for services such as case management.

SENATOR TITUS MOVED TO APPROVE AGENDA ITEMS H.27
and H.61

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS
PRESENT.

RECLASSIFICATIONS

Agency	Agency/ Account Number	Position Number	Present Class, Code, Grade and Salary	Proposed Class, Code, Grade and Salary
Department of Public Safety/Parole and Probation	652 / 3740	1202	DPS Officer 2 Code: 13.206 Grade 41/01 Employee/Employer Paid Retirement: \$75,376.80	IT Professional 3 Code: 7.925 Grade 40/01 Employee/Employer Paid Retirement: \$72,119.52
Department of Transportation	800 / 4660	075006	Microfilm Operator 2 Code: 9.719 Grade 23/10 Employee/Employer Paid Retirement: \$45,601.92	Administrative Assistant 2 Code: 2.212 Grade 25/10 Employee/Employer Paid Retirement: \$49,652.64
Department of Transportation	800 / 4660	930284	Engineering Technician 3 Code: 6.313 Grade 30/01 Employee/Employer Paid Retirement: \$41,989.68	Chief Compliance Audit Investigator Code: 11.360 Grade 37/01 Employee/Employer Paid Retirement: \$56,522.16

AARON EVANS (Deputy Chief, Division of Parole and Probation [P&P], DPS):

The P&P is requesting to reclassify one of the vacant DPS Officer positions to an Information Technology (IT) Professional position to support the department's ongoing records management system replacement as well as future enhancements to maintain a very large record management system containing millions of records. This position is necessary to act as a liaison between the division and its vendor as a single point of contact to complete this project and continued development in the future.

ASSEMBLYWOMAN ANDERSON:

Instead of reclassifying a DPS Officer position, has there been any discussion about requesting a new IT Professional position given that the number of DPS Officers approved and funded are based upon caseload driven?

MR. EVANS:

The division talked with the DPS Director's Office about the best option going forward. With the number of DPS Officer vacancies, the division thought it would be easier and quicker to get the position filled by reclassifying an existing position. In hindsight, the P&P should have requested this position upon entering the contract with a new vendor. Instead, the P&P placed the division's project manager duties on the back of an existing employee with existing duties. Unfortunately, the division did not request the position during the 82nd (2023) Legislative Session.

ASSEMBLYWOMAN ANDERSON:

Does the P&P realistically think it will be able to hire someone for the IT Professional position? Also, will there be enough DPS Officer positions to appropriately manage the projected offender supervision caseload with this restructure?

MR. EVANS:

I do believe the P&P will have qualified applicants for this position and for backfilling any positions that may be vacated. Reclassifying 1 position when the division has almost 90 vacancies across the state is a small drop in the bucket. If the division were able to hire and fill the other 89 positions, and it was just the 1 position that was missing, it would still be a positive accomplishment because the P&P is extremely short staffed and that increases the burden on the entire division. The 1 position, when spread amongst the 165 officers in Las Vegas, barely makes an impact, so reclassifying it would not have a negative impact. Although it is caseload driven, people do not lack supervision. People are supervised by existing division staff.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE THE RECLASSIFICATION OF A DPS OFFICER 2 TO AN IT PROFESSIONAL 3 FOR THE DEPARTMENT OF PUBLIC SAFETY, DIVISION OF PAROLE AND PROBATION.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

Reclassifications for the Department of Transportation, Position Number 075006, and the Department of Transportation, Position Number 930284 – Refer to motion for approval under Agenda Item H.

I. REQUEST FOR APPROVAL FOR THE ESTABLISHMENT OF AN UNCLASSIFIED DEPUTY DIRECTOR POSITION PURSUANT TO SECTION 2 OF ASSEMBLY BILL 522 (2023 LEGISLATIVE SESSION) - Department of Business and Industry.

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

J. STATEMENT OF IFC CONTINGENCY ACCOUNT BALANCE.

SARAH COFFMAN (Assembly Fiscal Analyst, Fiscal Analysis Division, LCB):

The Statement of the IFC Contingency Account Balance is located on page 131 in Volume IV of the meeting packet ([Exhibit D](#)). I would note there was an item that was withdrawn that was a Contingency Account request; therefore, the statement in the meeting packet needs to be revised. Prior to the actions of the Committee, the total balance of the Contingency Account is \$487,249,334.46. The unrestricted amount is \$25,037,542.11. The unrestricted balance of the Highway Fund is \$1,638,068.35. The restricted General Fund and Highway Fund balance is \$460,573,724. As indicated, Agenda Item L has been withdrawn; therefore, the numbers on the statement need to be revised. For FY 2024 allocations pending at the October 11, 2023, meeting, instead of \$20,635,208, the amount would be adjusted to \$20,361,701. The amount of the unrestricted General Fund is unchanged at \$273,507. The amount identified for restricted General Fund and Highway Fund is adjusted from \$20,361,701 to \$19,903,020. If all the remaining Contingency Account requests are approved by the Committee today, the revised total would be \$467,072,807.46 instead of \$466,614,126.46.

K. 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. DEPARTMENT OF BUSINESS AND INDUSTRY - Request for an allocation of \$150,000 for one new Deputy Director position and associated costs pursuant to Senate Bill 431 (2023 Legislative Session).

Agenda Items I and K.1 were discussed jointly.

TERRY REYNOLDS (Director, Department of Business and Industry [B&I]):

First, I would like to explain the request for approval for the establishment of an unclassified Deputy Director position. The position was authorized in S.B. 431 (82nd [2023] Legislative Session). This is a technical adjustment to include it in the Unclassified Pay Bill, A.B. 522 (82nd [2023] Legislative Session), to authorize and create the position as an unclassified position within that bill.

The Deputy Director position will oversee the Office of Nevada Boards, Commissions and Councils Standards within B&I.

Agenda Item K.1 is a request for funding for the year for the Deputy Director position. When this position was authorized in S.B. 431, a budget was not established; therefore, the department is before the Committee to request Contingency Account funds for that budget. The funds will be used as a first step.

I would like to discuss what the department has accomplished to date to show the Committee why this position is needed. In the future, the department is considering performing an assessment. Currently, the 37 boards and commissions within S.B. 431 have about 250,000 active licensees. Thus, approximately \$5 per licensee, per year would fund the total operation of the office. Ultimately, the office will have approximately eight positions including the Deputy Director position.

The department is going to establish a working group of approximately 10 to 11 individuals from the different boards and commissions to assess what needs to be done to accomplish the objectives of S.B. 431. There is a wide dichotomy between the boards and commissions. Some are well-off in terms of membership and dues and others have very few staff and small budgets. The department needs to determine the best approach; however, the department also wants to avoid the need to request additional Contingency Account funds or General Funds from the IFC. Ultimately, the department would like to be able to fund this as a fee-based program to oversee the boards and commissions within B&I.

The department has gathered the organizational charts and contact information of each occupational board, including the names of their executive directors, counsel, staff, any contract employees, and the assigned Deputy Attorney General, if applicable. Additionally, the department has reviewed current budgets, fees, membership structure, audits for the last three years, number of licensees, status of licenses, and whether licenses are increasing or decreasing. The department has been reviewing internal controls such as policy, manual operations, purchasing, signing, approval authority, personnel policies, asset inventory available for offices, vehicles, furniture, and standard things that one would consider when looking at the oversight of boards and commissions. In addition, the department is reviewing licensing and disciplinary processes, internal and external processes, investigations, and compliance processes.

The department has also met with the Office of the Attorney General and the Deputy Attorney Generals that oversee boards and commissions to talk about some of the issues they see with licensure and related discipline, which was specifically mentioned in S.B. 431.

The department is trying to create a common boards and commissions occupational licensing website that has dropdown menus for each of the occupational areas. The department has looked at several states within the western United States in terms of how they handle those types of websites. Many of these occupational areas need to attract and train people. The department is looking at how occupational areas in other states advertise on their website, as well as the transparency and consumer affairs aspects to gain a full perspective and provide a one-stop shop.

Lastly, the department is reviewing the current reporting requirements and special conditions under the *Nevada Revised Statutes* (NRS) and *Nevada Administrative Code* (NAC). The department would like to hire a Deputy Director to begin the initial process of working on these tasks with each of the boards and commissions and form a liaison with them. Additional staff will be added as the overall financial process to fund the organizations is developed.

It is also important for the department to come back to the Legislature with a report of suggested changes and any areas of focus within the boards and commissions occupational licensing, such as reciprocity between other states, particularly in the area of service personnel. I am on the Veterans Advisory Council and a hot topic within the council is service personnel being able to have reciprocity for their occupations so they can start work instead of having to wait 18 months to 2 years to obtain their license. There are a lot of areas the department needs to look at in terms of what is outlined in S.B. 431 but, before reporting to the IFC, the department would like the consent and approval of the occupational licensing boards so there is a united front.

ASSEMBLYWOMAN BACKUS:

It seems like the department is well underway in dealing with what was set forth in S.B. 431. Are there any consequences of deferring the implementation of this office, or more specifically, permitting the hiring of a deputy director until the department develops a long-term funding plan?

MR. REYNOLDS:

The department would not get much accomplished because B&I has approximately 11% to 12% in staff vacancies. The department only has two deputy directors; one that handles personnel and financial administration and the other that handles the Consumer Affairs Unit, the Nevada Commission on Minority Affairs, and business development. The capacity to be able to take this forward is rather limited, which is why the department is asking to establish the funding program. I think B&I would not get as far without having this position, and I am concerned about the capacity of taking this on.

ASSEMBLYWOMAN BACKUS:

You provided a high-level overview of the assessment for the funding plan of \$5 per year for each of the members of the various boards and commissions. How will an assessment of the various boards, commissions, and other statutory bodies be utilized to provide long-term support of personnel activities and operational expenditures of the new office?

MR. REYNOLDS:

The department has been working on the Deputy Director position since July 2023, so there is about 2.5 months of work into it. I cannot provide the Committee with an extensive answer until the department assesses the information it has received from the boards and commissions; however, the department is going to be looking at specific areas. The department is going to review how disciplinary investigations are conducted, how to establish a fair hearing process, and the advantages or impediments of the licensing process for persons already licensed in another state. The department wants to remove as many impediments as possible.

There are a lot of moving parts to assess, but B&I first wants to review what already exists in these occupational categories within the state and then streamline some of the processes. As noted, the department has a large dichotomy among some of the boards. There are boards that are very small and boards that are well funded by their licensees. The B&I wants to ensure there is equity in terms of how it charges and how it looks at the support for each one of the boards and commissions.

ASSEMBLYWOMAN BACKUS:

Besides the Deputy Director position, how many employees are needed for the Office of Nevada Boards, Commissions and Councils Standards to be fully functional during the interim? How many positions are anticipated to be requested during the 83rd (2025) Legislative Session?

MR. REYNOLDS:

The department submitted a staffing plan and an organizational chart (page 148, [Exhibit D](#)). A total of eight positions will be hired through the next biennium; however, the department is not going to hire the additional seven positions until the funding plan is developed. The Deputy Director will oversee a staff of seven employees: a Chief Compliance/Audit Investigator for investigations; an Administrative Services Officer 3 for administration licensing; an Accounting Assistant 3; an Administrative Attorney to review discipline and licensing issues; a Legal Research Assistant 2; an Administrative Assistant 4 for administrative support; and an IT Master Professional 2 to integrate the IT systems on the websites. That is what will be necessary to support these occupational licensing boards and commissions. The department has looked at staffing plans from other areas and states and believes this is a good start to establish the office with a minimal number of positions and backup from current staff. The department currently oversees 25 boards and commissions and issues approximately 265,000 licenses a year, so B&I has a lot of expertise and knowledge about what it takes to establish this type of system and office.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEMS I AND K.1.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

2. OFFICE OF THE MILITARY - Request for an allocation of \$88,382 to support information technology services provided by the Office of the Chief Information Officer.

CHERYL TYLER (Administrative Services Officer, Office of the Military):

I am here today to request \$88,382 to provide PC/LAN support and agency IT support from the Office of the Chief Information Officer to the Office of the Military.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEM K.2.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

3. DEPARTMENT OF ADMINISTRATION - Division of State Library, Archives and Public Records - Request for an allocation of \$35,125 to supplement the appropriation for the purchase of equipment and technology for the performance of large-scale digitization jobs approved in Assembly Bill 486 (2023 Legislative Session).

DANIEL MARLOW (Administrative Services Officer, Administrative Services Division, Department of Administration):

I am here on behalf of Mike Strom, Administrator for the Nevada State Library, Archives and Public Records. This request is for an allocation from the Contingency Account for \$35,125 to supplement the one-shot appropriation in Assembly Bill 486 (82nd [2023] Legislative Session) to implement the digitization project.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEM K.3.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

- L. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SECTION 7 OF ASSEMBLY BILL 518 (2023 LEGISLATIVE SESSION) (Note: IFC may approve a different amount for an allocation than the amount requested) - DEPARTMENT OF INDIGENT DEFENSE SERVICES** - Request for an allocation of \$458,681 to comply with the *Davis v. State* consent judgment and to support the costs of training for attorneys who provide indigent defense services.

This item was withdrawn.

- M. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT PURSUANT TO SECTIONS 4.3 (GENERAL FUND) AND 4.7 (HIGHWAY FUND) OF ASSEMBLY BILL 468 (2023 LEGISLATIVE SESSION) (Note: IFC may approve a different amount for an allocation than the amount requested) - GOVERNOR'S FINANCE OFFICE - Office of Project Management** - Request for ~~\$73,082,250~~ ~~\$13,638,302~~ **\$9,890,100** from the General Fund and ~~\$17,142,750~~ ~~\$3,199,108~~ **\$2,319,900** from the Highway Fund for costs associated with the implementation of the Enterprise Resource Planning System project. **REVISED 9-26-23. RE-REVISED 9-27-23.**

AMY STEPHENSON (Director, Governor's Finance Office [GFO]):

I am on the executive committee that oversees the CORE.NV project along with Jack Robb, Director of the Department of Administration, and Andy Matthews, the State Controller. They are not here today, but I did bring some other colleagues to help answer any questions the Committee may have. There are representatives available from the selected vendor, CGI, as well as the administrators for the Office of Project Management, Purchasing Division, and the Division of Human Resource Management.

Per A.B. 468 of the 82nd (2023) Legislative Session, this agenda item requests \$9,890,100 from the General Fund and \$2,319,900 from the Highway Fund for costs associated with the implementation of the Enterprise Resource Planning System project. This request is for FY 2024 projected costs only based on the deliverables in the contract that was negotiated with CGI. The implementation of the CORE.NV project will be a phased approach focusing on minimum viable product first, with delivery of the base system functionality for finance by January 1, 2025, and the base system functionality for human resources by June 30, 2025.

ASSEMBLYWOMAN BROWN-MAY:

This was discussed a lot during the 82nd (2023) Legislative Session as the state was coming out of a transformation effort that was less than successful. At the last State Board of Examiners meeting, a \$90.2 million contract was approved, and \$10 million in ARPA dollars was approved for the project in A.B. 468. Would you confirm that the \$10 million in ARPA dollars would be the first expenditure for this new contract?

MS. STEPHENSON:

The actual cost for FY 2024 is \$22,210,000 minus the \$10 million of ARPA funds, which is the request before the Committee today. The ARPA funds will be used first.

ASSEMBLYWOMAN BROWN-MAY:

That clarification is important. How does the Office of Project Management and the executive committee intend to track and monitor the implementation of the CORE.NV project? To provide some backstory, the Legislature appropriated large sums of money but without adequate progress. How will that be avoided with this new implementation?

BRIAN BOWLES (Administrator, Office of Project Management, GFO):

The Office of Project Management has been completely restructured as far as its purpose and staffing at the leadership level to provide that kind of oversight. Previously, the office that was present for the former project was operating like any other kind of state agency with a project management component. It has been restructured in the form of training and discipline to make sure that project management as a discipline drives all the decisions. The office's leadership meets weekly with the executive committee. The oversight from an executive leadership perspective is very robust, and the cadence is frequent. The leadership is involved in all the minutia of the office and expects progress reports on a weekly basis. Within the Office of Project Management, members of leadership, the Organizational Change Management (OCM) manager, and the senior project manager meet daily to monitor staff, their tasks, and how they are interacting with the vendor. Along with that, the office is bringing on a contract officer who will be tasked with watching the deliverables acceptance from the vendor and making sure that the deliverables acceptance process happens swiftly and with full fidelity to the requirements of that deliverable.

In the packet (page 265, [Exhibit D](#)), per the Committee's request and as a best practice of the office, it is shown how every dollar that is allocated to the vendor is tied directly to a deliverable, which is in stark contrast to how the contract was handled before.

In addition, the office currently has a request for proposal for an independent verification and validation firm to observe the office in real time and then report that information directly to the State Chief Information Officer, Timothy Galluzi. The office has required that the vendor not report to the project manager or any of the office executives, but to

report on the progress of the project to an outside executive source which will then report back to the executive committee. The office believes that communication channel will provide the independence necessary for a truly transparent view of the project as it moves forward.

Lastly, the office is committed to providing the Committee with a quarterly report on the efforts of the Office of Project Management as CORE.NV progresses toward its conclusion.

CHAIR MONROE-MORENO:

The State of Nevada has spent a great deal of money on a system that it is unable to utilize. There was a lot of discussion during the 82nd (2023) Legislative Session to ensure that payments would not be made until items were delivered upon. All eyes within the state will be looking at CGI's work. I cannot stress enough that Nevada is counting on CGI to complete the work on time, early if possible. No payments will be made until the work is done. I wanted Committee members to meet CGI representatives and to ensure CGI understood the importance of that.

GREG HUSSEY (Vice President, CGI):

CGI looks forward to the project. Its solution is built for government, it has been installed for multiple states. CGI is looking forward to Nevada being the next successful installation.

ASSEMBLYMAN O'NEILL:

Is the timeline provided by the state to CGI reasonable? I have dealt with IT projects, and it always seems like the timeline must be expanded. Are the programs that CGI has deployed in other states similar to what Nevada is requesting?

MR. HUSSEY:

CGI has put a lot of thought into the implementation approach and knew it was critical to meet those deadlines. Those decisions were informed by successful projects in other states. The delivery of the base system functionality for finance is going to take up until January and then six months later for the base system functionality for human resources. States such as Alaska, Arizona, and Utah use the Advantage system, and they use the full suite of solutions CGI is going to implement for Nevada as well.

ASSEMBLYMAN O'NEILL:

The Committee can depend on CGI for success, correct?

MR. HUSSEY:

Correct. CGI has never had a failed project, so it always expects success.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEM M.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

- N. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SECTION 34 OF SENATE BILL 341 AND SECTION 1.5 OF ASSEMBLY BILL 525 (2023 LEGISLATIVE SESSION) (Note: IFC may approve a different amount for an allocation than the amount requested) - Las Vegas Museum of Art** - Request for a combined \$5,000,000 to establish an art museum in Las Vegas.

HEATHER HARMON (Executive Director of Museum Efforts, Las Vegas Museum of Art):

I am here today to request the full \$5 million allocation from the IFC Contingency Account pursuant to Section 34 of S.B. 341 (82nd [2023] Legislative Session) and Section 1.5 of A.B. 525 (82nd [2023] Legislative Session). The Las Vegas Museum of Art will establish an art museum in Las Vegas.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEM N.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

- O. REQUEST FOR ALLOCATION FROM THE IFC CONTINGENCY ACCOUNT (GENERAL FUND) PURSUANT TO SECTION 1 OF SENATE BILL 231 (2023 LEGISLATIVE SESSION) (Note: IFC may approve a different amount for an allocation than the amount requested) HUMBOLDT COUNTY SCHOOL DISTRICT** - Request for an allocation of \$2,693,000 to support salary increases and benefit costs for certain district staff.

Agenda Items O and U.3b were discussed jointly.

DR. DAVID JENSEN (Superintendent, Humboldt County School District):

I am advocating on behalf of Humboldt County School District's teachers and educational support staff. The Committee should have received documentation from Humboldt County School District seeking an allocation of \$2,693,000 as well as a correction to add \$20 for a total allocation request of \$2,693,020 ([Exhibit D](#)).

I will briefly share with the Committee the process of the school district's development of this request. As Senate Bill (S.B.) 231 was being heard during the 82nd (2023) Legislative Session, the Humboldt County School District entered into negotiations with bargaining groups – the Humboldt County Education Association (HCEA) and the Humboldt County Support Staff Organization (HCSSO). The school district ratified the contract with the HCEA at the board-level on June 27, 2023, providing a 7.875% increase in year one with 1.875% to cover the employee's portion of PERS and a 6% increase on the base. For FY 2025, the school district provided a 4% increase on the base for an overall net increase of 10% on the base. With the HCSSO, the school district ratified the HCSSO's contract at the board-level on August 8, 2023. For FY 2024, the school district provided 11.875% with 1.875% to cover the employee's portion of PERS and 10% to the base, and in FY 2025 0% on the base for a net increase of 10%.

Based on the school district's August 1, 2023, census data on employees, the allocation of \$2,693,020 was then applied into a formula in which it identified additional raises of 3.2% in year one and 4.8% in year two. The applied formulas are included in the handouts that the Committee should have received, omitting names. The first column represents FY 2024, and the second column represents FY 2025. Once the school district calculated each of those factors, I met with the presidents of both the HCEA and the HCSSO to review the formulas and received approval from both the bargaining groups' presidents to move this forward. It was then heard at the board of trustees' level on September 12, 2023. As calculations are based on current staffing, the figures that the school district submitted for August 1, 2023, are likely to change. In particular, amongst the school district's classified personnel, where there is rotation throughout the year.

As the 2023-2024 school year concludes, any remaining funds will then be recalculated with the school district's new staffing for FY 2025 and any adjustment would then be noted and reported back to the Legislature for the August reporting for both FY 2024 and FY 2025.

Understanding the urgency of Legislators to increase compensation for school district staff, Humboldt County School District is prepared, with the IFC's approval, to apply these funds effective October 19, 2023, for certified staff members and October 25, 2023, for classified staff members.

SENATOR DONDERO LOOP:

Would you explain the factors that would cause Humboldt County School District to adjust its planned raises using the Senate Bill 231 (82nd [2023] Legislative Session) funds?

DR. JENSEN:

As I noted, the school district experiences turnover in its staffing pattern throughout the year, primarily in classified staff. The school district would adjust the calculations based upon where its employees fall on the negotiated salary schedules. Then, as the district begins to plan for FY 2025, its staffing would be based upon enrollment and meeting

class-size reduction targets, which will likely result in minor adjustments. Once the district knows what its staffing patterns look like, it will then apply the remaining funds through that formula to determine the allocation.

Also, the 3.2% in year one may seem kind of odd, but the school district does not want to apply it in a retroactive fashion. The 3.2% was run through the whole fiscal year. The school district would then apply it starting in the next pay cycles – October 19, 2023, and October 25, 2023. The 3.2% compressed through the remainder of the year comes closer to about 4% for employees through the remainder of this fiscal year.

SENATOR DONDERO LOOP:

How many employees will this impact?

DR. JENSEN:

Humboldt County School District has a total of approximately 420 employees (certified and classified employees combined).

SENATOR DONDERO LOOP:

Would you also confirm that the school district is seeking the maximum amount?

DR. JENSEN:

Yes, the school district is requesting the full allocation of \$2,693,020.

SENATOR CANNIZZARO:

I want to thank you for coming with a plan on how to utilize these funds. I am pleased to see that we are talking about both teachers and support staff in Nevada schools. It is exactly the intention of S.B. 231. I appreciate you bringing forward a full plan that recognizes that there is this room for these raises. I am happy to see this as an agenda item.

Again, I just wanted to thank you for thinking about both teachers and support staff because, to the extent that similar items may be presented in the future, this money is designed to address both of those needs. That testimony was made very clear during the legislative hearings. I am glad to see there were not any complications with bringing this money forward to help implement raises for these important people who support Nevada students every day.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA
ITEM O.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

- P. REQUEST FOR APPROVAL TO ACCEPT GIFTS AND GRANTS PURSUANT TO NRS 353.335 - NEVADA DEPARTMENT OF CORRECTIONS** - Request for approval to accept a donation for the installation of a training skills asphalt pad, valued at \$310,000, from Hope for Prisoners, Inc. to be used for certified commercial driver license training for offenders.

JAMES DZURENDA (Director, Nevada Department of Corrections [NDOC]):

I am here today to request approval to accept a gift to the NDOC. The donation of \$310,000 is from Hope for Prisoners for a training skills asphalt pad. It is to be used for a certified commercial driver license (CDL) training for offenders. Nationwide, drivers with a CDL are highly sought after; thus, the NDOC thought it would be beneficial to train offenders that are nearing the end of their sentence and who will need a sustainable job. Hope for Prisoners, which has an accredited certified drivers training school, will provide this to offenders. Hope for Prisoners will also be providing simulators for classroom training and tractor trailers for the training on the asphalt pad. The NDOC has teamed up with the Department of Motor Vehicles (DMV). The DMV will issue CDLs to offenders after they successfully complete training.

SENATOR NGUYEN:

I recently attended a conference about emerging technologies and artificial intelligence (AI), and autonomous vehicles. I know that currently CDL programs provide a lot of opportunity. Will investing this money into this programming limit Nevada in the future when the state wants to create jobs for incarcerated people that fit actual jobs in the community?

MR. DZURENDA:

The NDOC is constantly analyzing which jobs are most prevalent. That is why the department works with the Department of Employment, Training and Rehabilitation and other organizations to help focus on jobs that are currently struggling to fill vacancies. If there is an oversaturation in trucking driving schools, the department will focus on something else; however, the NDOC would not eliminate CDL training. By focusing on training for jobs that are struggling to find employees, the NDOC can help offenders become successful, which reduces the likelihood that offenders will return to prison. That is the best way to reduce community victimization. I think this is an important step in trying to accomplish the mission.

SENATOR NGUYEN:

I know that right now there is a need for truck drivers, but many have seen the data indicating a potential movement to automate many truck driving jobs. I am curious if there are other types of jobs that offenders can train for that will not be obsolete in 5 to 15 years.

MR. DZURENDA:

This is part of the NDOC's bigger picture. The department's mission is to implement Vocational Village, which will provide vocational training such as HVAC [heating, ventilation, and air conditioning], plumbing, electrical, carpentry, etc.

A recidivism study released in August 2023 was based upon cohorts that were released from prison in 2019 and tracked over a three-year period. The recidivism study showed that vocational-led services have a positive impact on reducing recidivism. That is another reason why the NDOC is focusing on this bigger picture; if something is proven to reduce recidivism rates, the department will direct its resources there.

SENATOR NGUYEN:

Regarding the partnerships the NDOC has with local organizations such as Hope for Prisoners, does the department retain any data other than general recidivism rates to track the successfulness of these programs? For example, data regarding placement, average hourly wage, etc.

MR. DZURENDA:

Yes and no. The NDOC maintains data of offenders who have been placed in jobs in the community. The department does not track what happens after that because the Department of Public Safety, Division of Parole and Probation (P&P) manages much of that. The P&P may track that information.

SENATOR NGUYEN:

I am hopeful that in the future it may be something the NDOC will explore because there are many vocational programs available, and some are more successful than others; some of them place people in higher paying jobs; and some programs are more efficient. I would like to know that when the state is placing people in jobs and working with partners, that Nevada is working with organizations that have data providing the success of their programs.

MR. DZURENDA:

The recidivism study I mentioned earlier, which I can provide to the Committee, showed that offenders who participated in vocational-led training, General Education Development certifications, or a substance use disorder program were less likely to return to the prison system within three years. The study showed that the most successful offenders had gone through training and obtained sustainable jobs in the community.

CHAIR MONROE-MORENO:

The vacancy rate for NDOC Correctional Officers is still extremely high. Could the department safely expand transportation services for eligible offenders and provide additional Correctional Officer staffing for the new CDL program and the Vocational Village?

MR. DZURENDA:

The NDOC has not developed the entire agency yet because the department has not yet received approval. The department will start with community trustees, which does not require staff supervision. The individuals are taken to the location and return at the end of the day similar to individuals at the Casa Grande Transitional Center who work at jobs on the Las Vegas Strip and then return to the facility at the end of the day. At the beginning, Correctional Officers will not be needed to provide supervision if the department uses the criteria of community trustees or minimum security.

Regarding vacancies, the NDOC has been very successful recently and vacancy rates are decreasing. Deputy Director Kristina Shea has data concerning the number of Correctional Officers that have been hired since July and how many have left the agency. The NDOC is finally hiring more Correctional Officers and losing less. The department has over 150 Correctional Officer candidates.

KRISTINA SHEA (Deputy Director of Support Services, NDOC):

I think the most important thing to share regarding the department's efforts is that the NDOC executed a new recruitment contract with an organization called All Star Recruitment. I am excited to share this information, because I think it is something the state can leverage more of, which is social media campaigns and ads to funnel people in. The department started about two weeks ago and has had over 1,500 leads during that time. The NDOC has a CRM system that is tracking everything. It sends text messages to candidates and communication is done on the fly. Of the 1,500 leads, 848 passed the initial pre-screening. In two weeks, 70 applications were submitted through NV Apps. The NDOC is starting to see some of these campaigns pay off over time. I think that is what is driving and shifting it, people have a better understanding of the NDOC, including positive messaging in the advertisements and on social media. Director Dzurenda and I received a call recently from someone in New York or Connecticut, which means the ads are reaching people nationwide.

CHAIR MONROE-MORENO:

Of those 1,500 leads, how many were Nevadans? You said the ads are nationwide, so hits are coming from all over the country, but are the majority of those hits from Nevada?

MS. SHEA:

I do not have those numbers available, but I can provide that data to the Committee in the reporting process.

CHAIR MONROE-MORENO:

To clarify, the Vocational Village will be located inside Southern Nevada Correctional Facility, and Hope for Prisoners will be providing the staffing. Will any NDOC staff be involved?

MR. DZURENDA:

At this point, if the NDOC uses community trustees and minimum staffing, Hope for Prisoners provides all the trainers. Hope for Prisoners has connected with all its resources and the certified training providers are either paid or volunteers. Hope for Prisoners is also connected with Workforce Connections and DETR, and many companies throughout the state where individuals will be placed. Hope for Prisoners is driving the market for the placement of the individuals through the training.

Regarding the Vocational Village, it will be located in an empty Kwanza hut structure that is on the grounds of the Southern Desert Correctional Center, which is attached to Three Lakes Valley Conservation Camp, a minimum-security facility that is on the grounds. The asphalt pad is going to be located at Three Lakes Valley Conservation Camp.

CHAIR MONROE-MORENO:

Hope for Prisoners will run the program, but it is partnering with Ahern Advanced Career Training (Ahern) to administer the CDL program. Will that cost the state money or are they donating time?

MR. DZURENDA:

It is free to the state. Hope for Prisoners has donations that will be used to resource this throughout the term. Hope for Prisoners will be providing it through paid or voluntary trainers.

CHAIR MONROE-MORENO:

Hope for Prisoners already has relationships and partnerships with employers. About how many employers are involved, and who are those employers?

MR. DZURENDA:

Hope for Prisoners continues to expand its resources, but current partners include Ahern, American Eagle Ready Mix, Boulder Landscaping, BDN Delivery Services, FedEx, Footsteps Solutions, Get Fresh, Kimble Equipment, May Trucking, Park Pros, Robertson Ready Mix, Sierra Ready Mix, Smitty's Trucking, Star Nursery, Terra Contracting, the Towing Company, True Line, Universal Linen and Laundry, and Warner Enterprises.

CHAIR MONROE-MORENO:

If this item is approved, would the state have any future obligations such as staffing or financial requirements to continue the CDL program?

MR. DZURENDA:

Yes, that is my goal. What I would love to see, which was in the original plan, is to expand this program statewide. Currently, it is very easy for prison systems to train, certify, and obtain licenses for minimum-security offenders because it does not require staffing. My goal is to expand the program to medium and high-security offenders, so they have a job upon release. Expanding the program to include medium and high-security offenders would require staffing to monitor and secure the areas where training is conducted.

ASSEMBLYMAN YEAGER:

This will be a 93,000 square foot asphalt pad and a ten-week CDL course Monday through Friday, 8 a.m. to 12 p.m., with skills tests and a classroom component. Is the asphalt pad for skills tests such as driving the vehicles? Or is that pad the structure of the center that is going to be used for these various programs?

MR. DZURENDA:

Only a small portion of the CDL license accreditation requires the use of the skills pad. The majority of the training is conducted in the classroom using simulators. The skills pad is required by the DMV for approximately 15 hours per offender to practice backing up and maneuvering cones, which must be practiced in a tractor trailer. That is a secured area so offenders will not be able to drive off the property or drive through a building; it will be barrier secured.

ASSEMBLYMAN YEAGER:

I assumed there had to be an actual driving component because the simulators are not as good as the real thing.

You indicated this would initially be available for lower-level offenders. I believe individuals must have a regular Class C license to get a CDL. Has the NDOC thought about adding transportation staff to take inmates to the DMV if they do not have a Class C license or will this task be absorbed by current NDOC staff? Or is the intent to select the easier people first to get the program operational?

MR. DZURENDA:

The department's goal is to make the program available to the lower-security inmates initially because it does not require additional positions; however, eventually the program will include higher-level inmates.

Yes, inmates must have their Class C license first. The DMV will have a site on the NDOC property to issue licenses. However, as the individual does get released, especially the higher-security individuals, they will most likely, because if the department uses the higher-security, they will have to drive the tractor trailer on the road upon discharge as part of their training before they can get their CDL license. That can be done with the community trustees in minimum-security, but the higher security will be waiting. It will be a slightly different structure that is why I would like to get through the easier part first.

ASSEMBLYMAN YEAGER:

I think the Committee understands the basic parameters of the Vocational Village. I am appreciative that Hope for Prisoners will provide a significant portion. Since this will be a state facility within a state correctional facility, if there were other groups interested in providing reentry skills, would they be able to partner with the NDOC and take advantage of this infrastructure to add more vocational programs?

MR. DZURENDA:

Yes. The NDOC already begun communicating with the P&P to reach out to offenders that have already been released in the community. The department has not thought of looking at provisions for individuals in the community who are not under any type of supervision because companies like Ahern already have schools in Las Vegas to conduct the program.

ASSEMBLYMAN YEAGER:

I wanted to clarify that I was not necessarily thinking of people in the community. If there were another group like Hope for Prisoners that started reentry programs, would those entities have a similar opportunity to partner with the NDOC.

MR. DZURENDA:

The NDOC is also considering a tractor trailer driving school in Carson City. If this is successful and upon approval, I am hoping to implement a similar program at the Northern Nevada Correctional Center and Stewart Conservation Camp.

SENATOR TITUS:

Will trucks also be supplied?

MR. DZURENDA:

Yes, Ahern is providing two tractor trailers.

SENATOR TITUS:

I used to perform CDL physicals, which is a requirement to obtain the license. Will the NDOC assist with this?

MR. DZURENDA:

That is also going to be handled by Hope for Prisoners through its funding sources. Hope for Prisoners will also provide the required drug testing.

SENATOR DONDERO LOOP:

I love the idea and I appreciate that the state is educating inmates in a different way so that they can move forward upon release. If a company wants to use this driving facility, will the company have to pay a stipend? It sounds like companies can send people to this facility to learn how to drive a truck. Even though Hope for Prisoners is contributing, the state has a financial obligation as well. Will private companies have to pay a stipend to use this facility?

MR. DZURENDA:

The NDOC did not initiate a stipend. As long as the company provides the services to the department, that would be considered their payment to the state.

SENATOR DONDERO LOOP:

That will not be a tax credit on their end; they can use the facility because they have already provided a service, correct?

MR. DZURENDA:

That is correct.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEM P.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

Q. DEPARTMENT OF ADMINISTRATION - State Public Works Division

1. Request to modify the scope of CIP Project 23-C36, Improvements for Buildings Purchased in Las Vegas, to include building improvements for new building purchases in Northern Nevada, pursuant to NRS 341.145(1)(f). **WITHDRAWN 9-26-23.**

2. Request to modify the scope of CIP Project 23-C37, Building Purchase and Improvements, 3850 Arrowhead Drive, Carson City, to include the purchase of one additional building in Carson City within the existing project budget, pursuant to NRS 341.145(1)(f).

Agenda Items Q.2 and Q.3 were discussed jointly. Refer to testimony and motion for approval under Agenda Item Q.3.

3. Request to modify the scope of CIP Project 23-C37, Building Purchase and Improvements, 3850 Arrowhead Drive, Carson City, and to increase the authority to receive and expend additional funding of \$2,542,845 for building improvements, pursuant to NRS 341.145(1)(f), and to transfer in \$2,542,845 from CIP Project 23-C36, Improvements for Buildings Purchased in Las Vegas, to fund the building improvements for CIP Project 23-C37, pursuant to Section 23 of Assembly Bill 1 (34th Special Session). **RECEIVED 9-26-23, AFTER THE 9-11-23 SUBMITTAL DEADLINE.**

Agenda Items Q.2 and Q.3 were discussed jointly.

KENT LEFEVRE (Administrator, State Public Works Division [SPWD], Department of Administration):

These requests are to modify the scope of CIP Project 23-C37 to allow for the additional purchase of a building in Carson City and to receive and expend an additional \$2.5 million from CIP Project 23-C36 for building improvements. Tenant improvements will include roofing repairs, mechanical systems, low voltage communications, and the like.

ASSEMBLYWOMAN GORELOW:

Please confirm that sufficient funding would be available to fund the identified tenant and building improvements for the office buildings.

MR. LEFEVRE:

Yes, the SPWD is confident there will be sufficient funding for tenant improvements.

CHAIR MONROE-MORENO:

How will the new building be utilized?

MATTHEW TUMA (Deputy Director, Department of Administration):

As discussed during the 82nd (2023) Legislative Session, the Department of Administration leases approximately 700,000 square feet of office space in the Carson City area. The department was approved for the purchase of the Arrowhead Building, which adds approximately 100,000 square feet of state-owned office space in Carson City. In the 2023 Capital Improvement Program (CIP), the department was also approved for the construction of a new building on the Capitol Campus, which will add another 100,000 square feet of office space. The department will still have a significant delta of several 100,000 square feet of office space that it will be leasing.

The department's long-term plans will be for state offices to utilize that space permanently. In the immediate future, the space will be used as "swing space" where improvements can be made to leased facilities as lease terms come up. This will allow the department to improve the office space for state-owned office locations as well as leased office locations, and work with landlords in those lease locations to ensure the space is improved and provides great facilities for staff.

CHAIR MONROE-MORENO:

Agencies will camp out there while the agency's leased building is being repaired. Who is covering the cost? If the building is being leased, the owner should be paying for those improvements.

MR. TUMA:

The department would only be paying for space that it is occupying at that point in time. As leases term up, if the facility requires significant improvements by the landlord, the department will move state workers out of the space so the landlord can make repairs, during which time the department would not be

paying rent for that facility. Instead, the department would pay rent for the outside location. Any agency utilizing Buildings and Grounds space, would be subject to Buildings and Grounds rental rates.

CHAIR MONROE-MORENO:

Regardless of all the buildings the state is purchasing, leasing will still be necessary, correct?

MR. TUMA:

Unfortunately, that is correct. A large dent will be made this biennium and costs will be reduced significantly over the long term with close to one million square feet of office space that will be put online. However, at the beginning of the 2023-25 biennium, the department was leasing approximately two million square feet of office space statewide. That was a significant amount to cover; the department is making a large dent, but lease space will be necessary for the foreseeable future. The Legislature can expect more requests in the future for addressing those concerns in the long term.

CHAIR MONROE-MORENO:

In transferring funds from one source to another, the overall plan of building purchases and improvements, does the department see that this will have a negative impact in the future, such as the need to come before the Committee for additional funds?

MR. TUMA:

I think that capital investments are going to be a strong theme going forward. The department will probably request additional capital investments in the future, but those are not intended to be duplicative, and they would be additive at reducing the square footage of lease space and costs. To provide context, going into the 2023-25 biennium with two million square feet of leased spaces, the state is spending approximately \$50 million per fiscal year just on outside leases, and a lot of those entities are not based in the State of Nevada, so those funds are literally leaving the state. Agencies moving from non-state-owned lease spaces to Buildings and Grounds spaces are seeing those costs decrease significantly. Thus, not only is the state investing in its own infrastructure, but it is reducing the ongoing operational costs for agencies moving into Buildings and Grounds space. The Buildings and Grounds rental rate is 0.94 cents per square foot in the 2023-25 biennium. For comparison, there are existing leases in the Las Vegas area that are more than twice as much. The state will realize those savings immediately. In the long term, the department's plan is to reduce that and invest in state-owned infrastructure.

CHAIR MONROE-MORENO:

What does the market look like in Carson City? I know the state is leasing space now. Is that because there are not buildings on the market to purchase?

MR. TUMA:

The department is always looking at available options. I know there are some concerns in Carson City about having employees concentrated in one location near the Capitol Mall area. That is why part of the 2023 CIP included constructing a new building. The department will be continuing forward with that hybrid model and looking at what is available on the market and what makes sense for the state to purchase, whether in Carson City, Reno, or Las Vegas, as well as looking at specific needs based on area. There are some facilities that are not conducive for purchasing. A large project that was approved during the 82nd (2023) Legislative Session is a veterans hospital and care facility in Las Vegas. It is not conducive to purchase a building that would serve that function. Thus, the department is considering the best options and where the state can get the best bang for the buck and reduce the number of non-state-owned spaces.

CHAIR MONROE-MORENO:

If this is approved, the target purchase date for the Silver Sage site is October 15, 2023, correct?

MR. LEFEVRE:

The closing date is scheduled for October 20, 2023.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE
AGENDA ITEMS Q.2 AND Q.3.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS
PRESENT.

MR. TUMA:

The department had a withdrawn item as well as a late submission item on a process issue. I appreciate the collaborative nature of Fiscal Analysis Division staff and the Committee for moving this forward.

R. REQUEST FOR TRANSFER FROM THE INTERIM FINANCE COMMITTEE'S ACCOUNT FOR FORECLOSURE MEDIATION ASSISTANCE PURSUANT TO NRS 107.080(13)(b) - Request for the transfer of \$145,659 to Home Means Nevada, Inc. for support of the program for foreclosure mediation.

PERRY FAIGIN (President, Home Means Nevada, Inc., and Interim Deputy Director, Department of Business and Industry [B&I]):

I am here today to respectfully request \$145,659 from the Foreclosure Mediation Account and the IFC to deposit into the account for Home Means Nevada, Inc. I would also like to provide the Committee with additional information that might help to answer some of the previous questions that have arisen over how funding occurs.

I wanted to give the Committee an update on how the program operates from the standpoint of notices of default. For the program to be fiscally sound and support itself, it would require approximately 4,000 notices of default annually. No one likes to hear that, and that would not be wished upon anyone, but I need to make it clear that the program is funded by notices of default that are filed at the district courts.

Last year, 3,233 notices of default were filed, which was a shortage, and the program could not fund itself without the help of Contingency Account funds. Currently, 697 notices of default have been filed in the first quarter, which is a 6% decrease compared to the first quarter of last year. Unless there are drastic changes, the program will probably need Contingency Account funds to support itself again.

ASSEMBLYWOMAN JAUREGUI:

The Home Means Nevada program is supposed to be self-sustaining, but for many years it has not been able to sustain itself. Not just because the number of notices of default are down but also because the number of people who elect to participate in mediation is low. Even at the height of the program when it was first created, the number of people who chose to participate was relatively low. Much of that has to do with the fact that there is a cost to the homeowner. If someone is in a difficult situation where they cannot afford to pay their mortgage, they cannot afford \$200 to pay for mediation. You mentioned that approximately 3,300 notices of default were filed last year and only about 5% of homeowners elected to go to mediation. Of those who elected to go to mediation, how many of them were successful in saving their home? I am big on homeownership, homeowner assistance, and homeowner retention. I am an advocate and probably the biggest cheerleader for the Nevada Affordable Housing Assistance Corporation (NAHAC) program that the state funded with \$129 million, which I think is probably more beneficial than mediation because it brings people current who are in default. I do not see the need for the Home Means Nevada program anymore. The program was created because there were high numbers of foreclosures but that is no longer the case. The number of people electing to participate in mediation continues to decrease. Why the need for the program? Why not just sunset it?

MR. FAIGIN:

Yes, that is one of the things that Home Means Nevada, Inc. continues to assess. I do not have specific numbers with me, but I can tell you that participation rates are low. I think the highest participation with regard to mediation was 16% in 2021. Prior to that, the highest participation was in 2019 at 12%. In 2022, approximately 73 people participated in mediation and no certificates of foreclosure were issued. This year, no certificates of foreclosure have been issued and there have been 83 mediation participants. It has been interesting to see how things are changing. Although foreclosures are increasing nationwide, including in Nevada, I believe you are correct in that there are some concerns about the future of the program.

ASSEMBLYWOMAN JAUREGUI:

I believe there is still \$100 million available of the \$129 million that was issued to NAHAC for homeowner assistance. When Home Means Nevada, Inc. receives a request for mediation, is the organization partnering with NAHAC to use those assistance dollars? I believe everyone who applies and qualifies is eligible for up to \$65,000 to reinstate their mortgage if they are in default.

MR. FAIGIN:

While Home Means Nevada, Inc. is aware of NAHAC and its program, the responsibility of Home Means Nevada, Inc. is an administrative capacity, which includes a website for use by constituents, attorneys, and trustees, providing homeowners with documentation, and providing certificates of foreclosure. The district courts manage the entire mediation process.

ASSEMBLYWOMAN MOSCA:

What is Home Means Nevada, Inc. doing to promote its foreclosure mediation services to homeowners?

MR. FAIGIN:

Home Means Nevada, Inc. does not have a marketing budget. I have been asked in the past about promoting the program. It is difficult for me to answer that question. Home Means Nevada, Inc. provides a website and resources, but ultimately, it provides the certificate to foreclose as required in statute. Home Means Nevada, Inc., provides the following: documentation, website, and certificates to foreclose. The organization is strictly an administrative arm for this process. The district courts predominantly handle everything including the mediation, and they work with the trustees and the clients. Home Means Nevada, Inc. is not promoting the program because the organization is responsible for issuing the certificate of foreclosure. It would be very difficult to promote the program from that standpoint.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEM R.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

S. REQUEST FOR APPROVAL TO COMMIT MONEY TO ENTER INTO A CONTINGENT FEE CONTRACT WITH OUTSIDE COUNSEL FOR LITIGATING MATTERS RELATED TO SOCIAL MEDIA PLATFORMS AND ATTENDANT CONSUMER HARMS, RISKS, AND IMPACT, PURSUANT TO NRS 228.1111 - Office of the Attorney General.

TERESA BENITEZ-THOMPSON (Chief of Staff, Office of the Attorney General [OAG]):

I am here today for Agenda Item S, which is a request for approval to commit money to enter into a contingency fee contract with outside counsel for litigating matters related to social media platforms and attendant consumer harms, risks, and impacts.

ASSEMBLYWOMAN BACKUS:

Are there already pending class actions or actions brought by states related to social media platforms?

MARK KRUEGER (Chief Deputy Attorney General, OAG):

The OAG is aware of a multi-district litigation, which includes several states and other local governments that are suing in this space, as well as other individual litigations within certain states.

ASSEMBLYWOMAN BACKUS:

Is Nevada able to join forces with the contingency fee agreement with those other attorneys that are already moving forward with these actions? If not, how will the OAG select counsel to represent Nevada subject to this agreement? If counsel has already been selected, who is it?

MR. KRUEGER:

The statutory framework the OAG must work on to select counsel is NRS 228.111 through NRS 228.1118, which provides that the OAG does not have the ability to directly retain outside counsel without going through the request for proposal (RFP) process through the Purchasing Division. The OAG also needs to come before the IFC to obtain approval for funding for the contingency fee after the contract has been negotiated and a vendor selected. The RFP process is confidential as it goes forward. Currently, the OAG has not received any applications because the deadline for receipt has not yet run.

ASSEMBLYWOMAN BACKUS:

Has the OAG considered using hourly fee contracts versus contingency fee agreements? I know Nevada has done a lot of multidistrict-type litigation where most have had contingency fee agreements.

MR. KRUEGER:

The OAG did consider hourly fee contracts. The problem is that when facing these types of litigations, the OAG learned, especially related to the opioids litigation, the enormous amount of discovery that is involved. To move forward with that type of discovery, it requires a significant amount of people on staff to collect and review the discovery. For example, in the opioids litigation, there were over 90 attorneys in a law firm through the contingency fee contract that were reviewing that discovery throughout the litigation. Thus, it is not cost beneficial to do it through just hiring and retaining on an hourly basis, it is more efficient to do so through the contingency fee process.

CRAIG NEWBY (Assistant Attorney General, OAG):

An hourly fee would require authority from either the Legislature or the IFC in terms of advancing monies to be able to proceed and having more specifics in terms of the precise amount of discovery. A contingency fee arrangement would allow the OAG to partner with firms that are well experienced with managing discovery costs, understanding what those are in terms of making the matter beneficial for them as a firm subject to the RFP process, and the requirements of picking the best firm for Nevada in terms of this potential matter versus cost is also another consideration because I suspect a significant amount of money would need to be requested to pursue discovery against social media platforms should this litigation proceed.

CHAIR MONROE-MORENO:

To get this determination, the OAG and the Governor must make the agreement together. The Governor has signed off on this, correct?

MS. BENITEZ-THOMPSON:

That is correct. I believe the OAG provided LCB staff the determination pursuant to NRS 228.111. That was made on August 15, 2023. It includes several "whereas" clauses to make the case for why this is the most cost effective and necessary way to proceed.

SENATOR TITUS:

Regarding the opioids settlement, since that is being used as a template, how much was the state awarded from that settlement and what percentage went to outside counsel?

MR. KRUEGER:

The State of Nevada received over \$1.1 billion from the opioids litigation. To put that in perspective, the State of New York received \$1.6 billion. Nevada did very well under the opioids litigation. It is used as a template because it is the only contingency fee contract the OAG has done underneath the new statutory framework that was adopted in 2015. The percentage that the State of Nevada paid never exceeded 21.5%. The OAG negotiated that rate at the time the contract was negotiated. The lowest amount the state would have paid at any given time under the contract was 9% and the maximum amount was 21.5%.

Discovery is always a big cut off. Once discovery is commenced, the costs increase, just like Mr. Newby explained. Most of the initial litigations, the state only paid a 19% fee. Now, I add to that some of the national settlements the state entered into have had fee funds. The OAG has made applications to those fee funds for the state and has received \$20 million back against those fees as a credit. Thus, the actual percentage will be going down. In addition, the state entered into the One Nevada agreement on allocation of recoveries, which would maximize the ability to get recoveries under this case and it did. That agreement includes all the local governments. Most of them were paying about 25%. A couple were paying upwards of 33%; the OAG assisted those local governments in renegotiating their contracts to bring it down to 25%. Add on how much the state paid in total, it works out to approximately 20% for that \$1.1 billion, most of that being the local governments that paid it with the state paying the least amount.

SENATOR TITUS:

Who will bear the upfront costs?

MR. KRUEGER:

The state does not pay any upfront cost for a contingency fee contract, which is one of the advantages of a contingency fee contract versus fronting the costs up front for the discovery and everything else when there is no guarantee of success. If the law firm does not recover anything, the law firm assumes all the costs. If the law firm does recover something, the firm is entitled to a fee of recovery and to the cost. Now, in addition to the fee fund, there is also a state cost fund. The OAG has also made application for that to reduce the costs further. I believe the state will receive between \$10 million and \$13 million back on those cost funds. That will reduce the overall cost as well. If there is another type of fee fund in this particular litigation, the OAG would take advantage of that just like in the opioids litigation.

I think that is something important that you mention because there are fees and there are costs, and costs are always there regardless of a contingency fee or upfront out-of-pocket costs. With the contingency fee, the risk gets moved to the contingency fee counsel and is not borne by the state.

SENATOR TITUS:

A big push back about this particular contract that I have heard from people is about the 25% collection compared to other states. The courts in Ohio have said that 15% is reasonable. Do you see any challenges with that? There is case law in other states stating that 15% is reasonable and 25% is not.

MR. KRUEGER:

I believe to what you are referring is the multi-district litigation out of the District of Ohio for opioids litigation. Judge Polster in that case issued an order when the distributor settlement first came to pass and that order limited attorneys' fees for local governments. Judge Polster also recognized that he had no authority or jurisdiction over states. The state contracts, regardless of the state, would remain at whatever was negotiated. The OAG looked at many state contracts in opioids before entering negotiations, and Nevada did a lot better than many other states. The local governments were reduced for that settlement, and that settlement only. I believe the reason for it, although not particularly articulated in the order, but it did allude to it in the order, was that it was the first real opioids settlement that brought in some money. The idea was the OAG did not know where the state would land with other settlements at the time. Judge Polster wanted to get as much to abatement as soon as possible; therefore, he issued the order that limited it at that time. He did not issue an order for any other settlement under the national settlement through the multi-district litigation so that type of thing will not be seen again.

I would also add that NRS caps it at 25%, which makes it difficult to negotiate. The OAG did well in negotiating down to between 9% and 21.5% when the statutory framework says the state is fine with paying 25%.

SENATOR TITUS:

How many firms have the capacity to do this type of litigation? Will these be Nevada firms or nationwide firms? If so, are there any concerns about previous association with attorneys that work at the OAG? Who will be on the selection committee?

MR. KRUEGER:

There is consideration, which is why the OAG will establish a committee and go through the Purchasing Division and apply a scoring process. The criteria are laid out in the RFP, a link to which is on the OAG website. It is unknown who will apply. One of the criteria is that the law firms need to have sufficient funding to be able to front this type of litigation and the cost. It is important to avoid a situation where if the funding is not sufficient, the OAG will have to find a replacement contractor. As the bids come in, the committee will use the criteria to score the bids. The OAG has only done this once before, so the opioids litigation must be used as a template.

Regarding whether Nevada law firms versus national law firms will apply, I am sure that national law firms will apply; however, I do not know if Nevada law firms will apply. By statute, Nevada law firms receive a 5% bump. The OAG made sure to close the loophole that some law firms were trying to utilize in the opioids litigation where national law firms had to, by law, associate with a Nevada law firm; therefore, the national law firm would qualify. The OAG included that in the RFP to ensure it does not happen again, and that it is clear and understood that the Nevada law firm must have its principal place of business in Nevada. It is a statutory bump. The last time, it was very close in the scoring and the opioids litigation was awarded because of that statutory bump and that alone. Thus, the process works well.

SENATOR GOICOECHEA:

The Governor and the Attorney General signed a letter of determination. How is the law firm selected?

MR. KRUEGER:

It is a two-step process that is laid out very transparently in the RFP. In the first step, law firms submit bids, which are then scored by the selection committee. The committee is comprised of five members. Each committee member individually scores each bid. The top three scores are then asked to provide an oral presentation, which is scored independently by each of the committee members. If one of the top scoring firms is a Nevada law firm, the firm is awarded a 5% bump. The scores are tallied, and the top score is the winner. The other bidders will be notified that they were not selected. Those firms can post a bond and challenge the results. Contract negotiations then begin with the selected firm.

SENATOR GOICOECHEA:

Who are the committee members?

MR. KRUEGER:

The committee is comprised of Ernest Figueroa, Consumer Advocate, OAG. He is the committee chairperson because the Bureau of Consumer Protection asked for this to be moved forward. I am the point of contact for the committee, and I am also on the committee. Another deputy from the Bureau of Consumer Protection is also on the committee. That deputy has been working in this space and has a lot of experience related to these issues. The OAG then reached out to other litigation staff on the Attorney General side of the house. The First Assistant and Second Assistant Attorney Generals, and the Attorney General's General Counsel are on the committee. Each of them brings a unique background and experiences as well as current work experiences. They are all extremely qualified to be people who can fairly and accurately score these proposals to select the best firm for the job.

ASSEMBLYWOMAN ANDERSON:

Thank you for providing such a complete and thorough answer of the RFP and the process. This is the first time I have heard this. I have had the opportunity to serve on this committee for several months, and even earlier today, there were four or five different departments that brought forward language of public/private partnerships where they were not asked the same questions. You thoroughly explained it from your department. I would hope those other departments go through the same process, in particular, I believe it was a sheriff's department earlier. Again, I appreciate how much time you spent answering the question about how much time the OAG takes to enter into a partnership agreement with a private industry, especially one that is very specific when it comes to social media.

I know there are many educators in the Legislature, but more importantly, I know there are many parents, educators, and fellow students who are seeing their peers negatively impacted by social media and technology, and especially with the mental health. I truly appreciate the OAG and the Governor's Office acknowledging this problem and that Nevada needs to join this discussion, because I am hearing about it from both my peers in my career, and also neighbors and students, who I speak with almost every day about this issue.

ASSEMBLYWOMAN BACKUS MOVED TO APPROVE AGENDA ITEM S.

SENATOR DONDERO LOOP SECONDED THE MOTION.

SENATOR TITUS:

I appreciate all the information and discussing all my concerns. I am going to oppose this motion. I am not convinced that the state needs to do this litigation and I am concerned that all the members on the selection committee are in-house staff.

SENATOR GOICOECHEA:

I am going to support the motion. I know there were some questions in the past, but I would like to see how the process works. I am one of those that advocate a little less might be better. I would love for Nevada to see the 15% cap that is seen in some other states.

ASSEMBLYMAN YEAGER:

I am fully supportive of this. I know it came out in the discussion, but I think it bears repeating the incredible complexity that comes of a case of this nature. It will likely be tens of millions, if not hundreds of millions of pages of discovery. This involves some of the largest social media companies in the world that have cadres of attorneys and will fight tooth and nail as is the right.

Contingency fee is a classic way to do things in the American system of justice and it is a way to make sure the state does not have the risk up front. I cannot even imagine what the amount would be if the IFC had to approve hourly contracts just for the discovery of this case in hopes of being able to recover something. Regarding the concerns about the fee, it is important to understand that the law firm is taking the risk. Those are attorneys employed by the law firm and they must get paid, so the law firm is in a position to make a business decision about whether the risk is commensurate with the potential reward. I think this is something that should be supported by this Committee because the state does not want to take on this risk.

As the Committee heard with the opioids litigation, it played out the same way and I think the state did well. The attorneys also did well, but they did a significant amount of work on the case. I want to highlight the complexity of that. This is in statute for a reason. The Governor has looked at it and signed off, so I do not think there is any reason that anyone on this Committee should not be approving this request.

THE MOTION PASSED WITH THE MEMBERS PRESENT. (Senator Titus opposed the motion.)

T. DEPARTMENT OF BUSINESS AND INDUSTRY - Housing Division - INFORMATIONAL ONLY - Status report on the Home Means Nevada Initiative for affordable housing as requested during the April 7, 2022, meeting of the Interim Finance Committee.

STEVE AICHROTH (Division Administrator, Housing Division, B&I):

The Housing Division provided the Committee with a report at the September 28, 2023, IFC meeting. Not much has changed since then so an updated spreadsheet was not provided to the Committee.

In the last week, another \$7 million has been expended, which is the extent of the report. I did take the liberty to drive around Northern Nevada yesterday and take some photos in case the Committee wanted to see progress photos.

Phase 1 of Sierra Flats in Carson City will have a total of 160 units, 80 units were approved through Home Means Nevada Initiative funds. The location is between Fairview and Highway 50 off Interstate 580. Next is a WHA project, which is on tribal land on Snyder Avenue in Carson City. Next is Eagle's Landing in north Carson City near the Walmart on College Parkway. This developer also has a project called Valley Springs, which is another affordable development in the same community.

The next project is Marvel Way, which will include 44 units. It is near Meadowood Mall in Reno. Also in Reno is Vintage at Redfield, which is a project on Redfield Parkway near the Atlantis Casino Resort Spa. It will have 223 units through the Home Means Nevada Initiative. Next is the Pinion Apartments located at Moana Lane and Interstate 580. The Threlkel Street project is near the Nevada Cares Campus off Fourth Street in Reno.

There is a lot of construction in the area and a Home Means Nevada Initiative project is part of that construction. Next is the Dick Scott Manor, which is a Reno Housing Authority project near the Livestock Events Center. Lastly is the Ridge at Sun Valley located north of the McCarran loop, which will include 195 units of affordable housing.

Over 1,000 units of affordable apartments are currently being developed through this funding. These are some of the results the Legislature decided the Housing Division should have purview over. The division will continue to provide these types of updates occasionally, including projects in Southern Nevada.

SENATOR GOICOECHEA:

Was Nevada Rural Housing Authority (NRHA) able to bring on any projects?

MR. AICHROTH:

There are no new construction projects for the NRHA. The NRHA is providing some downpayment assistance and rehabilitation and renovation of homes.

There was no further discussion on this item.

U. INFORMATIONAL ITEMS.

SARAH COFFMAN (Assembly Fiscal Analyst, Fiscal Analysis Division, LCB):

The following items have been pulled for further discussion: Agenda Item U.3b, Nevada Department of Education, which will be discussed with Agenda Item O; and Agenda Item U.5b(2), Department of Health and Human Services, Division of Health Care Financing and Policy.

- 1) OFFICE OF THE GOVERNOR - Governor's Office of Finance - Special Appropriations - Nevada Center for Civic Engagement - Final report of expenditures for the period October 15, 2021, through June 30, 2023, pursuant to Assembly Bill 355, Section 2(2)(b) (2021 Legislative Session).

There was no discussion on this item.

- 2) DEPARTMENT OF ADMINISTRATION - State Public Works Division
 - a) Report on Veterans with Service-Connected Disabilities Bidders' Preference for the period January 1, 2023, through June 30, 2023, pursuant to NRS 338.13846.
 - b) Information regarding the Project Status Exception Report pursuant to NRS 341.100(8)(g).

There was no discussion on these items.

3) NEVADA DEPARTMENT OF EDUCATION

- a) Report on Nevada Ready Pre-K Equity Study (letter of intent, 2021 Legislative Session).

There was no discussion on this item.

- b) Report on the number of teachers and education support professionals employed by all school districts in the state, pursuant to Section 1(4) of Senate Bill 231 (2023 Legislative Session).

Agenda Items O and U.3b were discussed jointly. Refer to discussion under Agenda Item O.

- c) Report on the expenditures by the Leadership Institute of Nevada (formerly known as the Clark County Public Education Foundation, Inc.) for the implementation and operation of educational leadership training programs through June 30, 2023, pursuant to Senate Bill 458, Section 8(8)(b) (2021 Legislative Session).

There was no discussion on this item.

4) NEVADA SYSTEM OF HIGHER EDUCATION

- a) Semiannual report on registration fees and any additional non-resident tuition fees received by each institution beyond the authorized amounts for the period ending June 30, 2023, pursuant to Section 8(2) of Senate Bill 459 (2021 Legislative Session).
- b) Semiannual report demonstrating how capacity funding is being expended by each institution in each of the supported program areas, for the period ending June 30, 2023 (letter of intent, 2021 Legislative Session).
- c) Annual report on research operations and maintenance expenditures for the University of Nevada, Las Vegas and the University of Nevada, Reno and the benefits of receiving these appropriations for the period ending June 30, 2023 (letter of intent, 2021 Legislative Session).
- d) Report on the criteria for eligibility and amounts established for the retention incentives required to be paid to NSHE employees, other than employees in the classified service, for Fiscal Year 2023, pursuant to Section 3.5(2) of Assembly Bill 268 (2023 Legislative Session).

There was no discussion on these items.

5) DEPARTMENT OF HEALTH AND HUMAN SERVICES

- a) Aging and Disability Services Division - Quarterly report for Senior Rx and Disability Rx Prescription programs for the period ending July 31, 2023, pursuant to NRS 439.630(1)(c).

There was no discussion on this item.

b) Division of Health Care Financing and Policy

1. Annual report on the Specialized Foster Care program including information related to new services, the number of individuals receiving the new services, the actual cost of services provided, and an estimate of savings associated with reductions in other Medicaid services for the period ending June 30, 2023 (letter of intent, 2021 Legislative Session).

There was no discussion on this item.

2. Report on the status of the Public Option federal waiver application and program expenditures. **RECEIVED 9-19-23, AFTER THE 9-11-23 SUBMITTAL DEADLINE.**

STACIE WEEKS (Division Administrator, Division of Health Care Financing and Policy [DHCFP], DHHS):

With me today is Malinda Southard, Deputy Administrator, who will be overseeing the federal waiver program, which will include the public option team. She will be providing updates on the program in the future.

The update I have today is that the division is on track to submit the Section 1332 waiver application by January 1, 2024, which is in accordance with state law and the requirements. The DHCFP will be hosting a 30-day public comment period, which is the minimum federal public comment period required prior to submitting the waiver. The division will also be hosting two public hearings virtually as required by federal law.

The DHCFP originally anticipated posting the waiver application on October 15, 2023; however, due to workforce challenges as well as updating the actuarial analysis, the division expects to post the waiver application on November 15, 2023, which will begin the official 30-day public comment period, and the division will begin hosting public hearings. The division will have enough time to provide necessary updates to the waiver and submit it by January 1, 2024.

The division is also actively recruiting key staff to lead the implementation of the public option. As mentioned, Deputy Malinda Southard will be leading this team. The division made an offer this week for one of the supervisory positions and that offer was accepted. That individual will be starting October 16, 2023, which is very exciting. The plan is to recruit and fill the other four positions for the program later this fall and winter.

Currently, the division is working with Milliman to provide services for the federal waiver actuarial analysis. That work is underway, and the division is expecting to present a contract at the November Board of Examiners

meeting with a request to back date the contract to cover the services provided by Milliman in October to update the analysis.

SENATOR CANNIZZARO:

I appreciate the opportunity to put this on the agenda so the Committee can get a better idea of the progress of the implementation of S.B. 420 from the 81st (2021) Legislative Session.

It is interesting to me that the state remains in the same position as it was more than a year ago, getting ready to go into a public comment period. That original public comment period was pulled. The state is now in the same position and facing a rapidly approaching deadline. Would someone from the division explain the reason for that delay? Why was the public comment period abandoned only to then be in the same position now, having wasted all that time, with nothing new?

Ms. WEEKS:

Yes, the division did pull back because of the legislative session and some other things that were occurring. The last couple of months the DHCFP has been working on an approach to the waiver and updating it with the Governor's Office to ensure it reflects some of the priorities of the Governor's Office. That is why the Committee will see an updated analysis in the application. The DHCFP has been waiting to post to ensure it reflects everything the division has been working on. I apologize for the delay.

SENATOR CANNIZZARO:

In that respect, because it appears as though the state is again going into the exact same public comment period, what are these different priorities that have suddenly changed in the last few weeks? This was not mentioned during the 82nd (2023) Legislative Session. I am trying to pinpoint what is contributing to the overall delay.

Ms. WEEKS:

On top of some of the changes to the waiver application, I will note that the DHCFP was waiting to see if staffing would be funded. Once the division received the funding after the legislative session, the division has been working to fill those positions. Part of the delay has been trying to establish a team.

I would note the Governor is committed to implementing S.B. 420 in good faith and doing so in a responsible manner. Part of it was looking at the potential risk to the market and what options needed to be considered for the pass-through funding. Currently, the updates reflect some of the proposals from the Governor including a new state investment for the federal waiver funds into what the division is calling a “market stabilization program.” This includes financing a state reinsurance program for the entire individual market. It also includes developing a new quality incentive payment program for insurers that are meeting certain targets and goals in the public option products and investing in new strategies to increase capacity of the state's health care workforce, including a school loan repayment program for providers willing to live and work in Nevada's workforce shortage areas and rural communities for at least four years.

Those are the three new components of the waiver. The division needed to update the actuarial analysis to reflect a reinsurance program which will bring in more federal dollars to the state to fund these additional programs to improve the health care market and improve the stability of the insurance market.

SENATOR CANNIZZARO:

I know this was discussed during budget hearings to ensure the DHCFF had enough staff. That is why the money committees specifically made sure the funding was included to fully staff this so that the division was not trying to do multiple things within its current purview plus the additional tasks involved with the implementation of S.B. 420. I am glad that everyone is now on the same page again to move forward toward a public comment period.

I appreciate you providing additional details today. The memo the Committee received was a one-page response to some of the Committee's questions that were sent to the DHCFF ahead of time. In the memo the Committee received, it said that staff had not yet been hired. The division was anticipating bringing on two supervisory positions by mid-October. It sounds like the division has at least identified one of those individuals.

MS. WEEKS:

Yes, that is correct. The division just made an offer and the individual accepted with a start date of October 16, 2023. The division is hopeful to have the second position hired within the next three to four weeks and then will add the additional staff to the team.

SENATOR CANNIZZARO:

Does the division have a timeline for when the additional staff will be added?

Ms. WEEKS:

The division is working with the Division of Human Resource Management and other agencies to get those positions posted. My hope is to have most of the positions filled within the next eight weeks. The division has had more success lately due to the salary increases. After the legislative session, there was a delay with some of the positions being posted due to issues with the website. Now that the positions are being posted, the DHCFP has been able to fill many of its vacancies recently.

SENATOR CANNIZZARO:

It is disappointing to hear it will take eight weeks to fill the positions because that is very close to the waiver submittal.

I believe you mentioned a 30-day public comment period; however, the memo the Committee received indicated a 45-day public comment period, which I think has been the general understanding, at least of this Committee. Please confirm the number of days for the public comment period.

Ms. WEEKS:

The minimum requirement for the public comment period is 30 days; however, the division was hoping to do 45 days to allow more time. Because the actuarial analysis needs to be updated with the reinsurance program, the division needs to provide Milliman adequate time to perform that analysis. Milliman will turn it around over the next several weeks. The division does not want to post something that might change because then it will make the public comment period not right for submission; it would not count for the federal government. Thus, the division wants to ensure the public comment period is completed, which is the reason for the 30 days. That will allow adequate time to meet the January 1, 2024, deadline.

SENATOR CANNIZZARO:

I appreciate the clarification. I think that further highlights why I thought it was important that the Committee discuss this, because there was adequate time included for the public comment period, but now the state is up against the deadline.

When can the Committee expect to see the waiver and supporting documentation, and when will that be posted publicly? The Committee has heard concerns and I think it will help people prepare ahead of time for public comment. Of the items mentioned today, none of this is outside the realm of what could potentially be included in a waiver. It would be helpful to know exactly what pieces are going to be part of that public comment period.

MS. WEEKS:

As of now, the latest posting date will be November 15, 2023. I would like to have more information on the website prior to that date. Within the next week, I am hopeful the division will have at least a new summary of the approach the Governor will be taking with the use of the new federal waiver funds and the market stabilization programs. There should be something on the website initially, which the division will be more than happy to share with the Committee. That will at least summarize, at a high level, what the funding uses will be for the waiver.

As mentioned earlier, the actual application will include an updated actuarial analysis with the reinsurance program and that will all be posted by November 15, 2023. Soon after, the division will start a public hearing to provide a presentation explaining what is included in the waiver, the anticipated impact, and how much funding the State of Nevada will receive. The division will also answer questions and include any feedback and comments into its submission to the federal government.

SENATOR CANNIZZARO:

That is a very short timeframe for this to be posted publicly November 15, 30 days for the public hearings, and then finalize and submit that waiver to the federal government by January 1, 2024.

Has the division talked to any members of the federal delegation to ask for help or advice on making sure the waiver gets through the Centers for Medicare and Medicaid Services (CMS)? What is the division doing on the back end to ensure the waiver is approved?

MS. WEEKS:

Yes, the division is discussing that with the Director's Office and the Governor's Office. Once the division has a better idea of some of the new components and have made them public, the conversations will occur over the coming weeks.

You are correct, it is a very tight timeline. The division is aware that many states use their delegation to help support their application so that is something the division is discussing. I am hoping the DHCFP can do some of that outreach in the next month.

SENATOR CANNIZZARO:

Under another waiver item from an Assembly bill that just passed during the 82nd (2023) Legislative Session, the public comment period and waiver submission process has already begun. I understand that waiver is slightly different under Medicaid for continuing coverage for people; however, I believe the division has the ability and the staff to get this accomplished. I know that this having been pulled previously and now being so close to that deadline, I think it is important to ensure this gets done. I think there are still pieces of this public option that will be implemented to accomplish the intent of S.B. 420. I hope there will be evidence on the back end that there is support through the CMS to ensure this gets submitted and approved.

Given that the Committee has very little details today, I would like to request that this is included as an informational item on the December IFC agenda so the Committee can ask additional questions since the state will be up against the January 2024 deadline. I thought the Committee would have more information on the implementation process at this point. It has been known for a year that this was coming, and the money committees were assured throughout the legislative session that this waiver deadline would be met. It is important money; approximately \$500 million over five years to the State of Nevada that can be used to support health care costs and services in the state.

SENATOR NGUYEN:

You mentioned incorporating the reinsurance aspect. Is that a new addition to implementing this bill?

MS. WEEKS:

Yes, it is new. It is a little different than what other states do with reinsurance. Essentially, the public option has a premium reduction target, and that target will reduce the cost of premiums in the exchange, which means the federal government saves in terms of tax credits that are provided in premium assistance. Nevada will capture that money that the state has saved the federal government through the premium reduction target. There was discussion with the previous administration about using that money for things such as consumer assistance. However, the Governor would like to see that funding reinvested into the market to better stabilize the market

with the public option to ensure the success of the market and to help with some of the growth and the high cost in the individual health insurance market. The division will be using that new waiver funding that comes from the savings from the public option to fund a new reinsurance program in the state. The goal is to have that fully federally funded, which in the past, a significant amount of state money would have been necessary to fund the program. What is nice about this avenue is that it would be free to the state and the division would design the program around the funding received. That is how the funding would be prioritized. Any remaining money would be used in future years for the incentive payment program focused on quality, which is currently done in the Medicaid managed care program. For example, this year there is a primary care spending target in the Medicaid managed care program, and it is working well. Health plans are working hard to spend more on primary care. If they meet their spending target, they will essentially receive a 1% bump in their rate. That is something the division is considering for the individual market for the same carriers. It is driving some of those reforms, not only in the Medicaid program, but for people in the individual market.

The third piece would be the loan repayment program. As mentioned earlier, other states have loan repayment programs. People would be required to live in Nevada for four years and work in rural areas or workforce shortage areas, and they could get all their school loans repaid for being a provider. Nationwide, people will often remain in those communities. It has been a successful program in other states so the division would like to fund something like that with the additional funds.

SENATOR NGUYEN:

The reinsurance and incorporating it is new and was not contained in the original S.B. 420. I know that is different than some other states that have engaged in public option-type programs. Who gave you the guidance to go that route, and what kind of outreach has been done for organizations that might be impacted by these reinsurance provisions? I know that commercial labor plans would probably be impacted by the reinsurance provisions as outlined.

MS. WEEKS:

The DHCFP has the authority under state law to spend the funding in a manner that improves the affordability of the public option. The division believes reinsurance is required to ensure that the public option is affordable as well as to stabilize the market. The direction came from the Governor's Office and his priorities in implementing this law in good faith and in a responsible manner for the market.

The division has not engaged any stakeholders. Today is the first time discussing it. That is one of the reasons the division was waiting for today's meeting. After the public comment period, the division looks forward to hearing from other groups about how they might be impacted. Milliman is performing the actuarial analysis, which it has also done in other states. There are 19 states with reinsurance programs. It is one of the more effective ways of controlling health care costs in the individual market. The division is more than happy to discuss with other groups. I would also like Milliman to look at that impact in their analysis.

SENATOR NGUYEN:

Similar to the Senator Majority Leader, I have serious concerns about meeting the January 1, 2024, deadline. I am concerned about where the state currently stands, especially knowing how all these application and waiver processes work when submitting things to the CMS. What happens if the CMS rejects the application because there is not enough time for public comment or if corrections need to be made to the application? How much of a delay do you anticipate in those circumstances? Will the state have to reapply, or can a corrected application be submitted?

MS. WEEKS:

I am very committed, and I can promise the Committee that the division will meet the comment period and the deadline. That does not mean the CMS may not find the application incomplete for other reasons. That happens on many waivers, even Medicaid waivers. Sometimes the CMS wants different data, or the division may overlook something on the application. When that happens, typically the division just needs to update the waiver or sometimes host another public comment period. Hopefully that will not be the case. That is the typical process for many waivers. If the CMS determines the application is complete, that will start the clock. If the DHCFP needs to make a change, there is an option to amend the application. The division would need to post for public comment for that amendment. For example, if lawmakers and others have concerns and things were not fixed or addressed, the division expects it would be negotiating and discussing the waiver with the CMS for some time. The waiver can be amended along the way. The division has done that with the Section 1115 Substance Use Disorders waiver for Medicaid, which the division is currently working on. Although not ideal, it is part of the process.

SENATOR NGUYEN:

As far as some of these newer provisions the Governor's Office has asked the DHCFP to incorporate in the application, does the division have any concerns about the reinsurance aspect or any other aspects of the plan that would prevent the state from pulling down \$500 million in federal funds? I do not want to see a plan submitted that does not match the legislative intent of the bill, and then instead of having the federal government pay for it because of these new added provisions, the plan is set up for failure.

Ms. WEEKS:

In my honest opinion, I think the added provisions make the waiver stronger. I think it makes the market and the public option success stronger. I think the state needs reinsurance to ensure that the high costs that are in the market are covered, and that any risk associated with the public option being new in the market can be addressed. The DHCFP anticipates it will bring in more money over time because not only will the state be doing a premium reduction target, but also essentially insuring the high-cost claims in the market. Thus, Nevada will be saving the federal government more money. Combined, it will result in more federal money for the state if approved by the CMS.

SENATOR NGUYEN:

I have many questions, but I will take those offline. Hopefully the Committee will have another opportunity to discuss this in December. If not, I will reach out to Ms. Weeks directly.

SENATOR TITUS:

I want to acknowledge the work of the DHCFP. It is no secret that I am against the public option; however, the law is passed. The state has obligations and needs to ensure that what is being done makes sense for Nevada's population and health care in the future. I appreciate all the effort and concern the division has put into this.

CHAIR MONROE-MORENO:

With the conversation that took place today on this subject matter, I believe this issue needs to be discussed again at the December 2023 IFC meeting since the state is up against the deadline.

There was no further discussion on this item.

- c) Division of Welfare and Supportive Services - Quarterly report concerning the American Rescue Plan Act Child Care Stabilization grant funds and expenditures for the period April 1, 2023, through June 30, 2023, as requested during the August 18, 2021, meeting of the Interim Finance Committee.

There was no discussion on this item.

- d) Division of Child and Family Services - Annual report on expenditures relating to the placement of children in Specialized Foster Care/Advanced Family Foster Care programs statewide for the period ending June 30, 2023, pursuant to NRS 424.041(2).

There was no discussion on this item.

- 6) DEPARTMENT OF PUBLIC SAFETY - Highway Patrol Division - Notification of the addition of three new classified positions, resulting in an increase from 15 FTE to 18 FTE for the Highway Safety Grants Account.

There was no discussion on this item.

- 7) DEPARTMENT OF MOTOR VEHICLES

- a) Status report on the issuance of technology fee refunds as required by the stipulation agreement dated November 1, 2021, for the period ending August 31, 2023. **WITHDRAWN 9-14-23.**
- b) Semiannual report on the status of the DMV Transformation Effort project for the period ending June 30, 2023 (letter of intent, 2021 Legislative Session).
- c) Fiscal Year 2023 report on the use of funds received by each local air pollution control agency from the quarterly and annual distribution from the Pollution Control Account, pursuant to NRS 445B.830(5):
 - 1) Clark County Department of Environment and Sustainability.
 - 2) Washoe County Health District, Air Quality Management Division.

There was no discussion on these items.

- 8) STATE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

- a) Commission on Off-Highway Vehicles - Semiannual report concerning the status of the Off-Highway Vehicle grant program for the period ending June 30, 2023 (letter of intent, 2021 Legislative Session).
- b) Division of State Parks - Annual report regarding expenditures authorized pursuant to NRS 407.0762 (Account for Maintenance of State Parks) and NRS 407.0763 (Account for Maintenance of State Park Facilities and Grounds) for the period ending June 30, 2023 (letter of intent, 2021 Legislative Session).
- c) Division of Forestry - Semiannual report concerning the status of the Ely Conservation Camp for the period ending June 30, 2023 (letter of intent, 2021 Legislative Session).

- d) Water Conservation and Infrastructure - Quarterly report regarding the allocation of \$100 million in American Rescue Plan Act, Coronavirus State Fiscal Recovery Funds for the period ending June 30, 2022 **2023**, as requested during the October 20, 2022, meeting of the Interim Finance Committee. **RECEIVED 9-19-23, AFTER THE 9-11-23 SUBMITTAL DEADLINE. REVISED 9-20-23.**

There was no discussion on these items.

- 9) NEVADA DEPARTMENT OF VETERANS SERVICES
 - a) Annual report detailing the expenditures made from the Gift Account for Veterans for Fiscal Year 2023 pursuant to NRS 417.115(6).
 - b) Annual report detailing the expenditures made from the Account to Assist Veterans Who Have Suffered Sexual Trauma for Fiscal Year 2023 pursuant to NRS 417.119(4).
 - c) Annual report detailing the expenditures made from gift funds for the Veterans Homes in Southern Nevada and Northern Nevada for Fiscal Year 2023 pursuant to NRS 417.145(9).

There was no discussion on these items.

- 10) Reports on the use of consultants for the January 1, 2023, through June 30, 2023, reporting period:
 - a) Reports from school districts pursuant to NRS 391.155.
 - b) Reports from boards and commissions pursuant to NRS 333.705(7).

There was no discussion on these items.

V. STATUS REPORT REGARDING THE SUBCOMMITTEE ON EDUCATION ACCOUNTABILITY OF THE INTERIM FINANCE COMMITTEE.

SARAH COFFMAN (Assembly Fiscal Analyst, Fiscal Analysis Division, LCB):

Assembly Bill 399 (82nd [2023] Legislative Session) creates the Subcommittee on Education Accountability of the Interim Finance Committee, which is comprised of five members of the Assembly appointed by the Speaker of the Assembly, three of whom must be members of the majority political party and two of whom must be members of the minority political party, and three members appointed by the Majority Leader of the Senate, two of whom must be members of the majority political party and one who must be a member of the minority political party. The members of the Subcommittee on Education Accountability are as follows:

Assemblyman Steve Yeager (Chair)
Assemblywoman Daniele Monroe-Moreno
Assemblywoman Sandra Jauregui
Assemblyman Philip P.K. O'Neill

Assemblyman Ken Gray
Senator Nicole Cannizzaro (Vice Chair)
Senator Marilyn Dondero Loop
Senator Robin Titus

W. PUBLIC COMMENT.

DORA MARTINEZ:

I want to thank the Majority Leader of the Senate, Nicole Cannizzaro, for bringing up the point about those funds that are not be used. I help many elderly and disabled people who are trying to obtain utility assistance, and they have not heard anything in four months.

JAMELLE NANCE (Director of Prenatal to Three Initiative, Children's Advocacy Alliance):

I wanted to express my appreciation for the discussion around child care. I would like to share how important the continued need is to support child care in Nevada to ensure providers have the support they need to remain in business and families are kept in mind that continue to struggle with the cost of child care.

Currently, 74% of children ages 5 and younger still do not have access to a licensed provider. There continues to be child care deserts throughout the state, limiting access especially in the rural communities. The National Survey for Children's Health reports that 13% of children from birth to age 5, which is 2.8 million, had a family member who faced work challenges due to child care issues. This has a direct impact on the business sector. If parents or caregivers cannot work, businesses suffer as a result.

Solving Nevada's child care crisis will require robust and lasting financial investment. Dismantling bureaucratic barriers, changing zoning laws that prohibit providers from establishing home-based child care, and incentivizing businesses to assist with employees' child care needs. The Children's Advocacy Alliance partner, the Children's Cabinet, has been hard at work educating the community about the availability of subsidy funds and continue to reach new families daily. The long-term success of child care providers in the state depends on developing solutions with lawmakers, government agencies, community-based organizations, advocacy groups, and the business community.

X. ADJOURNMENT.

Chair Monroe-Moreno adjourned the meeting at 4:32 p.m.

Assemblywoman Daniele Monroe-Moreno, Chair
Interim Finance Committee

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